

Description of management and control system
(Article 71 of Regulation 1083/2006 and Article 21 of Regulation 1826/2006)

Information submitted by	Ministry of Regional Development and Local Government of Republic of Latvia (hereinafter – MoRDLG)
Information submitted on	30 November 2007

Public Procurement, State Aid, Equal Opportunities and Environment rules

Instructions and guidance issued on the applicable rules (date and reference)	<p>Public procurement: <i>Law on public procurement, enforced since 01.05.2006</i></p> <p>State Aids: Law on steering of Cohesion fund and EU structural funds, enforced since 01.03.2007 Regulations on order of planning of resources in a state budget for implementation of EU structural funds financed projects and payment execution, enforced since 01.07.2006</p> <p>Environment rules: Law on environmental impact assessment, enforced since 13.11.1998 Law on environment protection, enforced since 29.11.2006 Law on specially protected nature territories, enforced since 07.04.1993</p> <p>Equal opportunities: Constitution of Latvia – Satversme, enforced since 15.02.1922. Law on state governance system, enforced since 01.01.2003 Law on administrative process, enforced since 01.02.2004 Law on work, enforced since 01.06.2002</p>
Measures foreseen to ensure that applicable rules are complied with (<i>for example, management checks, controls, audits etc.</i>)	<p>Currently we have a centralized first level control system, which is carried out by the State Regional Development Agency (hereinafter – Agency) and in the programming period 2007 – 2013 we will have a centralized first level control system. On 19 October 2007 MRDLG has officially nominated the Agency as the first level control institution. The ministry will issue the instructions on the first level control institution.</p> <p>Currently within the agency they have Cross Border Project Control Unit, which is in charge of the INTERREG III A, B and C programmes and URBACT I programme's project 1st level control. This unit has 7 employees, who are civil servants. In the programming period 2007-2013 these 7 employees will continue to work on the first level control and it is foreseen to increase the number of employees, if it will be necessary.</p> <p>The Audit Department of MRDLG, which is responsible for second level audits, organises its work based on the decisions taken by the group of auditors and the Audit Authority (including guidelines, instructions etc.). The second level control functions will be executed by <u>the EU Funds Audit Division</u> (functionally separated</p>

	<p>from second Division of Audit Department, e.g., System Audit Division) of the Audit Department. The placement of the Audit department within the structure of MRDLG and direct subordination to the State Secretary ensures the proper independence and segregation of duties, which is also stipulated in its Regulation.</p> <p>The functions have been separated and the agency controls all projects on the 1st level. It is done in the <u>Cross Border Project Control Unit</u>, which has separate functions in the agency. It is possible that other units of the agency take part in the projects, because these units have separate functions.</p> <p>The agency set up the schedule (concrete dates) to the project partners for project's 6 months activities first level control. For the agency it takes 10 days to check and send the progress report to the project partner. In the case of opinion on progress report is negative; controllers approaching the project with so called "Controllers Opinion" and project partner have the rights to submit once again the missing documentation. The agency tries to follow three months principle.</p> <p>The agency together with the ministry is planning to work on new methodology on regulations issued by Cabinet of Ministers. According to Art.16.2 of Regulation (EC) No 1080/2006 the agency guarantees that all first level control audits are carried out within 3 months.</p> <p>Currently the agency together with the ministry has launched the tender for the preparation of a Handbook, which will describe first level control system and requirements for the project partners for each European Territorial Cooperation programme. This methodology will be used for the programming period 2007 – 2013 and will be available on programmes' web pages after national approval.</p> <p>The agency has been asking INTERACT I programme to help us with advice and methodology about the 1st level control.</p> <p>Audit department have to set up the control system as required by Article 60 b) of the Regulation (EC) No 1083/2006 saying that verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with the detailed rules to be adopted by the Commission in accordance with the procedure referred to in Article 103(3).</p> <p>For years 2007 – 2008 1st level control for Lead partners/Project partners will be provided free of charge and will be paid by Member State. Information on 2009-2013 will be completed later.</p> <p>In any case MRDLG confirms that the central control body will sign the individual project partners' control confirmations as well as the confirmation for the whole project (in case of Latvian Lead partners) for the period 2007-2013.</p>
Name, Title + Organisation of Signatory for the Member State or Partner State	<p style="text-align: center;">Mrs. Laimdota Straujuma State Secretary Ministry of Regional Development and Local Governments of Republic of Latvia</p>

Place, Date and Stamp	Riga, 30 November 2007
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Thank you in advance for sending the filled-in questionnaire including relevant annexes
by 30 November

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