

ESPON 2013 Programme FILLING IN INSTRUCTIONS

This excel file includes the forms that need to be completed in the course of the implementation of the first level control carried out in accordance with Art. 16 of Regulation (EC) 1080/2006.

Color code

White cells
Blue cells

must be filled in (high of rows extends automatically).

give instructions on how to fill in the forms. Please follow these instructions.

- **Please do not remove the protection of the form. Please do not change or delete the structure of the forms! Additional line can be added if needed.**
- All white cells of the forms have to be filled in.
- Please read carefully the Guidelines for Certification, the corresponding chapters of the Programme Manual and the relevant EU regulations (especially Regulations (EC) No. 1080/2006, 1083/2006 and 1828/2006).
For further information on the controlled project, please consult also with the ESPON 2013 Programme Monitoring Database.
- Please make sure that the documents are **duly signed and stamped** by the **relevant person** before sending them to the controlled Lead/Project Partner.
- Each Partner/Project Progress Report has to be accompanied by a Control Certificate, a Control Checklist and a Control Report. The Designation Checklist (only in case of a decentralized system) has to be forwarded together with the first Project Progress Report, and each time a new controller is selected and designated.
- All documents must be sent **in ORIGINAL** to the controlled Lead/Project Partner, who has to submit the documents to the Lead Partner together with the Partner Progress Report. The Lead Partner collects the documents and forwards the **ORIGINALS** to the ESPON CU together with the Project Progress Report. Please do not send any additional document, unless requested to.
- Please send **all** documents **in ORIGINAL** to the controlled Lead/Project Partner. The ESPON CU **does not accept copies**.
- Please make sure to **sign and stamp** also the relevant sheet of the Partner/Project Progress Report

This excel file includes the following documents, that need to be completed:

DESIGNATION CHECKLIST & DESIGNATION CERTIFICATE

- This document has to be issued **ONLY** in case the controlled Lead/Project Partner is located in a country with **DECENTRALIZED** First Level Control System.
- The Designation Checklist first has to be completed by the controller proposed by the controlled partner, **signed and stamped** by both the controlled partner and the proposed controller and sent - together with the relevant annexes (organisation chart, etc.) to the **Central Approbation Body** for validation.
- The Designation Checklist has to be sent back to the controlled Lead/Project Partner in **ORIGINAL**, duly signed and stamped by all three parties.
- The Designation Checklist (without its annexes - e.g. organization chart, proof of qualification etc.) has to be sent together with the first Project Progress Report to the ESPON CU, **and** each time a new controller is proposed and designated.

CONTROL CERTIFICATE - LEAD PARTNER;
CONTROL CERTIFICATE - PROJECT PARTNER

- A Control Certificate has to be issued with each Partner/Project Progress Report.
- If the controlled partner is a **Lead Partner**, please use the **Control Certificate -Lead Partner**. In case the controlled partner is a **Project Partner** please use the form **Control Certificate - Project Partner**
- The contact details of the First Level Controller must correspond to the contact details indicated in the Partner/Project Progress Report and in the Checklist for Designation & Designation Certificate (if relevant), otherwise the Control Certificate is **NOT** valid and the payment will **NOT** be released. Please note that any delays might result in de-commitments of funds.
- The Control Certificate has to be filled in, duly **signed and stamped** and sent in **ORIGINAL** to the controlled Lead/Project Partner.

CONTROL CHECKLIST

- The Control Checklist is meant to ease the implementation of the control. It has to be filled in, duly **signed and stamped** and sent in **ORIGINAL** together with the Control Certificate, Control Report and Designation Checklist (if relevant) to the controlled Lead/Project Partner.

CONTROL REPORT

- The Control Report has to be filled in, **duly signed and stamped** by the First Level Controller and sent in **ORIGINAL** together with the Control Certificate Control Checklist and Designation Checklist (if relevant) to the controlled Lead/Project Partner.

CONTACT INFORMATION

In case of questions, please do not hesitate to contact the ESPON CU (email: info@espon.eu; tel: +352 54 55 80 700).

ESPON 2013 Programme

Designation Checklist & Certificate

- The Designation Checklist & Certificate has to be filled in only if the controlled partner is located in a country with decentralized first level control system. Information on the system of each country can be found on the ESPON 2013 website (www.espon.eu). In this case the partners need to propose a controller to the Central Approbation Body, who has the duty to check if the controller fulfills the requirements set by the ESPON 2013 Programme and by the Member/Partner States for being designated.
- The signed and stamped Designation Checklist & Certificate has to be sent by the Lead Partner to the ESPON CU (IN ORIGINAL) together with the first Project Progress Report and each time when new controller is proposed and designated. Therefore each Project Partner located in a country with decentralized first level control system is requested to provide its Lead Partner with an ORIGINAL, duly signed and stamped Designation Checklist&Certificate together with its first Partner Progress Report (and each time when new controller is proposed and designated).
- The form has to be filled in, signed and stamped by the controlled Lead/Project Partner and the proposed controller first. The signed document together with any relevant supporting documents requested by the Central Approbation Body (such as organisation chart, proof of qualification, etc.) is than to be sent to the Central Approbation Body for approval.
- Please note that the designation is "ad personam" and requirements refer to the nominated controller.

- The following part has to be filled in by the proposed controller in cooperation with the controlled Lead/Project Partner

Project number:		08/02/2013
Project acronym:	ESPON SKH	
Contract number:	028/2009	
Progress Report number:	entire project implementation period	
Reporting Period covered:	26/06/2008-31/12/2012	

Contact details of the Lead/Project Partner to be controlled

Organisation	HKDR
Function in the project (LP/PP)	Lead Partner
Name of the contact person	James Holmes
Division/Unit/Department	Financial Department
Address (street, zip code, city, country)	52, str. J. F. K
Telephone number	00 52 584678 658
Fax number	00 52 584678 658
E-mail	sdjslkg@dfkjt.se

Contact details of the proposed controller

Name of the controller	Mr. Dubois Michel
Job title	auditor
Organisation	R&U
Division/Unit/Department	
Address (street, zip code, city, country)	586 avenue Roosevelt, 5867-Stockholm, Sweden
Telephone number	568 357 455 252
Fax number	5 683 587 657
E-mail	dubois@ru.se

Budgetary information - The Central Approbation Body can verify the correctness in the ESPON 2013 Programme Monitoring Database (by signing this certificate, the Central Approbation Body does not have any liability in relation to the correctness of the budgetary details below.

	EURO
Staff	€ 74 750,00
Administration	€ 5 250,00
Travel and accommodation	€ 13 600,00
Equipment	€ 0,00
External expertise and services	€ 30 600,00
TOTAL	€ 124 200,00

Questions regarding professional competence, skills and experience	
Please describe the controller's individual professional skills and experience (incl. duration).	The controller is the auditor of R&U. He is in charge of this work since 2004. He is the financial and administrative responsible of the department and manages an annual balance of 20 millions euros.
Please describe the controller's individual professional skills and experience in the field of control of projects co-financed by EU-funds (Structural Funds and ERDF in particular)	He has audited 38 FP6 projects. He also controlled several National and Regional projects, co-financed by the Swedish Ministeries.
Is the controller's knowledge of the English language sufficient in order to read and understand all relevant documents? If the answer is "no", is it ensured that all relevant documents are translated?	yes
Questions regarding independence	
Is the controller from a unit/organisation professionally independent from the unit dealing with the activities and finances (accounting, salary calculations and payment orders) of the ESPON 2013 operation in question?	yes
Is the organisation/unit the controller is working for not involved in - project approval; - project activities (incl. signing the partner/project progress report as project partner); - project finances (project accounting and payment orders)	yes it is not involved
Is the controller: - an internal (employed by the entity of the project partner) OR - an external independent controller (not employed by the entity of the project partner)?	external
<u>If the controller is an external controller:</u> - Is the controller a private OR a public external controller? - What is the basis for the controller to carry out the control: a service contract, a mandate, other? Please specify. - Is the controller registered: i.e. Is he/she a member of a professional organisation/body? If yes, please specify which one. Please note that this is a mandatory information to be provided for private external auditors. - Is the controller bounded to a professional code of conduct or other rules defining his/her function and independence?	private external controller YES YES YES
<u>If the controller is an internal controller:</u> - Is the controller's independence regulated by law or by local/internal rules (for example: rules regarding internal controller's function, code of conduct). And if so, please specify them. - To which person in your organisation does the controller respond to (management, council, supervisory board or other)? An organisational chart which shows the units where the activities and finances are managed, where the payments are ordered, released and where the control is carried out shall be provided.	
Is it confirmed that there are no relationships by blood or marriage between the controller and employees/managers of the unit in charge of the ESPON 2013 Project activities and finances?	yes
Is the controller independent of mind - meaning that she/he does not feel dependent on the entity/unit to be controlled in any other way than the ones already mentioned?	yes
Other	
Did the controller receive and study the following documents - Operational Programme; - ESPON 2013 Programme Manual; - Subsidy Contract (Partnership Agreement if relevant) - Guidelines for Certification; - First level financial control documentation (Control Certificate, Control Checklist, Control Report) - National guidelines (if available) - Any other relevant guidance paper made available by the Programme Bodies and by the EC?	yes
Can the controller ensure that 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?	yes
Can the controller of the Project/Lead Partner ensure that the work will be carried out within 2 months from receipt of the Partner/Project Progress Report to be certified?	yes

Signature of the controlled Lead/Project Partner	Stamp of the controlled Lead/Project Partner		
Place and Date			
Signature of the Controller	Stamp of the Controller		
Place and Date			
• The following part has to be filled in by the Central Approbation Body			
<p>Referring to Article 2. of the Agreement between (Name of the Member/Partner State)</p> <p>and the Grand-Duchy of Luxembourg in its role as MA and CA on the implementation of the ESPON 2013 Operational 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 requirement refers to the nominated controller.</p>			
Date		Place	
Name and Surname		Signature	
Job title		Stamp	
Division/Unit/Dep.			
Organisation			

ESPON 2013 Programme

Control Certificate of the validation of expenditure - Lead Partner

TO BE FILLED IN BY THE FIRST LEVEL CONTROLLER OF THE LEAD PARTNER
 This document cannot be modified in any of its content. It must be filled in, signed, stamped and accompanied by the Control Checklist and the Control Report and attached to the Project Progress Report it refers to. All white fields have to be filled in.
 The contact details of the First Level Controller must correspond to the contact details in the Project Progress Report and in the Checklist for Designation & Designation Certificate (if relevant), otherwise this certificate is NOT valid and the payment will NOT be released.

Project number:	08/02/2013
Project acronym:	ESPON SKH
Contract number:	028/2009
Lead Partner:	HKDR
Progress Report number:	2
Reporting Period covered:	08/12/2008-30/06/2009

The First Level Control System is: (please mark whichever is the case)

Centralized

Decentralized

The Checklist for Designation & Designation Certificate proving my designation by the Central Approbation Body:

is enclosed

has been submitted and the controller has not been changed ever since

I, the undersigned first level controller certify that the control procedures have been carried out in accordance with:

- Art. 16 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council
- Guidance document on management verifications to be carried out by Member States on projects co-financed by the Structural Funds and Cohesion Funds for the 2007-2013 programming period
- ESPON 2013 Programme Guidelines for Certification

and that all expenditure and activities listed in the attached Partner/Project Progress Report comply with:

- The provisions of the Subsidy Contract and its annexes as well as the documents they refer to;
- The Partnership Agreement(s);
- The ESPON 2013 Programme Manual and programme rules at large;
- The national rules applicable in the country where the Lead Partner is located;
- The Council Regulations (EC) No 1083/2006 (Council Regulation (EC) No 1341/2008 amending Regulation (EC) No 1083/2006, in particular Article 55.), Commission Regulation (EC) No 1828/2006, Regulation (EC) No 1080/2006 of the European Parliament and of the Council, Commission Regulation (EC) No 2355/2002 and in particular with:

- the criteria for eligibility of expenditure set out in Art. 56 of Council Regulation (EC) No 1083/2006
- the requirements for Rules of eligibility applicable to operational programmes for the European territorial cooperation objective (Art. 48-53 of Commission Regulation (EC) No 1828/2006)
- the requirements for public procurement (Art. 2(5) of Council Regulation 1083/2006 and thus with Directive 2004/18/EC of the European Parliament and of the Council of 31st March 2004) as well as the national public procurement regulations;
- the requirements for State Aid rules (Art. 54 of Council Regulation (EC) No 1083/2006);
- the requirements for publicity (Art. 9 and Annex I of Commission Regulation (EC) No 1828/2006);
- the requirements for avoiding double financing (Art. 54 of Council Regulation (EC) No 1083/2006);
- the requirements set for the legality and regularity of the expenditure paid outside the Community and included in the statement of expenditure, in compliance with the requirements set by Art. 24 (d) of Commission Regulation (EC) No 1828/2006;

Additionally, I also certify that I have performed the first level control by verifying:

- the maintenance of an adequate and reliable accounting system and the maintenance of a reliable audit trail;
- the accuracy of the expenditure and the accounting documents attesting the expenditure and the payments;
- that the Partner Progress Report of the Lead Partner is based on a reliable accounting system and on verifiable supporting documents;
- That revenue (according to Art. 55 of Council Regulations (EC) No 1083/2006 and (EC) No 1341/2008) (please mark):

has not been generated by the Lead Partner;

has been generated and thus: it has been reported in the corresponding section of the progress report and that it has been deducted from the total reported expenditure before calculating the payment request.

- that the LP transferred the previously received funds fully and promptly to its PPs, without any retention of funding;
- that no irregular use of the grants has been detected;

and that I have cleared with the CU/MA/MC and/or any other parties involved (whichever is relevant) any outstanding questions before accepting the application for reimbursement.

I also confirm that:

- a) I am still absolutely independent from the project and since my designation no circumstance having an impact on this status occurred;
- b) The performed control complies with all relevant national and international audit standards;
- c) I have drafted the Control Report and the Control Checklist on the control performed and that the Lead Partner has been provided with the original of these documents;

Please fill in the table

BUDGET CATEGORY	EXPENDITURES REPORTED	EXPENDITURES CERTIFIED	DIFFERENCES
1. STAFF	€ 7 910,11	€ 7 910,11	€ 0,00
2. ADMINISTRATION	€ 794,32	€ 794,32	€ 0,00
3. TRAVEL AND ACCOMMODATION	€ 358,77	€ 358,77	€ 0,00
4. EQUIPMENT	€ 166,20	€ 166,20	€ 0,00
5. EXTERNAL EXPERTISE AND SERVICES	€ 1 259,77	€ 1 259,77	€ 0,00
TOTAL	€ 10 489,17	€ 10 489,17	€ 0,00

I certify that the total eligible expenditure of the Lead Partner amounts to EURO

€ 10 489,17

In addition, as first level controller of the Lead Partner I confirm, that the Lead Partner has complied with its obligations as stated in Art. 20 of Regulation (EC) 1080/2006 of the European Parliament and of the Council:

- that the expenditure presented by each of the beneficiaries participating in the operation has been incurred for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries;
- that the expenditure presented by each of the beneficiaries participating in the operation has been validated by the controllers.

Date

Place

Name and Surname

Signature Stamp

Job title

Division/Unit/Department

Organisation

ESPON 2013 Programme

Control Certificate of the validation of expenditure - Project Partner

TO BE FILLED IN BY THE FIRST LEVEL CONTROLLER OF THE PROJECT PARTNER
 This document cannot be modified in any of its content. It must be filled in, signed, stamped and accompanied by the Control Checklist and the Control Report and attached to the Partner Progress Report it refers to. All white fields have to be filled in.
 The contact details of the First Level Controller must correspond to the contact details in the Partner Progress Report and in the Checklist for Designation & Designation Certificate (if relevant), otherwise this certificate is NOT valid and the payment will NOT be released.

Project number:
 Project acronym:
 Contract number:
 Project Partner:
 Project Partner number:
 Lead Partner name:
 Progress Report number:
 Reporting Period covered: dd/mm/yyyy-dd/mm/yyyy

The First Level Control System is: (please mark whichever is the case)

Centralized

Decentralized

The Checklist for Designation & Designation Certificate proving my designation by the Central Approbation Body:

is enclosed

has been submitted and the controller has not been changed ever since

I, the undersigned first level controller certify that the control procedures have been carried out in accordance with:

- Art. 16 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council
- Guidance document on management verifications to be carried out by Member States on projects co-financed by the Structural Funds and Cohesion Funds for the 2007-2013 programming period
- ESPON 2013 Programme Guidelines for Certification

and that all expenditure and activities listed in the attached Partner Progress Report comply with:

- The provisions of the Subsidy Contract and its annexes as well as the documents they refer to;
- The Partnership Agreement(s);
- The ESPON 2013 Programme Manual and programme rules at large;
- The national rules applicable in the country where the Project Partner is located;
- The Council Regulations (EC) No 1083/2006 (Council Regulation (EC) No 1341/2008 amending Regulation (EC) No 1083/2006, in particular Article 55.), Commission Regulation (EC) No 1828/2006, Regulation (EC) No 1080/2006 of the European Parliament and of the Council, Commission Regulation (EC) No 2355/2002 and in particular with:

- the criteria for eligibility of expenditure set out in Art. 56 of Regulation (EC) No 1083/2006
- the requirements for Rules of eligibility applicable to operational programmes for the European territorial cooperation objective (Art. 48-53 of Commission Regulation (EC) No 1828/2006)
- the requirements for public procurement (Art. 2(5) of Council Regulation 1083/2006 and thus with Directive 2004/18/EC of the European Parliament and of the Council of 31st March 2004) as well as the national public procurement regulations;
- the requirements for State Aid rules (Art. 54 of Council Regulation (EC) No 1083/2006);
- the requirements for publicity (Art. 9 and Annex I of Commission Regulation (EC) No 1828/2006);
- the requirements for avoiding double financing (Art. 54 of Council Regulation (EC) No 1083/2006);
- the requirements set for the legality and regularity of the expenditure paid outside the Community and included in the statement of expenditure, in compliance with the requirements set by Art. 24 (d) of Commission Regulation (EC) no 1828/2006;

Additionally, I also certify that I have performed the first level control by verifying:

- the maintenance of an adequate and reliable accounting system and the maintenance of a reliable audit trail;
- the accuracy of the expenditure and the accounting documents attesting the expenditure and the payments;
- that the Partner Progress Report of the Project Partner is based on a reliable accounting system and on verifiable supporting documents;
- That revenue (according to Art. 55 of Council Regulations (EC) No 1083/2006 and (EC) No 1341/2008) (please mark):
 has not been generated by the Project Partner;
 has been generated and thus: it has been reported in the corresponding section of the progress report and that it has been deducted from the total reported expenditure before calculating the payment request.
- that the Project Partner received the funds previously accepted without any retention;
- that no irregular use of the grants has been detected;

and that I have cleared with the CU/MA/MC and/or any other parties involved (whichever is relevant) any outstanding questions before accepting the application for reimbursement.

I also confirm that:

- a) I am still absolutely independent from the project and since my designation no circumstance having an impact on this status occurred;
- b) The performed control complies with all relevant national and international audit standards;
- c) I have drafted the Control Report and the Control Checklist on the control performed and that the Project Partner has been provided with the original of these documents;

Please fill in the table

BUDGET CATEGORY	EXPENDITURES REPORTED	EXPENDITURES CERTIFIED	DIFFERENCES
1. STAFF	€ 0,00	€ 0,00	€ 0,00
2. ADMINISTRATION	€ 0,00	€ 0,00	€ 0,00
3. TRAVEL AND ACCOMMODATION	€ 0,00	€ 0,00	€ 0,00
4. EQUIPMENT	€ 0,00	€ 0,00	€ 0,00
5. EXTERNAL EXPERTISE AND SERVICES	€ 0,00	€ 0,00	€ 0,00
TOTAL	€ 0,00	€ 0,00	€ 0,00

I certify that the total eligible expenditure of the Project Partner amounts to EURO

€ 0,00

Date	<input style="width: 95%;" type="text"/>	Place	<input style="width: 95%;" type="text"/>
Name and Surname	<input style="width: 95%;" type="text"/>	Signature Stamp	
Job title	<input style="width: 95%;" type="text"/>		
Division/Unit/Department	<input style="width: 95%;" type="text"/>		
Organisation	<input style="width: 95%;" type="text"/>		

ESPON 2013 Programme

Control Checklist for First Level Control

This Control Checklist has to be filled in and sent together with the Control Certificate and Control Report.

Project number: 2013/08/2
 Project acronym: ESPON SKH
 Contract number: 028/2009
 Lead/Project Partner: HKDR
 Lead/Project Partner number: LP
 Progress Report number: 2
 Reporting Period covered: 08/12/2008-30/06/2009

1. Basic Documentation

	Yes/No	Comments
1. Have the following basic documents been available:		
• The filled in Partner/Project Progress Report duly signed and stamped?	yes	
• A copy of the Subsidy Contract and all its annexes and addenda, such as budget reallocation(s) etc. (if relevant)?	yes	
• Partnership Agreement?	yes	
• Project Deliveries (e.g. Inception Report, Interim Report, Draft Final Report, Final Report if relevant)?	yes	

2. General Control (These general questions apply to all expenditure included in the Partner/Project Progress Report. As consequence an answer might be given only after all individual expenditure included in the report have been checked according to section 3.)

2.1 Accounting

	Yes/No	Comments
1. Are specific accounts (or an adequate accounting code) kept for the project or have other methods like specific cost centres in the accounting system been established which allow to identify the costs allocated to the project and to provide a computerised list of declared expenditure?	yes	
2. Are the amounts paid accurately recorded in the accounting system?	yes	
3. Has each reported expenditure been supported by an invoice or an accounting document of equivalent probative value? Are these supporting documents identifiable easily within the accounting system from other activities undertaken by the organisation?	yes	
4. Are the supporting documents complete and accurate in content as well as in accounting terms?	yes	
5. Has each reported expenditure been supported by a payment proof (usually bank statement/bank transfer confirmations/cash receipts)?	yes	
6. Can the amount of the reported expenditure be entirely reconciled with the supporting documents provided?	yes	
7. Are payments made at the correct amount?	yes	

2.2 Overall eligibility issues

	Yes/No	Comments
1. Has the partner complied with applicable eligibility rules governing the VAT?	yes	
2. Has refundable VAT been deducted (even if it had not been recovered)?	yes	
3. Has all expenditure incurred during the project's eligibility period, as indicated in the Programme Manual?	yes	
4. Has all expenditure incurred within the relevant reporting period (with the exception of the preparation costs)? In case there are preparation costs declared, are these costs incurred between the date of publication of the pre-announcement of the call and the date of the submission of the proposal?	yes	
5. Are there arrangements to ensure that ineligible financial charges, fines, financial penalties, expenditure on legal disputes, foreign exchange losses and guarantee costs are not included in the report (in compliance with the Commission Regulation (EC) No 1828/2006, Chapter III, Section 2, Article 49)?	yes	
6. Is every item of expenditure directly linked to the operation?	yes	
7. Has the project generated revenue for the partner? If this is the case, has this revenue been correctly calculated and deducted from the reported costs? (According to Council Regulation (EC) No 1341/2008, project with a total cost of less than EUR 1 million is not considered a revenue-generating project, and there is no requirement to monitor or deduct any revenue generated by the project.	no	

2.3 Exchange rate

	Yes/No	Comments
1. Has the correct exchange rate been used for converting expenditure made in currencies other than Euro?	yes	
2. Has the expenditure been exchanged correctly (e.g. without mistakes of calculation, applying a correct and equitable method of rounding up, etc.)?	yes	

2.4 Public procurement

	Yes/No	Comments
1. Have the applicable European and national public procurement rules been respected?	yes	
2. Is the public procurement procedure well documented and are documents available (such as procurement note, terms of reference, offers/quotes, order forms and contracts, etc.) and is the audit trail complete?	yes	
3. Have the principles of transparency, non-discrimination, equal treatment and effective competition been complied with (relevant also for procurements below the EU-thresholds)?	yes	

3. Detailed check of expenditure per budget categories

3.1. Staff costs

	Yes/No	Comments
1. Is the expenditure only related to employees of the partner?	yes	
2. Is the calculation of hourly rate based on the actual salary costs (employees' gross salary + employer's contributions + any other legal charges due, etc. - as indicated in the Programme Manual)?	yes	
3. Are the staff costs supported by documents such as the working contract, payslips, payment proofs, calculation evidence for the determination of the staff time/hourly rate, time recordings, project specific timesheets?	yes	
4. If a staff member allocated less than 100% of the actual working time for the project:	yes	
• Is the calculation based on an hourly rate resulting from the actual salary rate divided by the total number of hours worked by the staff member (as registered in the institution's time recording system)?	yes	
• Has the hourly rate afterwards been multiplied by the number of hours actually worked on the project activities?	yes	
5. Is there any unpaid voluntary work declared? Have timesheets been provided?	no	
6. Have any of the staff declared overtime. If yes, and it is unpaid, has this overtime been taken into account in the calculation of the hourly rate?	no	

3.2. Administration costs

	Yes/No	Comments
1. Were the administration costs actually borne by the partner?	yes	
2. Do all the administration costs fulfil the following conditions:		
• they are eligible according to national rules, European regulations (in particular Regulations (EC) No. 1083/2006 Art. 56; No. 1080/2006 Art. 7; No. 1828/2006 Art. 48 to 53) and the Programme Manual;	yes	
• they have been calculated on the basis of actual costs and capable of verification, i.e. based on factual elements in the accounting system which can be verified by an auditor (No lump sums, overall estimations or arbitrary keys are allowed!);	yes	
• they were calculated on a pro-rata basis of the actual costs according to a duly justified, fair and equitable method (in case of indirect administration costs such as overheads);	yes	
• they are directly linked to the project's activities;	yes	
• they have not already been included in other budget lines or cost items.	yes	
3. Is there evidence that administration costs (direct + indirect) have not already been financed from other funds?	yes	

3.3. Travel and accommodation

	Yes/No	Comments
1. Have the travel costs been supported by signed participants lists, invitation, agenda, minutes? Are they recorded by the partner?	yes	
2. Were the travel and accommodation costs reported in respect of the national or internal rules of the respective partner (e.g. per diem allowances, real cost, etc.)?	yes	
3. Was the travel these costs refer to justified by the project's activities as foreseen in the Application Form and complies with the requirements listed in the Programme Manual?	yes	
4. Do the travel and accommodation costs exclusively result from travel undertaken by staff employed by the partner?	yes	

5. Is it ensured that:		
• the travel costs were chosen in respect of the most economic way of transport and accommodation?	yes	
• the travels have been actually taken place?	yes	
• travels are supported by all required documents (e.g. original flight/train tickets, receipts and stubs, hotel invoices, etc.)?	yes	
• costs for taxi are eligible and properly justified (e.g. public transport was not available, etc.)?	yes	
6. Were the travels limited to the territory of the ESPON 2013 Programme? In case of travels outside the territory of the ESPON 2013 Programme, were they explicitly mentioned and justified in the approved application form and approved by the ESPON Managing Authority?	yes	

3.4. Equipment

	Yes/No	Comments
1. Were the equipment explicitly mentioned and justified in the approved application form and approved by the ESPON Managing Authority?	no	the LP uses the flexibility rule to purchase an equipment
2. Have the equipment costs been reported by using one of the following methods:		
• by a single declaration at the time of purchasing the equipment, after receipt and payment or	yes	
• by depreciating the cost of the equipment, by applying national accounting regulations?	yes	
3. Is it ensured that the items:		
• have not already been fully depreciated?	yes	
• are not already included as indirect costs in or in any other budget category?	yes	
4. Does the equipment purchase also fulfil the following criteria:		
• The purchase has been made well before the end of the project.	yes	
• If not, is the late purchase still justified? Or have the costs been depreciated and only the share corresponding to the remaining project period been reported?	na	not applicable
• The amount for equipment reflects the actual use of these items in the context of the project. If it is not exclusively used for project purposes, is only a share of the actual cost allocated to the project and is this share calculated according to a fair, justified and equitable method.	yes	
• An inventory of the purchased items as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) has been kept for accounting, control and audit purposes.	yes	
5. Is there evidence that the equipment has not already been financed from other funds?	yes	
6. Was the equipment purchased in compliance with public procurement procedures?	yes	
7. Do the purchased products physically exist and provide sufficient proof that it is actually delivered?	yes	

3.5. External expertise and services

	Yes/No	Comments
1. Were the external expertise and services explicitly mentioned and justified in the approved application form and approved by the ESPON Managing Authority?	yes	
2. Were the external expertise and services contracted/purchased in compliance with public procurement rules?	yes	
3. Are the following documents available to justify external expertise and services' expenses paid by the partner:		
• contracts/agreements;	yes	
• invoices/request for reimbursement;	yes	
• proofs of payment?	yes	

4. Compliance with the partner budget

	Yes/No	Comments
1. Have the costs declared remains in accordance with the latest approved total budget of the partner?	no	exception for the equipment. See section above
2. Have the costs been correctly allocated to the budget categories?	yes	
3. Are the expenditures correctly attributed according to the breakdown by budget category?	no	exception for the equipment. See section above
4. Does the expenditure reported remain within the limits of the latest budget breakdown by budget lines agreed with the Lead Partner?	no	exception for the equipment. See section above

5. Compliance with Community rules

	Yes/No	Comments
1. Has the partner complied with all relevant rules and minimum requirements on publicity and information? Have publications financed under the subsidy been submitted?	yes	

2. Has the partner complied with all relevant rules and minimum requirements on European visibility?	yes	
3. Do all publications or documents produced by the project comply with the requirements of Commission Regulation (EC) No 1828/2006, Chapter II (for instance inclusion of the EU emblem, a statement to the effect that the project was co-financed by the ERDF, the logo of the ESPON 2013 Programme, etc.)	yes	
4. Has the partner complied with all relevant Commission rules on the environment?	yes	
5. Has the partner complied with all relevant Commission rules on equality?	yes	
6. Have Community rules on state aid been respected?	yes	
7. If activities outside the EU have been financed, it is ensured that they - do not exceed 10% of the project funds, - have been budgeted, paid and borne by a partner listed in the application form, - are mentioned and justified in the approved application form.	na	not applicable
8. Has the legal status of the partner changed since its status of public body or body governed by public law was confirmed by the Member/Partner States.	no	

6. Internal control system

	Yes/No	Comments
1. Is there an internal control system capable of guaranteeing that the partner is complying with the European, national and ESPON 2013 Programme legal and financial requirements?	yes	
2. Are there any mechanisms for avoiding more than one request being made for Community assistance for the same expenditure (e.g. each invoice is marked when it has already been accounted and certified or a self-declaration is issued by the partner ensuring that the expenditure has not been claimed twice, etc.)?	yes	

7. Final conclusive considerations

	Yes/No	Comments
1. If the control was not implemented on-the-spot, has the administrative check on files been sufficient for the first level controller to gain evidence that the reported activities have taken place, the delivery of services, goods and works are in progress or have been completed? (it is important to indicate in the comment section, how sufficient assurance was gained through the administrative check on files.)	yes	
2. Are the activities implemented in line with the approved Application Form and in accordance with its provisions? (Information on tasks to be implemented by the partners can be found in the Application Form and in the Annex III. of the Subsidy Contract)	yes	
3. Is the audit trail complete, up-to-date and implemented for the project partner and implemented in relation to the entire partner involvement of the project and tailored to each type of expenditure?	yes	
4. Has the Project Partner received the funds previously accepted from the LP without any retention?	yes	

8. Additional control on the Lead Partner (This section needs to be filled in only if the controlled body is the Lead Partner)

	Yes/No	Comments
1. Has the Lead Partner been provided with progress report and payment claim accompanied by relevant first level control documentation of the Project Partners?	yes	
2. Have the accepted funds been paid by the LP to the Project Partner without any reduction or unjustifiable delay?	yes	
3. Has the LP an adequate systems to have a complete overview of all the expenditure incurred by its the PPs?	yes	
4. Are project expenditure declared in line with the latest approved budget?	yes	
5. Is the reported expenditure of the project within the limits given by the flexibility rule (10%/€20.000)?	yes	
6. Has the LP insured that the expenditure presented by each of its Project Partners has been incurred in the purpose of implementing the operation?	yes	
7. Has the LP insured that the expenditure presented corresponds to the activities agreed.	yes	
8. Has the LP insured that the expenditure presented by each Project Partner has been validated by their relevant controllers?	yes	

Date

dd/mm/yyyy

Place

Name and Surname	<input type="text"/>	Signature Stamp
Job title	<input type="text"/>	
Division/Unit/Department	<input type="text"/>	
Organisation	<input type="text"/>	

ESPON 2013 Programme

Control Report of First Level Control

TO BE FILLED IN BY THE FIRST LEVEL CONTROLLER

The Control Report is part of the project documentation/audit trail. The report should be sent to the Lead Partner and then transmitted to the ESPON Coordination Unit (IN ORIGINAL) together with the project progress report.
A control report has to be filled in by each controller. The Control Report of the Lead Partner's controller will cover as well the additional control elements related to the LP's role.

Project number: 2013/08/2
 Project acronym: ESPON SKH
 Contract number: 028/2009
 Lead/Project Partner: HKDR
 Lead/Project Partner number: LP
 Progress Report number: 2
 Reporting Period covered: 08/12/2008-30/06/2009

Please state below briefly the outcome of the control.

The controls were made on the spot or desk check

The date of receipt of the documents from the controlled Lead/Project Partner:

The report should contain at least the following elements:

- 1) A short description of the methodology used for the checks:
- Percentage of expenditure checked (100% required, only in exceptional cases - repetitive expenditure supported by the same type of administrative documentation - a sample, limited to each group of repetitive expenditure, can be drawn. In these exceptional cases the justification for sampling must be provided and the sampling methodology described and its application documented);
 - Overview of the control procedure carried out;
 - Nature of the documents/evidence checked;

100% of expenditures checked on the spot.

supporting documents checked: work contracts, pay slips, original invoices, ...

2. General observations/reservations concerning the controlled reporting period. Treatment given to these observations/reservations.

no observation. Control system was in place.

3. Detailed information on expenditure not accepted.

- Please list - per budget line - each individual item which has not been accepted, specifying the reason of its rejection.
- In the case of not acceptance of expenditure due to overspending on a specific budget line (not agreed with the LP, if relevant) a clear indication of which individual expenditure have been excluded shall as well be provided.

BUDGET CATEGORY	EXPENDITURES REJECTED (Please specify each single expenditure rejected as well as the reasons)
1. STAFF	0
2. ADMINISTRATION	0
3. TRAVEL AND ACCOMMODATION	0

4. EQUIPMENT	0
5. EXTERNAL EXPERTISE AND SERVICES	0
TOTAL	0

4. Conclusions on the reliability of the system in place and assurance on the absence of material misstatements.
- The conclusion takes into consideration the findings documented in the control checklist.
 - Please include as well information on any findings/issues still open from the previous report(s), and on the follow-up measures implemented or to be implemented. Conclusions on their effectiveness should be drawn.

system in place is reliable. No material mistatement.

5. Recommendations/issues to be followed-up in the next progress report

not applicable

Date

dd/mm/yyyy

Place

Name and Surname

Signature
Stamp

Job title

Division/Unit/Department

Organisation