

Territorial Cooperation Programme, ESPON 2013  
 CCI 2007CB163PO022

SECTION	DESCRIPTION
<p><b>1. General</b></p> <p>1.1. Information submitted by:</p> <ul style="list-style-type: none"> <li>• Member State</li> <li>• The main contact point                             <ul style="list-style-type: none"> <li>○ Name of the institution</li> <li>○ Responsible unit</li> <li>○ Address</li> <li>○ Telephone, fax</li> <li>○ E-mail address</li> <li>○ Title (Mr/Mrs)</li> <li>○ Name and Surname</li> <li>○ Position within the unit</li> </ul> </li> </ul> <p>1.2. The information provided describes the situation on :</p>	<p>Finland</p> <p>Ministry of the Employment and Economy                      Regional Development Unit                      P.O. Box 32, FI-00023 GOVERNMENT                      + 358 10 606 4910                      ilkka.mella(at)tem.fi                      Mr                      Mella, Ilkka                      Ministerial adviser</p> <p>05/03/2010</p>
<p><b>2. System Structure</b></p> <p>What kind of system did you opt for?</p> <ul style="list-style-type: none"> <li>- a <u>centralized control system</u>: a control body appointed at central level to carry out the control for all beneficiaries on the territory (please continue with question 2.1)</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- a <u>decentralized control system</u>: the beneficiaries proposes a controller who is authorized by a central MS body or selects a controller from a short list provided by the MS (please continue with question 2.2)?</li> </ul>	<p>A decentralized system</p>

2.1 Centralised Control System	
<p>Please describe the system. Please indicate if the control is carried out by civil servants or by an external audit firm appointed for this specific mission. In case of an external audit firm, please explain how it was/will be appointed.</p> <p><u>Contact details of the controller</u> Please provide the contact details of the designated body who will undertake the controls.</p>	<p><u>Control Body 1</u></p> <ul style="list-style-type: none"> <li><input type="radio"/> Name of the institution</li> <li><input type="radio"/> Responsible unit</li> <li><input type="radio"/> Address</li> <li><input type="radio"/> Telephone, fax</li> <li><input type="radio"/> E-mail address</li> <li><input type="radio"/> Title (Mr/Mrs)</li> <li><input type="radio"/> Name and Surname</li> <li><input type="radio"/> Position within the unit</li> </ul>
<p><u>Contact details supervisory body</u> In case of an external controller, please specify the body fulfilling the supervisory duties and the contracting.</p>	<p><u>Supervisory Body 1</u> Name of body,</p> <ul style="list-style-type: none"> <li><input type="radio"/> Name of the institution</li> <li><input type="radio"/> Responsible unit</li> <li><input type="radio"/> Address</li> <li><input type="radio"/> Telephone, fax</li> <li><input type="radio"/> E-mail address</li> <li><input type="radio"/> Title (Mr/Mrs)</li> <li><input type="radio"/> Name and Surname</li> <li><input type="radio"/> Position within the unit</li> </ul>
<p><u>Controller's qualification</u> Which minimum requirements (degrees, work experience, national qualifications, and/or registration in professional organisations) does the controller under the centralized system described above shall fulfil?</p>	


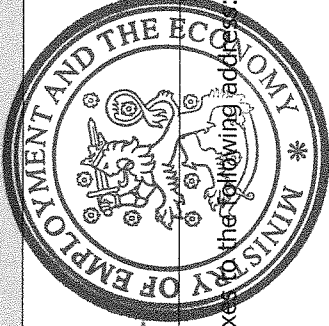
<p><b>2.2 Decentralized Control System</b> Please describe the system.</p> <ul style="list-style-type: none"> <li>- Will the beneficiary select a controller from a list of several public and/or private control bodies established on MS level beforehand</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>- will the beneficiary propose an independent controller (internal or external), who is then authorized at central level before the first expenditure is reported and confirmed (please also refer to the guidance note established by the CU attached)?</li> </ul> <p>In both cases, please explain the procedure for establishing the shortlist or authorizing the controller.</p> <p>If appropriate, please give also examples of types of possible control bodies.</p> <p>In case of use of shortlist of controllers, please provide the list (if not available yet, please indicate date of publication of shortlist).</p> <p><u>Controllers' qualification:</u></p> <p>Please explain the minimum requirements for a controller to act as Project partner/Lead partner (e.g. degrees, work experience, national qualifications, and/or registration in professional organisations).</p> <p>For the approbation/selection of controllers at central level, we suggest using the 'Designation Checklist &amp; Certificate' provided within the ESPON 'First Level Control Documents'. Please confirm the use of this document or explain what kind of other document(s) (which has to be at least equivalent)</p>	<p>There will be no list.</p> <p>The partner shall propose an independent officially authorised auditor contracted according to applicable public procurement legislation with sufficient knowledge and experience in Community Structural Funds to act as controller. The Ministry of Employment and Economy will check the competence and independence of the controller (national application form, see Annex) and after the checking will certify the auditor to act as First Level Controller for the partner in that particular project.</p> <p>The auditors proposed as controllers must have the formal authorisation to function as auditors for companies or public authorities. They are members of one of the three national professional organisations. Requirements for membership are set out by law and include minimum education and work experience plus passing the professional qualification examination. The proposed controllers must also have sufficient knowledge of Community SF legislation and experience in controlling projects financed by Community.</p> <p>Controllers (auditors) must be either Chartered Public Finance Auditors authorized by the Board of Chartered Public Finance Auditing (JHTT) or Authorized Public Accountants authorized by the Central Chamber of Commerce (KHT) or Authorized Auditors authorized by local Chamber of Commerce (HTM).</p>
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<p>you will use instead. Copy of the equivalent documents should be provided to the ESPON Coordination Unit.</p>	<p>We shall use the national application form for certification of 1<sup>st</sup> level controllers (Annex).</p>
<p><u>Contact details of the central approbation body</u> Please indicate the contact details of the central body in charge of establishing the shortlist of selected control bodies or the body in charge of authorizing the controller proposed by a project partner.</p>	<p><u>Central Approbation Body</u></p> <ul style="list-style-type: none"> <li>o Ministry of Employment and the Economy</li> <li>o Regional Development Unit</li> <li>o P.O. Box 32, FI-00023 GOVERNMENT</li> <li>o Mr Pekka JÄRVIO, Ministerial Counsellor, Tel +358 10 60 64924</li> <li>o email pekka.jarvio(at)tem.fi</li> <li>o Ms Tuula MANELIUS, Ministerial Counsellor, Tel +358 10 60 64909</li> <li>o email tuula.manelius(at)tem.fi</li> </ul>
<p><b>3. Separation of Functions</b> Please explain how your Member State will ensure a clear separation of functions between the different bodies having responsibilities for the management and control of project(s) and/or the programme. If appropriate, please provide an organisation chart to document the separation of functions between the bodies or units in charge of</p> <ul style="list-style-type: none"> <li>- project activities and finances</li> <li>- the verification of the project expenditure and delivery of the products and services (so-called "first level control" according to Article 16 of Regulation 1080/2006)</li> <li>- the sample checks on operations (the so-called "second level audit" according to Article 14 (2) of Regulation 1080/2006 and Article 62 of Regulation 1083/2006)</li> <li>- and project approval/Monitoring Committee representation (according to Article 63 of Regulation 1083/2006)?</li> </ul>	<p>National Structural Fund Act decrees relevant responsibilities and division of functions.</p> <p>The certified First Level Controllers must be fully independent of the body controlled and not involved in any other aspects of the project including project activities, finances and approval.</p> <p>They can, however, function as external auditors of the partner body. Internal auditors will not be certified as Finnish First Level Controllers.</p> <p>These auditors and their parent organisation (audit company) are excluded from participating in sample checks (second level audit) on the operation they are controlling.</p>

<p><b>4. First Level Control Delays</b></p> <p>How do you ensure that the first level control is carried out within 2 months after receipt of the documents?</p> <p>Three months are requested by the regulation 1080/2006, but the Lead Partner will also need two months after reception of the certification from the Project Partners to establish its own certification. This will allow the project to present a reimbursement claim four months after the completion of the six months reporting period?</p>	<p>The Ministry has given instructions concerning control timetable. The controller commits him/herself in the application form to the deadline set out by the programme in question. The controller has legal liability for any financial losses caused by his actions e.g. failure to validate a reimbursement claim in the set deadline.</p>
<p><b>5. Quality Assurance/Guidance to FLC bodies</b></p> <p>The programme established</p> <ul style="list-style-type: none"> <li>- ESPON control guidelines;</li> <li>- a template for a First Level 'Control Checklist';</li> <li>- a template for a First Level 'Control Report';</li> <li>- a First Level 'Control certificate – Lead Partner' and a First Level 'Control certificate – Project Partner';</li> <li>- a 'Designation Checklist &amp; Certificate' only to be used in countries with decentralized FLC system.</li> </ul> <p>The use of these standardized documents will be obligatory.</p> <p>Have you provided any additional guidance to the body/bodies in charge of first level control to ensure sound financial control (such as written guidelines, training)</p> <p>If yes please provide</p> <ul style="list-style-type: none"> <li>- the reference</li> <li>- the date</li> <li>- related documentation (if applicable).</li> </ul>	<p>The Ministry has provided regular training to the controllers. It has issued guidance concerning the designation procedure of national first level controllers on the 13 October 2008 TEM/3357/570/2008 (available in Finnish and Swedish at the Ministry website <a href="http://www.tem.fi/eay/valvonta">www.tem.fi/eay/valvonta</a>).</p>

<p>Copies of the additional guidance documents should be provided to the ESPON Coordination Unit as soon as they will become available.</p>	
<p>Please describe how you will ensure that the guidance is followed and the requirements resulting Article 60 b) of Regulation (EC) No 1083/2006 and from the ESPON 2013 control guidelines and ESPON 2013 control certificate are respected.</p>	

<p><b>6. Control Cost</b> Who will pay for the control? Will it be provided for free (by the MS) or will the cost be borne by the Lead/Project partner and thus reported as eligible cost within the project?  If the control cost is borne by the beneficiary and to be reported as eligible project cost, please provide details on how the cost is calculated, what is the basis for the payment (e.g. service contract) and to whom it has to be paid.</p>	<p>The beneficiary will pay costs for the control and report it as eligible cost for the project.</p> <p>The basis for the cost is a service contract concluded with the controller or his employer (audit company) after applicable public procurement procedure. It is paid by the beneficiary to the controller or his employer (audit company).</p>
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<p><b>Name, Title + Organisation of Signatory for the MS</b> Heikki Aurasmaa Permanent Under-Secretary of State Ministry of Employment and the Economy Regional Development Unit</p>	<p><b>Place, Date, Signature and Stamp</b> Helsinki 5 March 2010</p>  
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Thank you in advance for sending the filled-in questionnaire including relevant annexes to the following address:

ESPON Coordination Unit  
CRP HT – BP 144  
L-4221 Esch sur Alzette  
Luxembourg

**ANNEX: National Application Form**



Certification form  
13.10.2008

3357/570/2008

## CERTIFICATION OF FIRST LEVEL CONTROLLERS

### in European Territorial Cooperation programmes

[to be filled in and signed by the project partner and the auditor proposed as partner controller and submitted to the Ministry of Employment and the Economy]

#### 1. Programme

Name of the Programme	(eg. Central Baltic Interreg IV A programme, Baltic Sea Region programme)
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#### 2. Operation (Project)

Name of the operation	
Acronym	
Index / ID number	
Project Lead Partner	
Finnish partners in the project	
Total budget (ERDF) of the project	EUR
Duration of the operation	
Reporting periods of the project	

#### 3. Project Partner to be controlled

Name of the contact person	
Department / Unit	
Organisation	
Address	
Telephone number	
Fax number	
e-mail	
Function in the project (Lead partner or project partner)	
Partner budget, total	EUR
Partner budget, ERDF	EUR
The proposed controller will be shared by several partners of the project	<input type="checkbox"/>

	if yes, attach the information (point 3) concerning the other partners to be controlled in a separate appendix
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#### 4. Auditor proposed as Partner Controller

Name	
Job title	
Department/Unit	
Organisation	
Address	
Telephone number	
Fax number	
e-mail	
Has the auditor been certified before as a controller of a European Territorial cooperation programme / project / partner? If yes, give the date(s) of the certification decision(s).	<input type="checkbox"/>

#### 5. The tendering procedure used in choosing the auditor

Has the auditor proposed as a controller been chosen through a tendering procedure?	
Please describe the tendering procedure.	
Was the tendering procedure carried out for the purpose of the control of the specific operation mentioned in part 2 of this form?	
If not, for which purpose and when was the tendering procedure originally carried out?	

#### 6. Professional competence, skills and experience of the auditor

Is the auditor	
- a Chartered Public Finance Auditor or an Auditing Corporation authorized by the Board of Chartered Public Finance Auditing (JHTT)	<input type="checkbox"/>
- an Authorized Public Accountant or an Auditing Corporation authorized by the Central Chamber of Commerce (KHT)	<input type="checkbox"/>
- an Authorized Auditor or an Auditing Corporation authorized by a local Chamber of Commerce (HTM).	<input type="checkbox"/>



Please describe the auditor's individual professional skills and knowledge of the EU and national structural funds legislation	<input type="checkbox"/> additional information provided in a separate appendix
Please describe the auditor's individual professional experience of control of projects co-financed from EU-funds (Structural Funds and ERDF in particular).	<input type="checkbox"/> additional information provided in a separate appendix
Is the auditor's knowledge of the English language sufficient in order to read and understand all relevant documents, to carry out the control based on the materials provided by the programme and in order to communicate with the programme secretariat, other member states' controllers etc?	

#### 7. Independence of the auditor

<p>Is the auditor from a unit/organisation professionally independent from the unit dealing with the activities and finances (accounting, salary calculations and payment orders) of the operation in question?</p> <p>Can you confirm that the auditor or the organisation/unit that he/she is working for is not involved in</p> <ul style="list-style-type: none"> <li>- project approval,</li> <li>- project activities (incl. signing the project report as project partner),</li> <li>- project finances (project accounting and payment orders), or that</li> <li>- the auditor or his/her near relatives can not otherwise expect any particular gain or loss from this affair</li> </ul>	
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#### 8. Other

<p>Has the auditor received, studied and understood the following documents concerning the programme in question:</p> <ul style="list-style-type: none"> <li>- Programme manual (if relevant)</li> <li>- Control guidance (if relevant), verification form, control report remplate and checklist used in the programme</li> <li>- Project application approved by the programme's Steering/Monitoring committee</li> </ul>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>
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<ul style="list-style-type: none"> <li>- Subsidy Contract /Grant letter (or draft, please specify)</li> <li>- Partnership agreement (or draft, please specify)</li> <li>- Control guidelines issued by the Ministry of Employment and the Economy</li> </ul>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>
<p>Can the auditor ensure that</p> <ul style="list-style-type: none"> <li>- his/her work is properly documented and accessible to ensure an efficient review of the work in a way that any other controller/auditor can perform again the control with the only use of the control file?</li> <li>- the control will be carried out following at least the minimum requirements for control checklist and control reporting provided by the Ministry of Employment and the Economy and the operational programme in question</li> </ul>	
<p>Can the auditor ensure that the work will be carried out within the time limit set by the programme bearing in mind that it could be shorter than the 3 months defined in the EU regulation?</p>	
<p><u>If the auditor is contracted by the Lead Partner,</u> can the auditor ensure within the given time limit that the joint report of the whole partnership has been correctly compiled.</p>	

**9. Signatures**

Partner signature (+ place and date) (If the control includes several partners, signatures required here for all partners)	Controller's signature (+ place and date)


Please send the filled questionnaire with relevant attachments to:

*Ministry of Employment and the Economy*  
*P.O. Box 32*  
*FI-00023 GOVERNMENT*  
*Finland*

*Työ- ja elinkeinoministeriö*  
*Kirjaamo*  
*PL 32*  
*00023 VALTIONEUVOSTO*

In addition the form should be sent by email to [pekka.jarvio@tem.fi](mailto:pekka.jarvio@tem.fi).



99.99.2009

3357/570/2008

## DESIGNATION AS FIRST LEVEL CONTROLLER

The Finnish Ministry of Employment and the Economy has today designated

Name	
Qualification	
Organisation	
Address	
Telephone	
Fax	
E-mail	

as national controller referred to in Article 16 (2) of the Regulation (EC) No 1080/2006 responsible for verifying the legality and regularity of the expenditure declared in the context of the following project by the following Finnish beneficiary:

Programme	ESPON 2013
Project name and acronym	
Index/ID number	
Duration of the operation	

Beneficiary to be controlled	
Contact person	
Address	
Telephone	
Fax	
E-mail	

Referring to Article 2 of the Agreement between Finland and the Grand-Duchy of Luxembourg in its role as MA and CA on the implementation of the ESPON 2013 Programme and in accordance with the EU regulations (EC) No 1080/2006, 1083/2006 and 1828/2006, I herewith confirm the designation of the above proposed controller. The designation is ad personam and all the requirements refer to the nominated controller.

As the Central Approbation Body the Ministry is satisfied that the controller is independent and bound to a professional code of conduct and other rules defining his/her function and independence.

Helsinki 99 April 2009

Pekka Järviö

Ministerial Counsellor

(1401/2006)

## Structural Fund Act

### Chapter 1

#### General provisions

##### Section 1

###### *Scope of application*

This Act applies to plans and programmes that are in part financed from the Structural Funds of the European Communities, their preparation and implementation and the management, control and auditing of funding from the Structural Funds and corresponding national public funding.

What is provided in the Regional Development Act (602/2002) applies to the preparation and implementation of plans and programmes concerning regional development and to the coordination and monitoring of plans and programmes. The State Budget Act (423/1988) applies to funds included in the Budget from the Structural Funds.

If there are provisions derogating from this Act elsewhere in legislation, such provisions override the provisions of this Act.

##### Section 2

###### *Definitions*

In this Act:

1) Structural Fund means the European Regional Development Fund, hereafter the Regional Development Fund and the European Social Fund, hereafter the Social Fund;

2) Structural Fund funding means funding granted out of the Structural Funds to Finland by the Commission of the European Communities under the budget of the European Communities;

3) national funding means national public and private funding corresponding to Structural Fund funding;

4) national public funding means funding from central and local government and other public corporations corresponding to the Structural Fund funding;

5) Structural Fund programme means an operational programme receiving partial funding from a Structural Fund;

6) national Structural Fund programme means an operational programme drawn up for the Regional Competitiveness and Employment Objective;

7) inter-Member-State Structural Fund programme means an operational programme drawn up for the European Regional Cooperation Objective;

8) intermediary body means a public or private body or unit that operates under a managing or certifying authority or sees to tasks relating to the implementing support recipients on behalf of such an authority;

9) support recipient means a public or private law actor, body or enterprise responsible for starting and implementing actions;

10) leading recipient means a public or private law actor, body or enterprise responsible for starting and implementing actions in operational programmes under the European Regional Cooperation Objective nominated by the support recipients; and

11) action means a project or project group that has been chosen according to criteria confirmed by a monitoring committee under the supervision of a managing authority and that is being implemented by one or more support recipients in order to achieve the targets of the priority relating to it.

## Section 3

*Entering Structural Fund funding as revenue*

The State Budget Act lays down provisions on the inclusion in the Budget of Structural Fund funding to be entered as revenue and appropriations for payment of expenses to be financed with such funding.

## Chapter 2

**Programme work**

## Section 4

*National plan*

The Ministry of the Interior prepares a national plan for the programme period in cooperation with other ministries, regional councils and other corporations and organizations participating in drawing up Structural Fund programmes. The plan is also drawn up in cooperation with the Commission. It contains the items laid down in European Community Law.

The national plan is approved by the Government.

What is provided on the preparation and approval of the national plan in subsections 1 and 2 applies as appropriate to its amendment.

Decisions by the Government referred to in subsection 2 may not be appealed.

## Section 5

*Operational programmes*

Actions financed by Structural Funds are implemented through operational programmes specified in the national plan referred to in section 6. Operational programmes are drawn up for the programme period and concern a single objective only. What is provided in European Community Law applies to the drawing up, content and approval of operational programmes.

What is provided in this Act applies to the preparation of proposals concerning opera-

tional programmes and to amending operational programmes.

## Section 6

*Section 6 Preparation of operational programmes*

What is provided on the preparation of regional Structural Fund programmes in the Regional Development Act applies to the preparation of operational programmes receiving partial funding from the Regional Development Fund.

In derogation from what is provided in subsection 1, the operational programmes under the European Regional Cooperation Objective are prepared in cooperation with the Member States participating in the implementation of the operational programme concerned. Otherwise what is provided on the preparation of regional Structural Fund programmes in the Regional Development Act applies as appropriate to the preparation and amendment of operational programmes.

The Ministry of Labour is responsible for the preparation of operational programmes receiving partial funding from the Social Fund. What is provided on the preparation of regional Structural Fund programmes applies as appropriate to the preparation of the regional components of operational programmes. The relevant employment and economic development centres are responsible for the preparation of the regional components of operational programmes. The Ministry of Labour prepares a programme proposal to be submitted to the Government in cooperation with other ministries, regional councils and other corporations and organizations participating in the implementation of the programmes.

What is provided on the preparation of operational programmes referred to in subsection 3 above applies as appropriate to amending them.

## Chapter 3

**Management of national Structural Fund programmes**

## Section 7

*Managing authorities*

The managing authorities are the Ministry of the Interior for operational programmes receiving partial funding from the Regional Development Fund and the Ministry of Labour for operational programmes receiving partial funding from the Social Fund.

## Section 8

*Duties of managing authorities*

Managing authorities are responsible for managing and implementing operational programmes in accordance with the principles of ethical funds management and take care of the duties laid down in European Community Law. In addition, managing authorities take care of national duties relating to the Structural Fund programme managed by them as provided in this Act.

Managing authorities may delegate preparation duties relating to the monitoring committee and duties relating to the implementation of decisions made by the monitoring committee within the programme area of the operational programme receiving partial funding from the Regional Development Fund to the agreed regional council in writing by the regional councils in the programme area.

Provisions on the detailed content and delegation of the duties referred to in subsection 2 above are issued by Government Decree. Further provisions on the procedures to be followed under European Community Law in the application of Structural Fund funding and in the monitoring of the operational programmes may also be issued by Government Decree.

## Section 9

*Intermediary bodies*

Intermediary bodies include the ministries using Structural Fund funding, central government departments, employment and economic development centres, regional environment centres, state provincial offices and regional councils. The specialised financing company referred to in the Act on the State-Owned Specialised Financing Company (443/1998) and other corresponding company owned in full or in part by the government and other authorities or agencies that have been delegated duties of managing and certifying authorities are also intermediary bodies.

What is separately provided on intermediary bodies below in this Act and elsewhere in law applies to the duties of intermediary bodies.

## Section 10

*Allocation of Structural Fund funding for use by other authorities*

The managing authority is responsible for allocating Structural Fund funding under its main title of expenditure in the Budget for use by intermediary bodies.

Part of the Structural Fund funding may be left under the managing authority's main title of expenditure (programme reserve). The programme reserve may be used for ensuring flexibility in the application of funding, inter-regional projects and expenses arising from sudden problems caused by structural shifting.

Further provisions on the distribution of Structural Fund funding and national funding and related deadlines, the size and application of the programme reserve and procedures to be followed may be issued by Government Decree.



## Section 11

### *Conditions and instructions by managing authorities*

In decisions concerning allocation of funding, managing authorities may issue conditions for the intermediary bodies to observe, specifying the duties laid down in law for intermediary bodies concerning the application of funding, that are necessary in order to fulfil obligations based on European Community Law and in order to take care of the management, monitoring and auditing of Structural Fund funding in an appropriate manner.

In cases other than those referred to in subsection 1, a managing authority may give intermediary bodies such instructions concerning the management and monitoring of Structural Fund funding as are necessary in order to fulfil obligations based on European Community Law and to take care of Structural Fund funding in an appropriate manner.

In cases other than those referred to in subsection 1, a managing authority may issue orders for intermediary bodies acting in the capacity of authorities concerning the management and monitoring of Structural Fund funding that are necessary in order to fulfil obligations based on European Community Law and in order to take care of Structural Fund funding in an appropriate manner. Before issuing such orders the managing authority must consult the relevant ministries.

## Section 12

### *Certain implementation arrangements*

In matters that do not fall within the sphere of legislation or otherwise require the approval of Parliament, a managing authority may, in agreement with the certifying authority for the Structural Fund programme and other ministries participating in the implementation of the operational programme, agree on such necessary arrangements for the implementation of management duties in the Structural Fund programme as are to be considered ordinary, with the Commission of the European Communities, authorities taking

care of Structural Fund duties in other European Union Member States or other parties taking care of such duties in Member States.

In matters referred to in subsection 1, a managing authority may as necessary and in agreement with the certifying authority for the Structural Fund programme and other ministries using Structural Fund funding, also agree on such implementation arrangements as the technical coordination of the Structural Fund programme and a programme to be implemented outside the European Union with European Community financing necessarily requires.

## Section 13

### *Certifying authorities*

Certifying authorities for operational programmes receiving partial financing from the Regional Development Fund are the Ministry of the Interior and for an operational programme receiving partial funding from the Social Fund the Ministry of Labour.

The duties of the certifying authorities referred to in subsection 1 above must be separated from the duties of the managing authorities referred to in section 8 so that the independence of the operations of the authorities can be ensured.

## Section 14

### *Duties of certifying authorities*

Certifying authorities take care of the duties resting with them under European Community Law. In addition, certifying authorities take care of national duties relating to Structural Fund programmes managed by them as provided in this Act.

Intermediary bodies submit information for expense notifications on the basis of eligible expenses paid by the support recipients to the certifying authority and at the same time for information to the relevant ministry in their administrative branch. In the administrative branch of the Ministry of the Interior, the information is submitted to the Ministry of the Interior by the regional council concerned.

## Section 15

*Instructions and orders for certifying authorities*

Certifying authorities may give intermediary bodies instructions concerning the application and monitoring of Structural Fund funding if taking care of obligations laid down in European Community Law so requires.

Certifying authorities may give intermediary bodies orders concerning the application and monitoring of Structural Fund funding if taking care of obligations laid down in European Community Law so requires. Before issuing such orders the certifying authority must consult the relevant ministries.

## Section 16

*Structural Fund advisory board*

The Structural Fund advisory board operates in connection with the Ministry of the Interior, and its duties are to:

1) coordinate action by the Structural Funds, the European Agricultural Fund for Rural Development (Rural Development Fund) and the European Fisheries Fund (Fisheries Fund);

2) coordinate action referred to in subsection 1 and national actions; and

3) monitor and evaluate the effectiveness of the Structural Fund programmes and report on their progress to the Ministry of the Interior.

In addition to the duties referred to in subsection 1 above, the Structural Fund advisory board may put forward proposals for improving the coordination and effectiveness of Structural Fund actions to the managing authorities and monitoring committees.

Provisions concerning official criminal liability and what is provided in the Tort Liability Act (412/1974) on the liability of public corporations and officials apply to the members of the advisory body taking care of duties referred to in subsections 1 and 2 above. What is provided in the Administrative Procedure Act (434/2003), the Act on the Openness of Government Activities

(621/1999) and the Language Act (423/2003) applies to the administrative procedure of the advisory body.

The advisory body is appointed by the Government.

Provisions on the advisory body's composition, term of office and further duties are issued by Government Decree.

## Section 17

*Regional cooperation groups*

Each region has a regional cooperation group for coordinating measures that affect the development of the implementation of Structural Fund programmes and the region.

The coordination group is set up by the board of the regional council. The term of office of the cooperation group continues until the Commission of the European Communities has approved a final report on the implementation of the operational programme. The term of office may be extended if the carrying out of the duties of the cooperation group so requires. Representatives for the parties referred to in subsection 3(1) below are, however, elected, in the case of regional councils and their member municipalities, for the term of office of the assembly of the regional council and, in the case of the Saami Parliament, for the term of office of the Saami Parliament.

The composition of the cooperation group must be arranged so that the following parties are represented equally in terms of regional development:

1) the regional council and its member municipalities and in the region of Lapland also the Saami Parliament;

2) the central government authorities and other central government organizations providing financing for the programme;

3) the labour market and business organizations that are the most important in terms of regional development and, as far as possible, other organizations representing civil society or environmental organizations and organizations promoting gender equality.

The parties to be represented make proposals for their representatives and their personal deputies.

In addition to members, the board of the regional council nominates the cooperation group chairperson, who must be an elected official referred to in the Local Government Act (365/1995), and on the proposal of the parties referred to in subsection 3, three deputy chairpersons, who must be members of the cooperation group.

The cooperation group may invite experts for consultation by the cooperation group.

The cooperation group may set up divisions. The divisions have the duty of preparing issues for discussion in the regional cooperation group.

In addition the divisions referred to in subsection 7, the cooperation group may set up a division for regional consideration and coordination with other regional measures of measures to be financed by the Rural Development Fund. The chairperson of the division is a representative of an employment and economic development centre. Further provisions on the division's duties and composition are issued by Government Decree. As far as coordination of the measures referred to here and measures financed by the Structural Funds is concerned, however, the provisions laid down below in this Act apply.

#### Section 18

##### *Status of members of regional cooperation groups*

Provisions on official criminal liability and what is provided on the liability of public corporations and officials in the Tort Liability Act apply to members of regional cooperation groups and of the divisions set up by the groups. What is provided in the Local Government Act on elected officials applies as appropriate to the members. A person in an employment relationship of a permanent nature with a regional council may, however, be elected member of the cooperation group.

What is provided on elected officials in the Local Government Act applies to such remuneration and compensation for loss of earnings and for travel costs and other expenses incurred in taking care of their duties as are payable to the representatives referred to in section 17(3)(1) and 17(3)(3) above. The

party represented by the member concerned is responsible for paying the remuneration and compensation payable to the representatives referred to in section 17(3)(2).

#### Section 19

##### *Secretariat of the regional cooperation group*

Each regional cooperation group has a secretariat. Authorities referred to in section 17(3)(1-2) are represented on the secretariat. The regional cooperation group decides on the composition of the secretariat so that the representation of authorities is taken into account on equal terms.

The secretariat's role is to take care of the preparation, presentation and implementation work of the cooperation group under official liability.

In addition to what is provided in subsection 2 above, the secretariat's role includes the scrutiny and monitoring, for the purpose of coordination, of projects in the Structural Fund programmes and in the Rural Development Fund and Fisheries Fund under preparation in the region and reporting on them to the cooperation group.

#### Section 20

##### *Decision-making and administrative procedure in the regional cooperation group*

Unless otherwise provided below, what is provided in sections 50, 54, 55 and 57-62 of the Local Government Act applies as appropriate to decision-making and administrative procedure in the regional cooperation group. Otherwise the Administrative Procedure Act applies to administrative procedure in the regional cooperation group.

The regional council confirms the regional cooperation group procedure approved by the cooperation group, which lays down provisions on the preparation and presentation of matters, decision-making in the cooperation group, setting up divisions and the composition and further duties of the divisions. Otherwise what is provided in the Local Gov-

ernment Act on the standing order applies to the procedure as appropriate.

The cooperation group must aim at unanimity in decision-making. If unanimity cannot be reached in decision-making, the decision will be the opinion supported by two-thirds of those voting.

In matters referred to in section 21(1)(6), the financing party cannot grant a project Structural Fund support if the cooperation group is not in favour of the project. A favourable decision by the cooperation group concerning an opinion does not, however, bind the financing party if there are weighty reasons for this. If the financing party intends to make a financing decision derogating from the cooperation group's favourable decision, it must inform the cooperation group of this and justify the decision by giving weighty reasons. Decisions concerning the cooperation group's opinion may not be appealed separately.

## Section 21

### *Duties of regional cooperation groups*

A regional cooperation group:

1) coordinates the allocation of the Structural Fund funding of the following financial year for operational programmes receiving partial funding from the Regional Development Fund and the corresponding national funding to the central government authorities financing the Structural Fund programme concerned in the region, the regional council and other parties participating in the financing of the Structural Fund programme;

2) coordinates the Structural Fund funding of the following financial year for the regional component of operational programmes receiving partial funding from the Social Fund and the corresponding national funding in accordance with the funding framework agreed for the administrative branch concerned unless there are weighty reasons relating to the development of the region or other weighty reasons for derogating from the funding framework;

3) directs the Structural Fund funding referred to in paragraphs 1 and 2 allocated to the region and corresponding national fund-

ing by auditing the regional cooperation document if it is necessary in terms of the implementation of the Structural Fund programme concerned;

4) receives for information, in connection with the drawing up of the regional cooperation document, for the purpose of coordination, the plans and reports on the regional funding of the Rural Development Fund, the measures financed by the Fisheries Fund and the financing of the national component of operational programmes receiving partial funding from the Social Fund, and ensures the coordination of various measures and the participation of various funds in the implementation of projects that are extensive and significant in terms of regional development;

5) decides on the regional application of the eligibility criteria for Structural Fund programme projects included in the cooperation document;

6) deals with projects that are important in terms of regional development prepared by the ministry granting the funding, an authority in its administrative branch or a regional council and gives an opinion on them to the party granting the funding; projects dealt with by the cooperation group are defined in more detail in the procedure, but corporate projects falling within the sphere of business secrets cannot be dealt with in the cooperation group;

7) takes care of the procedure needed for ensuring that assessments of possible environmental impacts in projects requiring approval for funding are carried out before the financing decisions are made;

8) prepares and presents as provided in section 8 the need for amendments to the regional component of operational programmes receiving partial funding from the Regional Development Fund and operational programmes receiving partial funding from the Social Fund to the monitoring committee and the managing authority and reports to them on the implementation of the Structural Fund programme;

9) provides information on the implementation of the Structural Fund programme;

10) may also take care of other necessary duties applying to the coordination of the implementation of Structural Fund pro-

grammes and measures affecting regional development or associated with them, further provisions on which are given, if necessary, in the procedure unless the said duties have been laid down as falling within the sphere of other authorities.

A document will be approved concerning the duties referred to in subsection 1(1-2) above to be signed by all actors financing the operational programme in the region concerned (regional cooperation document).

Further provisions on the content of the regional cooperation document, the procedures to be followed, deadlines for drawing up the document and the content of the report referred to in subsection 1(4) may be issued by Government Decree.

## Section 22

### *Audit authorities*

The audit authority for Structural Fund programmes operates in the Ministry of Finance in connection with the financial controller's function.

Audit authorities must be operationally independent of managing and certifying authorities.

## Section 23

### *Duties of audit authorities*

Audit authorities take care of the duties laid down for them in European Community Law. Audit authorities give a report evaluating the management and monitoring system set up and a statement on the extent to which the management and monitoring systems of the Structural Funds meet the requirements laid down in European Community Law. In addition, audit authorities take care of national duties to the extent provided in this Act.

## Section 24

### *Instructions issued by audit authorities*

Audit authorities may issue instructions for those participating in the implementation of

Structural Fund programmes on carrying out audits required by European Community Law and on the auditing procedures to be followed.

## Section 25

### *Monitoring committees*

The Government sets up a monitoring committee for each operational programme with the task of ensuring the efficiency and quality of its implementation and of seeing to the duties laid down for it by European Community Law. Its term of office continues until the Commission of the European Communities has approved a final report on the implementation. The term of office may be extended if carrying out the monitoring committee duties so requires.

The Government decides on setting up monitoring committees and nominates their members. What is provided in European Community Law on the composition and members of monitoring committees applies to them. Monitoring committees may invite experts.

Provisions concerning official criminal liability and what is provided in the Tort Liability Act on the liability of public corporations and public officials applies to members of monitoring committees.

Each monitoring committee draws up a procedure for itself. The procedure lays down provisions on the preparation, presentation and decision-making concerning matters dealt with by the monitoring committee. What is provided in the Administrative Procedure Act, the Act on the Openness of Government Activities and the Language Act applies to the monitoring committee's administrative procedure. The monitoring committee must aim at unanimity in decision-making. If a unanimous decision cannot be reached, the decision will be the opinion supported by two-thirds of those voting. Decisions by the monitoring committee concerning the eligibility criteria of actions to be funded may not be appealed separately.

Further provisions on the composition and members of monitoring committees are issued by Government Decree.

## Section 26

*Monitoring committee secretariat*

Each monitoring committee has a secretariat. The secretariat includes representatives of the authorities represented on the monitoring committee. The monitoring committee decides on the composition of the secretariat so that equal representation of the authorities is taken into account.

The secretariat's role is to see to preparation, presentation and implementation matters for the monitoring committee. Provisions on official criminal liability and what is provided in the Tort Liability Act on the liability of public corporations and officials apply to the secretariat.

## Chapter 4

**Management of inter-Member-State Structural Fund programmes**

## Section 27

*Managing authorities*

The managing authority for the European Regional Cooperation Objective is the regional council recorded in the programme document.

## Section 28

*Duties of managing authorities*

In operational programmes under the European Regional Cooperation Objective managing authorities are responsible for the management and implementation of operational programmes, observing the principles of ethical funds management, and take care of the duties laid down by European Community Law. In addition, managing authorities see to national duties applying to the Structural Fund programme managed by them as provided in this Act.

Provisions concerning the application and monitoring of Structural Fund funding may be issued by Government Decree to the intermediary bodies referred to in section 30 if

fulfilment of the obligations laid down by European Community Law necessarily so insists. The managing authority for the programme must be consulted before issuing such a Decree.

## Section 29

*Supervisor*

The Ministry of the Interior may appoint a supervisor for an operational programme under the European Regional Cooperation Objective. What is provided in European Community Law applies to the duties of the supervisor.

The supervisor must have sufficient professional expertise for the task. The Administrative Procedure Act, the Language Act and the Act on the Openness of Government Activities apply to the work of the supervisor. Provisions concerning official criminal liability and what is provided in the Tort Liability Act on the liability of public corporations and officials apply to the supervisor.

Supervisors have the right to carry out audits on intermediary bodies and support recipients relating to the application of Structural Fund funding to the extent required by their duties. Section 56 applies to the rights of supervisors and the obligations of the supervised party when the supervisor is carrying out audits required by this duty.

Supervisors may decide to authorize another authority or an independent auditor to carry out on their behalf the audit referred to in subsection 3 of a support recipient concerning the application of Structural Fund funding. In addition, supervisors may decide to authorize another authority or an independent auditor to carry out the duties referred to in subsection 1. What is provided in section 50(2-3) applies to auditors.

## Section 30

*Intermediary bodies*

Authorities and other corporations referred to in section 9(1) are intermediary bodies.

What is provided in this Act below and separately elsewhere in legislation applies to

the duties of the intermediary bodies referred to in subsection 1 above.

### Section 31

#### *Programme reserve*

Part of the central government funding may be kept for later distribution (programme reserve). The programme reserve may be used for ensuring flexible fund application.

Further provisions on the size of the programme reserve and the procedure to be followed may be issued by Government Decree.

### Section 32

#### *Certifying authorities*

The certifying authority for operational programmes under the European Regional Cooperation Objective is the managing authority recorded in the programme document.

The duties of certifying authorities must be separated from the duties of managing authorities referred to in section 28 so that the independence of their operations can be ensured.

### Section 33

#### *Duties of certifying authorities*

Certifying authorities take care of the duties resting with them under European Community Law. In addition, certifying authorities take care of national duties relating to the Structural Fund programme they manage as provided in this Act.

### Section 34

#### *Right of the Ministry of the Interior to issue instructions*

In an operational programme under the European Regional Cooperation Objective, the Ministry of the Interior may issue to the intermediary bodies and managing and certifying authorities instructions concerning the application and supervision of Structural Fund funding if fulfilment of the obligations

laid down in European Community Law for managing and certifying authorities insists. The operational programme's managing and certifying authorities must be consulted before issuing such instructions.

### Section 35

#### *Managing committee*

A managing committee may be set up for the implementation of an operational programme under the European Regional Cooperation Objective, the setting up and composition of which are agreed on by the Member States participating in the programme. The managing committee's term of office continues until the Commission of the European Communities has approved the final implementation report.

The Ministry of the Interior appoints the Finnish members of the managing committee. The managing committee may invite experts to the committee. The committee approves a procedure for itself with provisions on the preparation and presentation of matters and decision-making.

Provisions concerning official criminal liability and what is provided in the Tort Liability Act on the liability of public corporations and officials apply to the Finnish members of the managing committee. What is provided in the Administrative Procedure Act and the Language Act applies to the work and members of the managing committee. What is provided in the Act on the Openness of Government Activities applies to the publicity of managing committee documents and activities.

The Act on the Use of the Sami Language before the Authorities (516/1991) applies as appropriate to the work of the managing committee in programme work relating to an operational programme referred to in subsection 1 and in operational programmes implemented in the Sami homeland or part of it.

Decisions of the managing committee are made unanimously.

## Section 36

*Duties of the managing committee*

The managing committee is responsible for the selection of action to be financed within the operational programme, coordinates and directs Structural Fund and national funding and sees to other duties resting with it under European Community Law. In addition, the managing committee takes care of national duties as provided in subsections 2 and 3.

The managing committee gives opinions on the suitability of actions to be implemented for the operational programmes referred to in section 27 and on their financing. Projects cannot be granted support if the managing committee is not in favour of financing the project.

Decisions concerning managing committee opinions may not be appealed separately.

## Section 37

*Common technical secretariat*

The managing committee is assisted by a common technical secretariat. The composition of the secretariat is agreed between the Member States participating in the programme. The members of the secretariat take care of the preparation, presentation and implementation of managing committee matters. Official criminal liability provisions and what is provided in the Tort Liability Act on the liability of public corporations and officials apply to the Finnish members of the secretariat.

Apart from the managing committee the secretariat may assist managing authorities, monitoring committees and audit authorities.

## Section 38

*Audit authorities*

The audit authority in an operational programme under the European Regional Cooperation Objective is the managing authority recorded in the programme document.

The duties of the audit authority referred to in subsection 1 above must be separated from

the duties of managing and certifying authorities referred to in sections 27 and 32 so that the independence of the authority's operations can be ensured.

## Section 39

*Duties of audit authorities*

Audit authorities take care of the duties laid down for them in European Community Law. Audit authorities give reports evaluating the managing and monitoring system set up and present statements on how well the managing and monitoring systems of the Structural Funds meet the requirements laid down by European Community Law. In addition, audit authorities take care of national duties as provided below in this Act.

## Section 40

*Group of auditors*

Audit authorities referred to in section 38 above are assisted in their duties by a group of auditors including a representative of each Member State participating in the operational programme concerned. The Finnish member of the group is appointed by the Ministry of the Interior. The group of auditors draws up a procedure for itself. The audit authority is responsible for the task of the chairperson of the group of auditors.

The Finnish member of the group of auditors must have sufficient professional expertise for the task. Provisions concerning official criminal liability and what is provided in the Tort Liability Act on the liability of public corporations and officials apply to this member.

The Administrative Procedure Act, the Language Act and the Act on the Openness of Government Activities apply to the member's work. The provisions of section 56 apply to the rights of the member and the obligations of the audited party when the member is carrying out the audits required by the task.



## Section 41

*Monitoring committees*

Each operational programme under the European Regional Cooperation Objective has a monitoring committee, the setting up and composition of which are agreed on by the Member States participating in the programme. The Government appoints the Finnish members of the monitoring committee.

The monitoring committee makes unanimous decisions.

Otherwise the provisions of section 25 apply to monitoring committees as appropriate.

## Section 42

*Certain implementation arrangements*

In matters that do not fall within the sphere of legislation or are not otherwise of major importance or do not otherwise require parliamentary approval, the Ministry of the Interior may as necessary, in agreement with the authorities financing European Regional Cooperation Objective operational programmes, agree on necessary arrangements relating to the implementation of management duties of a Structural Fund programme that can be considered ordinary with the Commission of the European Communities, authorities taking care of European Regional Cooperation Objective operational programmes in other European Union Member States or parties taking care of such duties in Member States.

In matters referred to in subsection 1, the Ministry of the Interior may as necessary, in agreement with the authorities financing the operational programmes referred to in subsection 1, also agree on such implementation arrangements as the technical coordination of a European Regional Cooperation Objective operational programme and a programme financed by the European communities to be implemented outside the European Union requires.

In matters that do not fall within the sphere of legislation or are not otherwise of major importance or do not otherwise require parliamentary approval, a regional council acting as managing and certifying authority may

as necessary, in agreement with the authorities financing the operational programme managed by it, agree on necessary arrangements concerning the implementation of the managing duties in a Structural Fund programme required by European Community Law with the relevant authorities of other European Union Member States participating in the programme or parties taking care of such duties in the Member States.

## Section 43

*Responsibility for Structural Fund funding in certain cases*

What is provided in European Community Law applies to the obligation of government to pay Structural Fund support to certifying authorities in cases where the leading recipient has not been able to recover support that has been paid unduly to a recipient.

When the government has paid the support referred to in subsection 1 to the certifying authority in the manner referred to in subsection 1, the government is entitled to recover the amount of the support from the support recipient.

## Chapter 5

**Funds management**

## Section 44

*Granting financing and related duties*

The duties of intermediary bodies are as provided separately elsewhere:

- 1) to prepare decisions concerning the financing of actions under official liability;
- 2) to grant, in accordance with national legislation, European Community Law, the Structural Fund programme and the regional cooperation document, both the Structural Fund funding and the corresponding national public funding or only the Structural Fund component if the national public funding comes from other than Budget appropriations for an action; if the action is discussed by the regional cooperation group before decision-

making under section 21(1)(6), the provisions of section 20 apply;

3) to be responsible for the monitoring of actions;

4) to be responsible for the supervision of actions and recovery of funds;

5) to report to the regional cooperation group on the application of Structural Fund funding and corresponding national funding, including also the national component of a Structural Fund programme receiving partial financing from the Social Fund.

In operational programmes concerning northern Finland and receiving partial financing from the Regional Development Fund and in regional components concerning northern Finland in operational programmes receiving partial financing from the Social Fund, the Saami Parliament will assess on request by the authorities actions including the Sami language and culture and propose them for funding by giving an opinion to the intermediary body concerned.

In addition to what is provided in subsection 1(1) and subsection 1(3), in Structural Fund programmes under the European Regional Cooperation Objective it is the duty of the regional council granting Structural Fund funding to grant the Structural Fund funding for the action concerned in accordance with national legislation, European Community Law and the Structural Fund programme, taking into account the opinion of the managing committee referred to in section 36(2) and the decision of the intermediary body on national funding, and to be responsible for monitoring and auditing the actions concerned and for recovery of funds. An application for funding is initiated when the competent secretariat referred to in section 37 has received the application.

#### Section 45

##### *Expense notifications*

The Commission of the European Communities makes the payments relating to Structural Fund funding on the basis of payment requests and expense notifications sent to the Commission of the European Communities by the certifying authorities referred to in

sections 13 and 32. In addition to what is provided in section 14(2) and section 33, what is provided in European Community Law applies to drawing them up, to their content and the procedure to be followed.

Further provisions may be issued by Government Decree on the detailed content of expense notifications, the verification of expenses, the procedure to be followed in making notifications and scheduling.

#### Section 46

##### *Notifications and measures concerning recovery*

The intermediary bodies notify the certifying authorities and the ministry in their administrative branch in accordance with European Community Law of violations of rules, measures concerning recovery and other measures taken in order to correct errors. If the necessary measures have not been taken with a view to the quality and extent of the error, the certifying authorities may oblige the relevant ministry to take action to correct the error or prevent its recurrence. The certifying authorities may as necessary set a deadline for the ministry for taking action. As far the regional councils are concerned, the Ministry of the Interior has the competence referred to here.

Further provisions on the content of the notifications referred to in subsection 1, the procedure for making notifications and scheduling may be issued by Government Decree.

#### Section 47

##### *Eligible expenses*

What is provided elsewhere in legislation applies to the eligibility of expenses partially financed by Structural Fund funding unless otherwise provided in European Community Law.

Further provisions on the eligibility of expenses required by European Community Law may be issued by Government Decree.

## Section 48

*Interregional projects*

The management of interregional projects is taken care of by the principal financier unless the principal financier delegates the management to another party.

Further provisions on the management of interregional projects may be issued by Government Decree.

## Chapter 6

**Supervision of national Structural Fund programmes**

## Section 49

*Supervisory responsibility of intermediary bodies*

Intermediary bodies are responsible for the supervision of the Structural Fund funding granted by them as separately laid down elsewhere in law. Each intermediary body granting either Structural Fund or national public funding is responsible for the appropriate arrangement of supervision. In addition, intermediary bodies are obliged to audit products and services receiving partial funding as provided in European Community Law.

What is provided in this Act and in European Community Law applies to audits carried out by managing, certifying and audit authorities.

## Section 50

*Auditing rights of audit authorities*

Audit authorities have the right to carry out audits relating to the application of Structural Fund funding on managing and certifying authorities, intermediary bodies and support recipients. In auditing individual projects, the right of audit covers the entire project and its financing to the extent required by European Community Law.

Audit authorities may decide to authorize another authority or an independent auditor

to carry out on their behalf audits referred to in subsection 1 on intermediary bodies and support recipients and concerning the application of Structural Fund funding. The auditor must be a Chartered Public Finance Auditor or Auditing Corporation authorized by the Board of Chartered Public Finance Auditing (JHTT) or an Authorized Public Accountant or Auditing Corporation authorized by the Central Chamber of Commerce (KHT) or an Authorized Auditor of Auditing Corporation authorized by a local Chamber of Commerce (HTM).

Provisions on official criminal liability and what is provided in the Tort Liability Act on the liability of public corporations and officials apply to auditors. The Administrative Procedure Act, the Language Act and the Act on the Openness of Government Activities apply to auditors. Section 56 lays down provisions on the rights of persons carrying out audits and the obligations of the persons audited.

## Section 51

*Auditing rights of managing authorities*

Managing authorities have the right to carry out such audits in Structural Fund programmes managed by them on intermediary bodies and support recipients relating to the application of Structural Fund funding as are necessary for taking care of their duties. When individual projects are audited, the right of audit covers the entire project and its financing to the extent required by European Community Law.

Managing authorities may decide to authorize another authority or an independent auditor to carry out on their behalf audits referred to in subsection 1 on intermediary bodies and support recipients concerning the application of Structural Fund funding. What is provided in section 50(2-3) applies to auditors.

## Section 52

*Auditing rights of certifying authorities*

Certifying authorities may carry out on managing authorities, intermediary bodies

and support recipients audits relating to the application of Structural Fund funding when the audits are necessary for carrying out their duties. When individual projects are audited, the right of audit covers the entire project and its financing.

Certifying authorities may decide to authorize another authority or an independent auditor to carry out on their behalf audits referred to in subsection 1 on intermediary bodies and support recipients concerning the application of Structural Fund funding. What is provided in section 50(2-3) applies to auditors.

### Section 53

#### *Audit procedures and principles*

Procedures and principles that ensure compliance with the requirements of obligations arising from European Community Law and ethical funds management apply to auditing and other supervision of the management and application of funding granted by the Structural Funds of the European Communities to Finland and corresponding national funding.

Audit authorities must ensure that recognized international auditing recommendations are taken into account in the auditing work.

### Section 54

#### *Access to information*

Confidentiality provisions notwithstanding, managing, certifying and audit authorities have the right to obtain from the intermediary bodies acting as authorities such information and reports on the application of Structural Fund funding and on the implementation and auditing of a programme or project as are necessary for carrying out their duties. The ministries implementing Structural Fund programmes have the same right to obtain information from managing and certifying authorities and the intermediary bodies in their own administrative branch and, in the case of the Ministry of the Interior, also from regional councils.

Confidentiality provisions notwithstanding, managing, certifying and audit authorities and ministries participating in the implementation of Structural Fund programmes have the right to obtain on request from other than the authorities referred to in subsection 1 such information concerning a natural or legal person on the application of Structural Fund funding and the implementation and auditing of a project as is necessary for carrying out their duties. The request must specify the necessary information and its use. Information thus obtained may not be used for purposes other than those specified in the request.

Confidentiality provisions notwithstanding, managing, certifying and audit authorities and ministries participating in the implementation of Structural Fund programmes have the right to obtain from other than intermediary bodies acting as authorities such information on the application of Structural Fund funding and the implementation and auditing of projects as is necessary for them to carry out their duties. What is provided in subsection 2 applies to requesting and using such information.

Managing, certifying and audit authorities have, in individual cases, the right to obtain such information on support recipients as is necessary for carrying out their duties through intermediary bodies.

Further provisions on the times of obtaining the information referred to in subsections 1 and 2, of the content of such information and on the procedure required by European Community Law may be issued by Government Decree.

### Section 55

#### *Divulging information*

What is provided in the Act on the Openness of Government Activities applies to divulging information obtained under this Act.

In addition to what is provided in the Act on the Openness of Government Activities on divulging confidential information, information obtained in the process of carrying out a task under this Act on the financial status of a private individual or a corporation,

a business or professional secret or information on the personal circumstances of a private person may be divulged to:

- 1) authorities responsible for law enforcement for the purpose of carrying out duties under this Act;
- 2) another authority or external auditor carrying out an audit referred to in this Act;
- 3) prosecution, police and Customs authorities for the purpose of solving a crime;
- 4) European Community Institutions if fulfilling an obligation laid down in European Community Law or a decision made by a Community Institution so requires.

Information is divulged to European Community Institutions by managing, certifying or audit authorities or ministries participating in the implementation of a Structural Fund programme.

#### Section 56

##### *Rights of persons carrying out audits and obligations of the parties audited*

For the purpose of carrying out audits referred to in sections 29, 40 and 50-52 above, the party to be audited is obliged to provide the auditor without undue delay and free of charge with all necessary accounts documents and other material relating to the application of Structural Fund funding and corresponding national funding and to otherwise assist in such audits.

Auditors have the right to take possession of the accounts documents and other material referred to above if the audit so requires. The material must be returned when it is no longer needed for the audit. On request by the auditor, the party being audited must also provide other information necessary for carrying out the audit in an appropriate manner.

The auditor has the right to audit all matters constituting criteria for granting and paying funding to the extent required by the task and for this purpose to enter premises controlled or used by the party being audited. The audit may not, however, be carried out in a place covered by domestic peace.

#### Section 57

##### *Executive assistance*

The police, Customs authorities and tax authorities must provide free of charge executive assistance necessary for carrying out audits referred to in sections 29, 40 and 50-52.

#### Chapter 7

### **Supervision of inter-Member-State Structural Fund programmes**

#### Section 58

##### *Auditing rights of audit authorities*

In European Regional Cooperation Objective operational programmes, the audit authorities have the right to carry out audits on managing and certifying authorities, intermediary bodies and support recipients relating to the application of Structural Fund funding. In audits carried out on individual projects, the auditing rights concern the entire measure and its financing to the extent required by European Community Law.

Audit authorities may decide to authorize another authority or an independent auditor to carry out on their behalf audits on managing or certifying authorities, intermediary bodies and support recipients relating to the application of Structural Fund funding. What is provided in section 50(2-3) applies to auditors.

#### Section 59

##### *Auditing rights of managing authorities*

Managing authorities have the right to carry out audits on intermediary bodies and support recipients relating to the application of Structural Fund funding used in Structural Fund programmes managed by them under the European Regional Cooperation Objective and necessary for carrying out their duties.

Managing authorities may decide to authorize another authority or an independent auditor to carry out on their behalf audits referred

to in subsection 1 on intermediary bodies and support recipients relating to the application of Structural Fund funding. What is provided in section 50(2-3) applies to auditors.

#### Section 60

##### *Auditing rights of certifying authorities*

Certifying authorities may carry out audits necessary for carrying out their duties on managing authorities, intermediary bodies and support recipients relating to the application of Structural Fund funding.

Certifying authorities may decide to authorize another authority or an independent auditor to carry out on their behalf audits referred to in subsection 1 on intermediary bodies and support recipients relating to the application of Structural Fund funding. What is provided in section 50(2-3) applies to the auditors.

#### Section 61

##### *Auditing rights of the Ministry of the Interior*

The Ministry of the Interior may carry out audits relating to the application of Structural Fund funding under the European Regional Cooperation Objective on intermediary bodies and support recipients and on managing and certifying authorities. In audits carried out on individual actions, the auditing rights cover the entire action and its financing to the extent required by European Community Law.

The Ministry of the Interior may decide to authorize another authority or an independent auditor to carry out on its behalf audits referred to in subsection 1 on intermediary bodies and support recipients relating to the application of Structural Fund funding. What is provided in section 50(2-3) applies to the auditors.

Provisions concerning the rights of the auditing persons and the obligations of the persons being audited are issued in section 56.

#### Section 62

##### *Other provisions applying to audits*

In addition to what is provided in this chapter on the auditing rights of managing, certifying and audit authorities, what is provided in sections 53, 56 and 57 apply to audits.

#### Section 63

##### *Access to and divulging of information*

What is provided in section 54(1-4) applies to the rights of managing, certifying and audit authorities to obtain information.

What is provided in section 55 applies to divulging information.

Managing, certifying and audit authorities are obliged to submit for information to the Ministry of the Interior reports drawn up by them in carrying out the duties laid down for them in European Community Law for the Commission of the European Communities.

#### Chapter 8

### **Certain provisions**

#### Section 64

##### *Transfer of competence in Structural Fund matters*

In duties referred to in section 44(1) and section 44(3), the Ministry of Education may transfer its competence to the National Board of Education, the CIMO Centre for International Mobility or to state provincial offices. Provisions on the transfer of competence are issued by Ministry of Education Decree.

The Ministry of Social Affairs and Health may transfer its competence to state provincial offices in duties referred to in section 44(1) and section 44(3). Provisions on transfer of competence are issued by Ministry of Social Affairs and Health Decree.

## Section 65

*Information system for monitoring Structural Fund programmes*

National programmes have a monitoring register maintained by the Ministry of Labour for monitoring Structural Fund funding and for taking care of the duties laid down in this Act for managing, certifying and audit authorities and intermediary bodies and to be used jointly by the said authorities and bodies. Information that is necessary for the register's purpose concerning applicants for support, objects of support, support decisions, payment and effects of support and the verifications and audits carried out is entered in it. The information system also contains information required by European Community Law concerning operational programmes, their management, monitoring and supervision. The authority or body making the entries is responsible for their correctness.

The regional council acting as managing authority in inter-Member-State programmes maintains the register on the projects funded. Information referred to in subsection 1 that is necessary for carrying out the duties laid down in this Act for the managing, certifying and audit authorities is recorded in this register. The regional council is responsible for recording the information referred to in subsection 1 and to be sent for entry in the register. In programmes where the authority granting Structural Fund funding is other than a Finnish authority, the granting of national public funding must be monitored separately.

What is provided in the Act on the Openness of Government Activities applies to the openness of the information in the monitoring register. Managing authorities take care of making public the information concerning support recipients recorded in the monitoring register, the action implemented by them and the amount of the support in the cases and manner laid down in the European Community Law. Confidentiality provisions notwithstanding, managing, certifying and audit authorities have the right to divulge further to relevant European Community Institutions

such information recorded in the registers referred to in subsections 1 and 2 as is necessary for ensuring that European Community Law has been complied with in granting support financed by the Communities.

What is provided in the Personal Data Act (523/1999) applies to the auditing rights concerning registered parties. Personal data mentioned in the Personal Data Act and included in the monitoring registers referred to in subsections 1 and 2 above must be removed at the latest when three years have passed from the payment of the last payment item in the Structural Fund programme by the Commission of the European Communities to Finland.

Further provisions on the content of the monitoring information system for Structural Fund programmes required by European Community Law may be issued by Government Decree.

## Section 66

*Obligation to pay on the basis of the government's right of recourse*

If the government is obliged to return Structural Fund funding to the Commission of the European Communities, the certifying authority may decide to obligate an authority other than an on-budget entity, department or agency to pay the government the amount paid to the Commission by the government in full including expenses. Such a payment is prescribed if the amount has been returned due to erroneous action by the party payable or if the party obliged to make the payment is, on the basis of a decision by the Commission of the European Communities, directly responsible to the Commission for the application of the funding.

If the amount payable is not paid on the due date set, an annual penalty rate must be paid on it in accordance with the rate referred to in section 4(1) of the Interest Act (633/1982).

In inter-Member-State programmes, payments referred to in subsection 1 based on the right of recourse are, however, paid to the programme's certifying authority, which is obliged to pay the amount to the government

without delay. The Ministry of the Interior may decide to obligate the regional council granting Structural Fund funding to pay the government the amount paid by the government to the Commission in full including expenses. Such payment is prescribed if the funds have been returned due to erroneous action by the party obliged to make the payment or if the party obliged to make the payment is, on the basis of a decision by the Commission of the European Communities, directly responsible to the Commission for the application of the funding.

#### Section 67

##### *Appealing*

Decisions by managing and certifying authorities and monitoring committees referred to in this Act and decisions by the Ministry of the Interior referred to in section 66(3) are appealed by filing an appeal with the Administrative Court as provided in the Administrative Judicial Procedure Act (586/1996). Appealing does not postpone implementation of decisions unless the Administrative Court orders otherwise.

Decisions by regional councils acting as managing or certifying authorities are appealed by filing an appeal with the Administrative Court as provided in the Local Government Act on appealing decisions by joint municipal boards.

Regional cooperation group decisions are appealed by filing an appeal with the Administrative Court as provided in the Local Government Act on appealing decisions by joint municipal boards.

## Chapter 9

### **Entry into force**

#### Section 68

This Act enters into force on 1 January 2007.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

This Act repeals the Act on the National Management of Structural Fund Programmes issued on 30 December 1999 (1353/1999) including later amendments.

#### Section 69

##### *Transitional provisions*

Provisions in force at the time of the entry into force of this Act apply to the management, monitoring and auditing of Structural Fund programmes the implementation of which began before the entry into force of this Act. The audit authorities referred to in sections 22 and 38 above have, however, the right to audit and obtain information and the right to divulge information concerning the said programmes as provided on managing authorities in the provisions in force at the time of entry into force of this Act.

The provisions in force at the time of the entry into force of this Act apply, however, to regional cooperation documents drawn up for the first time after the entry into force of this Act. Regional cooperation groups referred to in section 17 above are responsible for the duties of the regional cooperation groups also in accordance with the provisions in force at the time of the entry into force of this Act.



**(311/2007)****Government Decree****on Structural Funds**

## Chapter 1

**General provisions**

## Section 1

*Scope of application*

In addition to what is provided on plans and operational programmes receiving partial funding from European Community Structural Funds, their preparation, implementation and the management, supervision and auditing of Structural Fund funding and corresponding national public funding in the Structural Fund Act (1401/2006), what is provided in this Decree applies to operational programmes drawn up for the Regional Competitiveness and Employment Objective.

What is provided in sections 8, 9, 12, 17 and 20 of this Decree applies to operational programmes drawn up for the European Regional Cooperation Objective.

## Section 2

*Definitions*

In this Decree:

1) priority means a component consisting of measures relating to operational programmes referred to in the Structural Fund Act for which objectives and funding are defined;

2) provision means a part of the programme reserve to be used for expenses arising from sudden structural change problems which can be used to implement the operational programme;

3) major areas mean Finland's NUTS level 2 areas referred to in Annex I to the Regula-

tion of the European Parliament and of the Council (1059/2003/EC) on the establishment of a common classification for territorial units for statistics (NUTS); and

4) Implementation Regulation means the Council Regulation (1828/2006/EC) setting out rules for the implementation of the Council Regulation (1083/2006/EC) laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and the Regulation (1080/2006/EC) of the European Parliament and of the Council on the European Regional Development Fund.

## Chapter 2

**Content of and schedule for drawing up regional cooperation documents**

## Section 3

*Content of regional cooperation documents*

Concerning operational programmes receiving partial funding from the European Regional Development Fund and the regional components of operational programmes receiving partial funding from the European Social Fund, regional cooperation documents must include at least the following for negotiations concerning distribution of the funding for the following financial year and concerning the budget proposal for the year following it:

1) estimates of the programme's need for Structural Fund funding and corresponding national funding, local government funding and proportions of other public funding by priority and administrative branch;

2) an estimate of the distribution of the operational programme's Structural Fund funding and corresponding national funding by administrative branch;

3) estimates of the key objectives for the funds referred to in paragraph 2 in each administrative branch;

4) an estimate of the programme reserve need in the region;

5) information on the areas of emphasis in the Structural Fund programme;

6) information on the regional application of the eligibility criteria of the projects if such a decision has been made by the cooperation group.

What is provided in section 21(1)(2) of the Structural Fund Act applies to the regional component of operational programmes receiving partial funding from the European Social Fund. If the regional cooperation group is of the opinion that there are reasons referred to in the said section to derogate from the funding framework agreed for the administrative branch, the cooperation document must present the derogations and justifications for them.

#### Section 4

##### *Duties of employment and economic development centres*

The duty of the employment and economic development centre nominated by the Ministry of Labour for each major area is to prepare for drawing up regional cooperation documents estimates of the funding referred to in section 3(1)(2) and 3(1)(4) concerning the amount and allocation of the funding by administrative branch in each region. In drawing up cooperation documents, regional cooperation groups negotiate with the relevant employment and economic development centre about the amount and allocation by administrative branch of the European Social Fund and corresponding national funding allocated to the region.

#### Section 5

##### *Schedule for drawing up regional cooperation documents*

The regional cooperation document referred to in section 21 of the Structural Fund Act is approved under section 21 of the Structural Fund Act annually after the budget proposal has been submitted by the end of October, at the same time as the implementation plan of the regional programme is dealt with.

#### Section 6

##### *Auditing of regional cooperation documents*

Regional cooperation groups audit the items referred to in section 3 concerning cooperation documents in accordance with section 21(1)(3) of the Structural Fund Act, complementing the document by adding information on the procedures according to which the application of Structural Fund and corresponding national funding and the implementation of the programme are reported to the cooperation group.

#### Section 7

##### *Deadlines for auditing regional cooperation documents*

Regional cooperation groups audit regional cooperation documents as necessary after the approval of the Budget or Supplementary Budget immediately after the Structural Fund funding and corresponding central government funding have been distributed to the intermediary bodies and are known by region.

The cooperation group also audits the cooperation document in connection with distributions from the programme reserve immediately after distributions have been made from the programme reserve to the intermediary bodies and the distribution is known by region.

## Chapter 3

**Funds management**

## Section 8

*Distribution of funds*

The managing authorities referred to in section 7 of the Structural Fund Act distribute without delay at the beginning of each financial year the Structural Fund funding and corresponding national funding as provided elsewhere and in this section, with the exception of the programme reserve referred to in section 9, to the intermediary bodies acting as authorities. If Parliament approves the Budget after the beginning of the financial year, the funding is distributed without delay after approval of the Budget. The managing authority proposes a distribution to the Government in cooperation with other ministries implementing operational programmes.

Regional cooperation documents are taken into account in the distribution of Structural Fund funding and corresponding national funding in operational programmes receiving partial funding from the European Regional Development Fund. The relevant ministries use these as the basis for submitting proposals to the managing authorities concerning distribution of the funding. The managing authorities make a decision about the distribution of the funding, or, if the decision requires discussion in a Government plenary session, a proposal to the Government on the distribution of the funding. Before the decision, negotiations must be held as necessary with the relevant ministries, and the relevant regional cooperation groups must be consulted.

The relevant ministries make proposals on the basis of proposals made by other intermediary bodies for the distribution of appropriations to managing authorities in the case of operational programmes receiving partial funding from the European Social Fund. Regional cooperation documents are taken into account in the distribution of Structural Fund funding and corresponding national funding in the case of regional components of operational programmes receiving partial funding

from the European Social Fund. Managing authorities decide on the distribution of the funding or, if the decision requires discussion in a Government plenary session, make a proposal to the Government about the distribution of the funding. Before the decision, negotiations must be held as necessary with the relevant ministries, and the relevant regional cooperation groups must be consulted as necessary as far as regional components of operational programmes are concerned.

In the European Regional Cooperation Objective operational programmes, the Ministry of the Interior distributes the national funding corresponding to the Structural Fund funding, with the exception of the programme reserve referred to in section 9(4), to the intermediary bodies referred to in section 30 of the Structural Fund Act. If the distribution requires discussion in a Government plenary session, the Ministry of the Interior makes a proposal to the Government. Decisions made by the managing committee of the operational programme are taken into account in the distribution of the funding. The Ministry of the Interior requests proposals for the distribution from the ministries participating in the implementation of the operational programme.

## Section 9

*Distribution of programme reserves*

Programme reserves can be formed annually from appropriations proposed by the regional cooperation groups in the cooperation documents and reserved in the programme reserve and from the provision referred to in section 2 in connection with the distribution of funding referred to in section 8. The maximum amount of the provision is three per cent of the annual funding framework of the operational programme.

The regional cooperation group or, in the case of the provision, the intermediary body acting in the region, if necessary, after consulting with other relevant intermediary bodies, or the relevant ministry on the basis of its proposal makes a proposal to the operational programme's managing authority about the application of the funds in the programme re-

serve. In addition, what is provided in sections 10 and 11 applies to the provision.

Managing authorities decide on the distribution of the funds in the programme reserve or, if the distribution requires a decision by a Government plenary session, present the distribution to the Government. Proposals concerning the distribution are prepared in cooperation with the ministries participating in the implementation of the operational programme. The funds are distributed to intermediary bodies in accordance with the decision. The relevant regional cooperation group must be informed of the decision.

Intermediary bodies may apply for use of the funds in the programme reserve under European Regional Cooperation Objective operational programmes. Proposals concerning the distribution of the programme reserve are prepared in cooperation with the relevant ministries. The Ministry of the Interior decides on the distribution of the programme reserve or, if the distribution requires discussion in a Government plenary session, makes a proposal on the distribution. The Ministry of the Interior allocates the funds to intermediary bodies.

#### Section 10

##### *Uses of the provision*

What is provided elsewhere in law or what is provided or prescribed under law applies to the regions to which the provision may be allocated, criteria for distributing the provision and the uses of the provision. The provision must be used in accordance with the operational programme.

#### Section 11

##### *Applying for provision funds*

A plan for the application of the funds must be appended to applications for provision funds. The plan must include at least the following information:

1) the target area, which may be a subregion or a municipality;

2) an analysis of the impacts on employment and production in the target area caused by structural change and means for alleviating them;

3) actions that will be supported, classified by administrative branch;

4) an estimate of the financing of the implementation of the plan by administrative branch; and

5) an explanation of how the implementation of the plan will be monitored and what monitoring indicators will be used.

#### Section 12

##### *Releasing the provision*

Managing authorities release any provision funds not used during the year by distributing them in compliance with what is provided in section 8 as appropriate. In derogation from what is provided in this subsection, managing authorities may decide, having consulted the relevant ministries, that the unused provision for the year will be allocated to the following year for use as specified in section 10. A provision thus formed is released by distributing it at the end of the second financial year in compliance with what is provided in section 8 as appropriate.

In European Regional Cooperation Objective operational programmes the Ministry of the Interior releases any programme reserve unused during the year by distributing it for use by intermediary bodies in compliance with what is provided in section 8 as appropriate.

#### Section 13

##### *Information for expense notifications*

Intermediary bodies confirm the lawfulness of the payment and other information they submit to the operational programme's certifying authority for expense notifications. Intermediary bodies must at the same time confirm that audits referred to in section 49 of the Structural Fund Act have been carried out.

## Section 14

*Submission of expense notification information*

Information referred to in section 13 concerning expense notifications is submitted in compliance with the law to certifying authorities regularly several times a year by the date set by the certifying authority concerned. The deadlines must be set so that the presentation of payment requests to the Commission is not unduly delayed.

## Section 15

*Notifications concerning violation of rules*

Audit authorities referred to in section 22 of the Structural Fund Act notify the Commission of any violation of rules referred to in articles 28–30 of the Implementation Regulation.

The certifying authorities of operational programmes are responsible for submitting information referred to in subsection 1 to audit authorities within one month of the end of each quarter.

Without separate request intermediary bodies submit information referred to in subsection 1 to certifying authorities by the 15th day of the month following the end of each quarter. Certifying authorities may grant an extension for special reasons if an application is submitted before the deadline.

## Chapter 4

**Provisions concerning authorities and bodies**

## Section 16

*Transfer of the duties of managing authorities to regional councils*

In programme areas of operational programmes receiving partial funding from the Regional Development Fund, the regional council on which the regional councils in the programme area have agreed in writing takes care of the following duties:

1) prepares a progress report on the results of implementation and specifically the achievement of the targets set for each priority;

2) prepares for an annual report a report including information on:

a) the progress made in implementing the operational programme and the priorities in relation to verifiable special targets and expressed in quantified form when possible and using the operational programme's indicators at the level of the priority;

b) the implementation of operational programme financing;

c) the instructed distribution of actual funding by expenditure class; and

d) actual use of technical support; and

3) prepares a proposal for auditing the operational programme.

## Section 17

*Composition of the monitoring committee*

The following are represented on the monitoring committee of the operational programme:

1) the ministries and other central government authorities participating in the implementation of programmes receiving partial funding from the Structural Funds;

2) the regional councils in the operational programme area and their member municipalities; and

3) the key labour market and business organizations and organizations representing civil society.

In addition, experts may be invited onto the monitoring committee.

Monitoring committees of operational programmes receiving partial funding from the European Social Fund, however, only have representatives of regional councils under subsection 1(2).

In the case of operational programmes receiving partial funding from the European Regional Development Fund, the chairperson of the monitoring committee acts as a representative of the Ministry of the Interior. In the case of operational programmes receiving partial funding from the European Social Fund, the chairperson of the monitoring

committee acts as a representative of the Ministry of Labour.

In operational programmes under the European Regional Cooperation Objective, the Finnish members of the monitoring committee represent the Ministry of the Interior, as far as possible other central government authorities, the authorities of the operational programme area and as far as possible labour market and business organizations or organizations representing civil society.

#### Section 18

##### *Composition of the Structural Fund advisory board*

Ministries in a key position for carrying out the duties of the advisory board, one employment and economic development centre representing a major region, the regional councils in major regions, the Association of Finnish Local and Regional Authorities, the most important labour market and business organizations, environmental organizations and organizations promoting gender equality are represented on the Structural Fund advisory board. The advisory board may invite experts.

The chairperson of the advisory board acts a representative nominated by the Ministry of the Interior.

#### Chapter 5

### **Certain provisions**

#### Section 19

##### *Certain procedures in divulging information*

Intermediary bodies provide the managing authorities of an operational programme with information on the monthly audits on support recipients relating to products, services and expenses and referred to in section 49 of the Structural Fund Act, by the end of the following month. Managing authorities provide certifying authorities with information required for verification without separate request.

Intermediary bodies provide audit authorities by the end of the following month with information on the monthly audits carried out.

#### Section 20

##### *Content of the information system for monitoring Structural Fund programmes*

Managing authorities approve an application form for applying for support in which the information required for applications is laid down. Certifying authorities approve a monitoring form and final report form for monitoring purposes. The support applicant and the implementer of the action are responsible for the correctness of the information they have provided. The implementer of the action is obliged to give the monitoring and final report information in the form laid down by the managing authorities.

The intermediary bodies are responsible for ensuring that information on decisions and payment decisions concerning actions, information about audits referred to in section 49 of the Structural Fund Act on support recipients relating to products, services and expenses, and information on violations of rules, recovery of funds and other measures taken in order to correct violations of rules is kept up-to-date in the system. Intermediary bodies are also responsible for ensuring that applications for payment contain information on such expenses to be reported and accounted for separately as have been checked for eligibility.

When information is transferred from the rest of the information system to the monitoring information system, the owner of the adjoined system is responsible for ensuring that the content and accuracy of the information to be transferred correspond to the information content and accuracy of the monitoring system as prescribed by the managing authorities.

The monitoring system has up-to-date information on the amounts to be recovered reported by certifying authorities.

The audit authorities keep information relating to sample audits updated.

## Section 21

*Expense compensation of experts and members of monitoring committees and Structural Fund advisory boards*

Members representing organizations on monitoring committees and Structural Fund advisory boards, local government elected officials and experts may be paid compensation for loss of earnings, travel costs and other expenses incurred through carrying out their duties, to the extent that the expenses are not carried by the party represented by the member or expert. Such compensation is paid by the operational programme's managing authorities in the case of the monitoring committee and by the Ministry of the Interior in the case of the Structural Fund advisory board.

## Section 22

*Entry into force*

This Decree enters into force on 1 April 2007.

Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

Section 3(1)(3) of the Decree is applied for the first time when drawing up regional cooperation documents for 2008 and 2009 in autumn 2007. Sections 5-7 of the Decree and section 8 as far as it concerns deadlines for distributing funds are not applied in financial year 2007.

The representatives in the regional cooperation groups of regions and municipalities referred to in section 17(3)(1) of the Structural Fund Act continue as members of the cooperation groups until the term of office of a new municipal council begins after the entry into force of the Act and the representatives of the Saami Parliament continue until the term office of the new Saami Parliament begins.