**Checklist for project control**

 **(the list can be extended by the auditor)**

|  |  |
| --- | --- |
| Contract number | Grant contract number, eg. PLRU.01.01.00-28-0006/18-00; Addendum number (if applicable), eg. PLRU.01.01.00-28-0006/18-01 |
| Project title |  |
| Name and address of the beneficiary  |  |
| Role of the beneficiary in the project: | [ ]  Lead Beneficiary | [ ]  Beneficiary |
| First and last name of the auditor |  |
| Name and address of the auditing entity |  |
| Phone number/e-mail address of the auditor |  |
| Report number | Report number complies with the number of Request for paymentInterim report, eg. PLRU.01.01.00-28-0006/18-002-01Final report, eg. PLRU.01.01.00-28-0006/18-003-01 |
| Report type | [ ]  Interim report | [ ]  Final report |
| Reporting period | The reporting period is stipulated in the §16of the Grant Contract. In duly justified cases on the request of the LB, prolongation of the reporting could be agreed by the JTS.  |
| Amount of reported expenditure | Total amount of reported costs |
| Amount of certified expenditure | Total amount of costs considered as eligible by the auditor / amount certified by the Auditor – inserted in Annex No.2 Auditor’s Certificate |
| Type of control | On-desk control ****Verification of the report on the basis of certificated copies provided by the beneficiary | On-the-spot control **** Verification at the beneficiary’s office on the basis of original documents |
| Date of the on-the-spot control | *Place*To be filled in the case of the on-the-spot control. Otherwise– N/A | *Date* To be filled in case of the on-the-spot control. Otherwise – N/A |
| Final project control | YES  **** | NO ****  |
| Control of fixed assets with a value equal to or higher than 5 000 EUR gross | YES The administrative verification on-the-spot/at the beneficiary’s office is obligatory in case of purchase of fixed assets by the beneficiary for the value equal to or higher than 5000 EUR gross. This type of verification should be carried out till the end of the project implementation, before the final report submission.During the on-the-spot control auditor verifies not only costs related to a fixed asset with a value equal to or greater than 5 000 EUR gross., but ALL expenditure incurred in the reporting period (+sample from the previously approved report - minimum 5 documents to sample). | NO ****  |
| Description of the identified shortcomings, stipulations, irregularities | *Describe problems, shortcomings, non-eligible costs, which were found during control* |
| Description of conclusions and recommendations | Please, indicate steps taken to resolve detected errors, shortcomings or irregularities. Point out recommendations to avoid similar errors in the future. |
| Thematic modules of the checklist used during control, concerning the specifics of the given project and the scope of control  | Controlled area | Yes | Not applicable |
|  | 1. Control of the activities planned in the project
 |  |  |
|  | 1. Control of achievement of indicators
 |  |  |
|  | 1. Control of accounting records
 |  |  |
|  | Expenditure verification: |  |  |
|  | 1. Expenditure relating to the category – STAFF COSTS
 |  |  |
|  | 1. Expenditure relating to the category – TRAVEL AND SUBSISTENCE COSTS
 |  |  |
|  | 1. Expenditure relating to the category – EQUIPMENT AND SUPPLIES
 |  |  |
|  | 1. Expenditure relating to the category – SERVICES
 |  |  |
|  | 1. Expenditure relating to the category – INFRASTRUCTURE COMPONENT
 |  |  |
|  | 1. Expenditure relating to the category – ADMINISTRATIVE COSTS
 |  |  |
|  | 1. Control of compliance with the information and visibility requirements
 |  |  |
|  | 1. Control of public procurement procedures
 | *If YES, please attach to this checklist, a Checklist of public procurement* |  |

**Thematic modules of the checklist:**

1. **General questions:**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not applicable** | **Remarks/Comments** |
| 1 | Was the report prepared on a proper form and signed by persons authorized to represent the beneficiary? |  | **GENERAL NOTE**:Answers to each question in the checklist should be YES, NO, N/AIn case the answer is N/A. there should always be a comment provided (explanation, justification). |
| 2 | Is the paper version of the report compatible with the electronic version of the report? |  |  |
| 3 | Was all necessary project documentation ( Grant Contract with relevant Addenda including all annexes, Partnership Agreement, etc.) made available to the auditor? |  | In order to correctly certify declared costs auditor needs to be acquainted with the rules and provisions applicable in the institution. Therefore, within the first report, certified copies of the internal regulations (e.g. concerning remunerations, public procurement, etc.), approved accountancy Policy as well as accountancy plan need to be provided as the auditor has to make conclusions regarding clear identification of the costs allocated to the project. |
| 4 | Was the reporting period properly indicated? (Was continuity ensured, no overlapping with the previous reporting period)? |  | If the Lead Beneficiary is not able to deliver the required reports in set deadlines, the Lead Beneficiary is obliged to submit a formal request (an official letter) to the JTS together with the explanation of reasons of delay and information on the possible date of reports submission. This letter shall be submitted before the deadlines set for sending particular reports.The JTS informs the Lead Beneficiary in writing on whether the deadline is extended or not.In case of not submitting reports within the deadline/extended deadline approved by the JTS - lump sums for staff costs are ineligible. |
| 5 | Is the report correct in terms of arithmetic rules? |  |  |
| 6 |  *(In cases where the expenditure is not settled exclusively within the project)*Was the eligibility level of the project's expenditure properly calculated according to a reasonable, transparent, verifiable and objective methodology for allocating costs to the project? |  | N/A - if all confirmed costs are paid exclusively within the projector YES – in case of shared costs providing comments on methodology for allocating costs to the project. |
| 7 | Was the value of eligible expenditure converted into euro using a correct exchange rate, in accordance with the Programme rules? |  | *Please specify the currency used.*Please enter the currencies used in the report. No need to enter all ex-change rates. |
| 8 | Was the expenditure reported in the relevant budget lines? |  | Each budget cost should be examined |
| 9 | Was the project budget exceeded, including the particular categories of costs? |  | The answer confirming that the budget has not been exceeded is “NO”.Each budget cost should be examined. |
| 10 | If the beneficiary has exceeded the project budget or a budget line, has an appropriate change of the project budget been agreed with the lead beneficiary and the JTS, or has the addendum to the grant contract been signed? |  | In case of correct situation, the answer will be N/A as each change agreed with the JTS results in a change of a budget. If there are overruns on budget lines, it means that the change has not been agreed / correctly implemented. The auditor should provide comments and deduct exceeded costs as ineligible expenditure.Please also note, that in the case of staff costs not only exceeding of the value of the line is forbidden, but also exceeding of the monthly unit rate should be treated as ineligible. |
| 11 | Has the beneficiary of the project received the payment from the lead beneficiary, as agreed in the Partnership Agreement and in the Grant Contract? |  | *Please indicate the date of receipt of payment and the amount (in line with information in the Certificate).*N/A – in case of a Lead Beneficiary. |
| 12 | Has all expenditure been foreseen in the Grant Contract and its annexes and are necessary for the implementation of the project? |  |  |
| 13 | Is the expenditure incurred reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency. |  | */in case of expenditures* ***of Polish beneficiaries*** *equal or lower than 50 000 PLN the auditor shall describe on what base he or she has declared that the expenditure had been incurred* reasonably, in justified way, and comply with the requirements of sound financial management, in particular regarding economy and efficiency. e.g. based on analysis on the market prices, etc./YES – in case the adequacy of expenditure is ensured.NO – in case the evidence that the adequacy of expenditure is not ensured has been detected. Situation should be described in detail. |
| 14 | Have any public contracts of the project been significantly diverging from the market prices? |  | The question applies to all contracts concluded under the project.Regardless of the amount, it should be examined whether the contract has been concluded by applying the appropriate rules for the selection of the contractor. |
| 15 | Has the expenditure been incurred during the Project implementation period?(It does not apply to the the costs under the grant awarded retroactively and closing of the Project, if according to the Programme rules – some expenditure may be incurred outside of the project implementation period) |  |  |
| 16 | Has the expenditure been incurred during the same reporting period which the report is covering? /if NOT/Is it justified to refund expenditure incurred before or after the period indicated in the report? |  | In case the answer is NO, auditor should provide comment what kind of expenditure incurred and why it is eligible. |
| 17 | /if applicable/ Have the costs under the grant awarded retroactively for the infrastructure component been incurred by the beneficiary during the eligibility period and in line with the Programme rules |  | N/A – no retroactive costs related to the infrastructure component in the report (PLEASE CHECK THE PROGRAMME MANUAL – PART I)YES – costs incurred and paid after:- the adoption of the JOP, i.e. after December 8th 2016 for PL beneficiaries, - after the Financing Agreement was signed for RU beneficiaries - the date of the submission of the AF to the JTS for “other” costs  and directly related to the infrastructure component as described in the project. Date when costs have been incurred and paid should be provided in the comment.NO – a comment should be provided on which of the abovementioned eligibility requirements have not been fulfilled. Amount deducted as ineligible should be indicated in the comment. |
| 18 | /if applicable/Is the lump sum (for strong partnership and personnel costs) claimed in the right amount as stated in the Grant Contract? |  | Applicable for all partners in case planned in the project budget. Costs can be divided among partners. |
| 19 | Is there any evidence of revenue in the project? If revenue has been accumulated, has it been reflected in the report according to the Programme rules? |  | .An auditor has to check if the project generates net-revenue. Net revenues are the cash in-flows directly paid by users for the goods or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services decreased by any operating costs and replacement costs of short-life equipment incurred during the corresponding period.N/A – no revenue in the project identified during the report verification;YES – revenue has been identified and it complies with the Programme rules (interest/ revenues/ cash inflows do not exceed the threshold of the Lead beneficiary’s and beneficiary’s co-financing);NO revenue has been identified and exceeds the threshold of the Lead beneficiary’s and beneficiary’s co-financing. Amount above the threshold of the co-financing should be indicated in the comment as ineligible. |
| 20 | /Applicable to the final request for payment only /In relation to an identified risk, has it an impact on the eligibility of costs presented in the request for payment being verified? |  | If the auditor described possible threats in project implementation in previous checklist (point 3.3 of the checklist), reference should be made to those threats in the final report. |
| 21 | Were the rules of origin and nationality, stipulated in art. 8 and art.9 of the regulation 236/2014, followed in case of contracted works/services/supplies?  |  | */in the case of actions jointly co-financed or implemented through a Member State in shared management, countries which are eligible under the rules of that Member State shall also be eligible/*YES - the field does not require additional comments - all contracts implemented in the Programme meet the provisions of art. 8 and art. 9 of Regulation 236/2014. |

1. **Please check only the activities planned in the project currently controlled**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not applicable** | **Remarks/Comments** |
| 1 | Was the physical progress of particular project activities in the given reporting period described? |  | The auditor should examine the actual progress with the described progress in the narrative report prepared by the given beneficiary.In addition to consolidated one, the JTS requires separate narrative reports to be prepared by ALL partners. Signature of the auditor is required on the narrative report to confirm it has been checked by the auditor (Grant Contract § 16 point 2). |
| 2 | Is the progress status of particular activities within the project compatible with the Grant Contract and its annexes? |  | *If NOT, please describe derogations from the planned scope of project implementation*The auditor should describe any deviations from the implementation schedule as in the Grant Contract and its annexes. |
| 3 | Did the implemented activities comply with the assumptions included in Grant Contract and its annexes? |  | The auditor should describe any deviations from the activities as contracted in the Grant Contract. |
| 4 | Is the progress status of the project, presented in the project implementation progress reports, consistent with the actual activities implemented? |  | */Verification on-site/ Applicable to the on-the-spot controls*N/A – in case of the on-desk controlIn case of the on-the-spot it should be described how the actual (physical) progress has been verified. |
| 5 | Are the documents submitted in the project implementation progress reports consistent with the original project documentation? |  | *Answer on the basis of the sample verification/ Applicable to the on-the-spot controls*N/A – in case of the on-desk controlIn case of the on-the-spot it should be checked on a sample basis that the copies submitted during the on-desk control comply with originals. |

1. **Control of achievement of indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.**  | **Name of the indicator presented in the Grant Contract and its annexes** | **Measurement unit**  | **Target value of the indicator** | **Verification sources / Measurement method** | **State of achievement of the indicator** | **Remarks** |
|  | All project indicators – according to the project description (Annex III to the Grant Contract). |   |  |  |  |  |
| … |  |  |  |  |  |  |
| 1 | Have the values, of the output indicators achieved in the reporting period, been consistent with the description of the progress in the project implementation? | *yes/no/not applicable* | *Describe any possible derogations*Auditor is requested to verify if reported values of the output indicators comply with the described progress. Maybe the beneficiary declares achievement of an output indicator, while from the description of the project progress it is clear that activity is under preparation or is still in the process and is not finalised. |
| 2 | Have the project indicators been achieved?  |  |  |
| 3 | Does the reached cumulative achievement of the output indicators show that there is a risk to the correct project implementation? |  | Auditor should estimate, if reported cumulative achievement of the output indicators does not show the threat to the correct project implementation.If the auditor described possible threats in previous checklist, reference should be made to those threats in the final report.In case output indicators have not been achieved/achieved partly, it should lead to the financial correction. Detailed explanation should be provided by the auditor. |

1. **Control of accounting records**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not Applicable**  | **Remarks/Comments** |
| 1 | Are separate accounting records or separate accounting codes used for all project implementation activities? (Not applicable to settling expenditure by lump sums and flat rates) |  |  |
| 2 | Were the expenditures presented by the beneficiary in the progress reports actually incurred, paid and recorded in the accounting records at the appropriate amounts?*Does not apply to flat rates and lump sums*  |  | *[pay attention to: "Include buffer", "B" indicating temporary introduction of the provisions]*Print outs from the financial system of the beneficiary should be verified. |
| 3 | Is there an accounting document (e.g. invoice, payroll) in existence for each expenditure presented?*Does not apply to flat rates and lump sums* |  |  |
| 4 | Are there documents confirming the payment for each expenditure presented in the report/project?*Does not apply to flat rates and lump sums* |  |  |
| 5 | Are accounting records marked in a manner that indicates that the project costs had not been financed from different sources,? /To exclude double financing / |  | In case of financing from sources other than the program / own resources, it should be described how the possible double financing was excluded. |
| 6 | Was the expenditure paid during the implementation period of the project as specified in the grant contract? |  |  |
| 7 | /for Polish beneficiaries only/Can the VAT be considered eligible as indicated by the Beneficiary's Statement and the eligibility rules?  |  | *Each Polish beneficiary should provide a statement whether it can recover or cannot recover the VAT from the tax office*N/A - for RU beneficiariesN/A - VAT is not eligible in case of Polish beneficiaries, if it is recoverable. The auditor should provide comment that VAT has not been reported;YES - in case of Polish beneficiaries VAT is eligible if it is not recoverable. It is checked by the auditor on the basis of Statement provided by the beneficiary. Comment should be provided by the auditor on which base VAT is eligible.NO - if recoverable VAT is reported in case of PL beneficiaries.Reported VAT deducted as ineligible should be indicated by the auditor in the comment. |
| 8 | /for Polish beneficiaries only/a) During the project implementation period, is the beneficiary registered in the tax office as an active VAT payer?b) Does the project generate taxable activities?c) Is there any evidence of the direct and unquestionable relation between the goods / services / fixed assets acquired under the project and the VAT taxable activities being carried out and/or activities exempted from VAT under Article 90 p. 2 of the Act on VAT?d) Are the contractors (if any) of the beneficiary active VAT payers? |  | N/A - for RU beneficiariesFor PL beneficiaries 4 answers should be provided for points a) to d) |
| 9 | Does the request for payment include expenditure reported in the previous reporting period and/or paid out in the previous pre-financing payment? Note: special attention should be paid to the expenditure incurred (issued / paid) in the period prior to the request for payment being verified. |  | NO – if no repeatedly included costs.YES – Comment is requested in case expenditure incurred (issued / paid) has been included repeatedly. |

1. **Expenditure Verification - Category of expenditure - STAFF COSTS**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not Applicable**  | **Remarks** |
| **5.1 – this part of the checklist relates only to staff costs reported as direct costs (no need to fill it in if the staff costs are covered by a lump sum)** |
| 1 | Does each employee have project tasks within his/her responsibilities specified in a job description? |  | Employee’s job description is to be verified.N/A – if staff costs are settled as a lump sum up to 50,000 EUR |
| 2 | If an employee performs tasks other than the project tasks, is there a method of calculating the cost of this employee’s salary available? |  | In case of the answer “YES” the methodology for calculating the remuneration settled in the project should be described. |
| 3 | For personnel working part-time in a project with a flexible number of hours per month, are there records of working time available?  |  | Applicable in case type of staff assignment is “part-time with a flexible number of hours worked on the project per month”. |
| 4 | In case of the salaries settled on the basis of hourly rate:1. is there hourly rate for part-time workers with a flexible number of hours worked on the project per month calculated,
2. is the hourly rate multiplied by the number of hours actually worked in the project,
3. is the working time documented with the time sheet showing the total working time.
 |  | In case an answer to at least one of the listed points is NO, the general answer should be “NO” and comments provided. |
| 5 | Are the salaries expenditure limited to gross salaries including social security charges and other remuneration-related costs that:1. have been defined in a contract, service contract or other documents of equivalent probative value,
2. comply with the national legislation,
3. comply with the internal remuneration regulations or remuneration practices applying to all employees in the organization,
4. cannot be recovered by the employer.
 |  | In case an answer to at least one of the listed points is NO, the general answer should be “NO” and comments provided. |
| 6 | Are the following documents available:* Labour contract, contract other than a labour contract
* Responsibilities specified in the job description
* Payrolls or other documents of equivalent probative value
* Proofs of payment
* Attendance lists
* Timesheets (in case of hourly rate), signed both by the employee and the employer
 |  |  |
| 7 | Have contracts other than labour contract (e.g. service contract) been preceded by appropriate procurement procedures, considering the value of the contract? |  | Contracts other than a labour contract:Civil law contracts with a physical person/ private entrepreneurs concluded as a result of successfully implemented public procurement procedure.Service contracts with the legal entities cannot be concluded under BL1.In case the answer is "YES", type of concluded contract should be indicated. Auditor also should indicate public procurement procedure applied and if it is correct depending on the value of the contract. |
| 8 | If a cost of the civil law contracts with an employee of the beneficiary is reported, does the scope of the contract not duplicate the employee's responsibilities specified in the job description within the employees labour contract? |  | Civil law contracts with own employees were eliminated at the contracting stage as non-competitive. If, however, after conducting the procurement procedures, such agreement was concluded, it should be checked:* whether the scope of the civil contract not duplicate the employee's responsibilities;
* whether the employee does not perform the tasks in the course of his normal working hours;
* that there was no conflict of interest in the award of such an order.
 |
| 9 | Were the salary-related charges fully paid? |  |  |
| 10 | If awards/bonus payments/ allowances were submitted for reimbursement - were the eligibility criteria indicated in the Programme documents fulfilled?  |  | Holidays and sick leaves – eligibleOvertime – eligible in duly justified casesBonus payments – ineligible (except cases when they are an obligatory component of salary in accordance with the employment policy of the beneficiary organisation or legislation in the employer’s country)Unpaid voluntary work – ineligible N/A – no awards/bonus payments/ allowances were submitted for reimbursement;YES – comments to be provided what kind of awards/bonus payments/ allowances have been reported and how eligibility requirements have been satisfied;NO – comments should be provided why reported awards/bonus payments/ allowances are not eligible and amount deducted as ineligible. |
| **5.2**  | **Verification of the lump sum** *(if applicable)* |
| 11 | /if applicable/If the beneficiary received a lump sum for the staff costs weren’t these expenditure presented as real costs in other budget lines?  |  | N/A – no lump sum for the staff costs;YES – if received lump sum have not been presented as real costs in other budget line;NO - if received lump sum have been presented as real costs in other budget line. Comment to be provided under which budget lines such costs have been reported and amount deducted as ineligible. |
| 12 | Is a physical progress shown in the narrative report and covered by lump sum adequate to the progress of the project?Have necessary project indicators been fulfilled by the beneficiary to claim a lump sum? |  | The answer, in general, is "YES" as the lump sum is settled in accordance with the provisions of the Grant Contract, i.e. 50% + 50%.In case of not submitting reports within the deadline - lump sums for staff costs ineligible. |
| 13 | Is the value of the lump sum claimed in the report in line with the amount set in the Grant Contract? |  |  |

1. **Expenditure Verification - Category of expenditure - TRAVEL AND SUBSISTENCE COSTS**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not Applicable**  | **Remarks** |
| 1 | Are travels other than the travels related to the project tasks planned in the project? |  | Expenditure on travel and accommodation costs of the management staff of the Beneficiary’s organisation related to the project implementation. |
| 2 | Is each travel documented (agenda, invitation, authorization of the mission, tickets, bills, invoices, mission report)? |  |  |
| 3 | Has the travel expenditure been incurred and settled in accordance with the national legislation and internal regulations of the beneficiary (amount of per diems / lump sums, etc.)? |  |  |
| 4 | In cases when food was provided by an organizer of a meeting, was the amount of per diems reduced accordingly? |  |  |
| 5 | Were the private means of transport (TAXI, company car, private car) selected in accordance with the Programme rules? |  | In case of a private means of transport, documents confirming the correct use of the private car (decision of the head of unit, etc.) have to be submitted. |
| 6 | Is the travel time consistent with the date of the event?*(arrival and departure time is not longer than 1 day from the start and the end of the event. In case of a longer stay, were the cost savings proved?)* |  |  |
| 7 | /if applicable/Are the costs of travel outside the Programme area eligible, according to the Programme rules? |  | N/A – no expenditure of the travel outside the Programme area reported.YES - expenditure of the travel outside the Programme area reported. The auditor should describe in the comment what kind of costs and where incurred and how eligibility has been ensured.NO - expenditure of the travel outside the Programme area have been reported but it has not been foreseen in the AF/approved by the JTS in advance. Comment to be provided and amount deducted as ineligible indicated. |

1. **Expenditure Verification - Category of expenditure - EQUIPMENT AND SUPPLIES**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not Applicable**  | **Remarks** |
| 1 | Has the beneficiary submitted contracts with contractors providing equipment and supplies? |  |  |
| 2 | Has the beneficiary submitted a delivery acceptance note or is there a relevant information attached to the invoice? |  |  |
| 3 | Has the equipment been purchased/supplies delivered necessary for the project and foreseen in the Grant Contract and its annexes? |  |  |
| 4 | Is the scope of performed deliveries consistent with contracts with each contractor? |  |  |
| 5 | Has the equipment/supplies been delivered within the deadlines indicated in the contracts with each contractor? |  |  |
| 6 | Has the equipment/supplies been delivered at the price agreed in the contracts with each contractor? |  |  |
| 7 | Has the expenditure under verification been incurred in accordance with the public procurement law (national, EU or Programme regulations)? Should the public procurement procedures been applied?/if YES, in the Remarks please indicate if the appropriate checklist for control of public procurement has been filled in/ |  | All purchases, regardless their value, should be verified and their compliance with the relevant requirements (depending on the value) should be confirmed.All purchases should be listed in the comment indicating the purchase procedure applied (direct award, market research, open procedure, etc.) as well as if applied procedure has been based on the internal regulations, the principle of competitiveness, Public Procurement Law, etc.Annex 5 - Checklist for Public Procurement in Russia must be filled in by Auditor in case of open procedure when the procurement is done by public entities according to the Russian law on public procurement. |
| 8 | In case a beneficiary resigned from carrying out the procedures of public procurement law, was it entitled to do this? |  | Comment should be provided in case of an answer “YES”. |
| 9 | Has the expenditure under verification been incurred in accordance with the principle of competitiveness? Should they have been incurred in line with this principle?[[1]](#footnote-2) |  | Applicable only for PL beneficiaries.if YES, the list should include a checklist to examine the Programme principle of the offer policy and information on the outcome of this verification. |
| 10 | In case a beneficiary resigned from carrying out procedures in accordance with the principle of competitiveness, was it entitled to do this? |  | Applicable only for PL beneficiaries.N/A – in case principle of competitiveness has been applied;YES – in case no purchases above 50.000 PLN + comment “Threshold for the procedure has not been reached” or stricter procedure has been applied;NO – in case beneficiary resigned from carrying out the procedure without justification. Comment including financial correction to be provided. |
| 11 | In case a beneficiary made changes to the concluded contracts / signed annexes, where they compatible with the provisions and contracts concluded with each contractor? |  |  |
| 12 | /if applicable/If a cost of the workplace equipment was made - is the workplace equipment assigned to the employee performing the tasks within the project? |  |  |
| 13 | /if applicable/If the beneficiary purchased used fixed assets, are they compatible with the Programme rules? |  | Purchase cost of used equipment is eligible, provided the equipment complies with applicable norms and standards. |
| 14 | Have the purchased fixed assets been included in the fixed assets record? |  |  |
| 15 | Is the serial number of the fixed assets equal to the number entered in the fixed assets record? |  | *Refers to the on-the-spot control*N/A – in case on-desk control. |

1. **Expenditure Verification - Category of expenditure –SERVICES**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No****Not Applicable**  | **Remarks** |
| 1 | Has the beneficiary submitted the contract with the contractor? |  |  |
| 2 | Has the beneficiary submitted the service acceptance note or is there a relevant information attached to the invoice? |  |  |
| 3 | Is the scope of performed services consistent with contracts with each contractor and the Grant contract and its annexes? |  |  |
| 4 | Have the services been provided within the deadlines indicated in the contracts with each contractor? |  |  |
| 5 | Has the expenditure under verification been incurred in accordance with the public procurement law? Should they have been?/if YES, in the Remarks please indicate if the appropriate checklist for control of public procurement was filled in/ |  | All purchases, regardless their value, should be verified and their compliance with the relevant requirements (depending on the value) should be confirmed.All purchases should be listed in the comment indicating the purchase procedure applied (direct award, market research, open procedure, etc.) as well as if applied procedure has been based on the internal regulations, the principle of competitiveness, Public Procurement Law, etc.Annex 5 - Checklist for Public Procurement Control in Russia must be filled in by Auditor in case of open procedure when the procurement is done by public entities according to the Russian law on public procurement. |
| 6 | In case a beneficiary resigned from carrying out the procedures in accordance with the public procurement law, was it entitled to do this? |  | Comment should be provided in case of an answer “YES”. |
| 7 | Has the expenditure under verification been incurred in accordance with the principle of competitiveness? Should they have been?/if YES a checklist to examine the principle of competitiveness and information on the outcome of this verification should be attached/ |  | Applicable only for PL beneficiaries. |
| 8 | In case a beneficiary resigned from carrying out the proceedings in accordance with the principle of competitiveness, was it entitled to do this? |  | Applicable only for PL beneficiaries.N/A – in case principle of competitiveness has been applied;YES – in case no purchases above 50.000 PLN + comment “Threshold for the procedure has not been reached” or stricter procedure has been appliedNO – in case beneficiary resigned from carrying out the procedure without justification. Comment including financial correction to be provided. |
| 9 | Does the contract with the contractor clearly state the duties, contract duration and due remuneration? |  |  |
| 10 | Was the scope of services performed performed made at the price agreed in the contract with the contractor? |  |  |
| 11 | Is there evidence of task performance by the contractor? |  |  |
| 12 | In case a beneficiary made changes to the concluded contracts / signed the annexes, where they compatible with the provisions and contracts concluded with each contractor? |  |  |
| 13 | Has the beneficiary provided evidence of each training / event? |  |  |
| 14 | Does the provided documentation confirm that a training / an event was held for the target group specified in the Grant Contract and its annexes? |  |  |
| 15 | Were external services outsourced to another beneficiary participating in the project? |  | NO – in case no services outsourced to another beneficiary. |

1. **Expenditure Verification - Category of expenditure - INFRASTRUCTURE COMPONENT**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes/No /****Not applicable** | [**Remarks**](http://www.linguee.pl/angielski-polski/t%C5%82umaczenie/comments.html) |
| 1 | Has the beneficiary submitted contracts with each contractor? |  |  |
| 2 | Has the beneficiary provided an acceptance note or put relevant remarks on the invoices? |  |  |
| 3 | Has the works been foreseen in the Grant Contract and its annexes? |  |  |
| 4 | Is the scope of the works performed consistent with the contracts with each contractor? |  | Auditor can involve a special expert who can evaluate the quality of the performed work (for example when we are talking about the infrastructure element like a construction of buildings, roads). In such case the auditor carries the costs of such expert services. In any case, checklist shall be completed and signed by the project Auditor solely. |
| 5 | Are the purchased fixed assets used for the purpose specified in the Grant Contract and its annexes? |  |  |
| 6 | Has the scope of works been done at the price agreed in the contract with each contractor? |  |  |
| 7 | Has the content scope been implemented within the deadline indicated in the contract with each contractor? |  |  |
| 8 | In case of the acquisition of real estate, have the limits, laid down in the Programme documents, been exceeded? |  | Purchase of land or buildings cannot exceed 10 % of the total eligible expenditure of the project. |
| 9 | Was the acquisition cost of the property shown in the project in the correct amount / proportion? |  |  |
| 10 | Has the expenditure under verification been incurred in accordance with the public procurement law? Should they have been? |  | *If YES, in the remarks / comments please enter if and when the appropriate checklist for control of public procurement was filled in.*All purchases, regardless their value, should be verified and their compliance with the relevant requirements (depending on the value) should be confirmed.All purchases should be listed in the comment indicating the purchase procedure applied (direct award, market research, open procedure, etc.) as well as if applied procedure has been based on the internal regulations, the principle of competitiveness, Public Procurement Law, etc.Annex 5 - Checklist for Public Procurement Control in Russia must be filled in by Auditor in case of open procedure when the procurement is done by public entities according to the Russian law on public procurement. |
| 11 | In case a beneficiary has resigned from carrying out the procedures in accordance with the public procurement law, was it entitled to do this? |  | Comment should be provided in case of an answer “YES”. |
| 12 | Has the expenditure under verification been incurred in accordance with the principle of competitiveness? Should they have been?/if YES, a checklist to examine the fulfillment of the principle of competitiveness and information on the outcome of this verification should be attached / |  | Applicable only for PL beneficiaries. |
| 13 | In case a beneficiary resigned from carrying out the procedures in accordance with the principle of competitiveness, was it entitled to do this? |  | Applicable only for PL beneficiaries.N/A – in case principle of competitiveness has been applied;YES – in case no purchases above 50.000 PLN + comment “Threshold for the procedure has not been reached” or stricter procedure has been appliedNO – in case beneficiary resigned from carrying out the procedure without justification. Comment including financial correction to be provided. |
| 14 | In case a beneficiary made changes to the concluded contracts / signed the annexes, where they compatible with the provisions and contracts concluded with each contractor? |  |  |
| 15 | Have legally required permits and documents (e.g. building permit, the application works, environmental decision, the assessment of impacts on the environment) been delivered? |  | All compulsory requirements set by the EU and national legislation related to the respective investment of infrastructure (e.g. feasibility study, building permission, etc.) should be fulfilled. |
| 16 | Is there a document confirming the right to dispose of the property / place of investment / construction works in existence? |  |  |

1. **Expenditure Verification - Category of expenditure - ADMINISTRATIVE COSTS**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes / No /** **Not applicable** | **Remarks** |
| 1 | Does the flat rate exceed the rate approved in the Grant Contract and its annexes excluding costs incurred in relation to the provision of infrastructure? (Please check if the beneficiary has correctly calculated the amount of the eligible expenditure according to the rate of the flat rate indicated in the Grant Contract and its annexes). |  | Administrative costs do not need to be supported by accounting documents.N/A – no administrative costs reported;NO – reported costs do not exceed rate approved in the Grant Contract of the total direct eligible costs;YES - reported costs exceed rate approved in the Grant Contract of the total direct eligible costs. Comment and amount deducted as ineligible should be provided by the auditor. NOTE! Flat rate approved in the Grant Contract concerns the entire project, while each beneficiary can have different %. Auditor should verify flat rate in accordance with the %for the administrative costs of each beneficiary. |
| 2 | If a beneficiary received a flat rate for indirect costs (postal, courier and similar services, archive, office supplies and other consumables, office maintenance, office rental, insurance, telephone, electricity, heating, cleaning of bank charges) weren’t these costs presented in the list of expenditure as the real costs?(please make sure that costs contained by the flat rate have not been listed as real costs) |  | Expenditure covered by the flat-rate cannot be reported under any other budget line.N/A – no administrative costs;YES – if indirect costs have not been presented as real costs in other budget line;NO - if indirect costs have been presented as real costs in other budget line. Comment to be provided under which budget lines such costs have been reported and amount deducted as ineligible. |

1. **Control of compliance with the information and visibility requirements**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes / No /** **Not applicable** | **Remarks** |
| 1 | Do the information and visibility activities and materials contain the necessary information according to the Programme requirements, including the logo of the Programme, the EU symbol, containing information about the Programme co-financing? |  | Programme obligations related to visibility measures are mentioned in the §20 of the Grant Contract and are described in more details in Communication and visibility guidelines for project implementation and Programme Manuals part I and II.  |
| 2 | Have the fixed assets, e.g. the room where the event took place (e.g. conference, training, office supplies / publications) been marked in accordance with the Programme rules? |  |  |
| 3 | Has the Beneficiary informed the public of the received support by the Programme by posting [if there is any] a brief description of the operation, proportional to the level of support, including its objectives and results, and highlighting the EU financial support on its website / if the obligation arises from the Programme rules/? |  |  |
| 4 | Has the Beneficiary respected the Programme rules on information and promotion? |  |  |
| 5 | Are costs incurred for the information and visibility activities necessary to achieve the objectives of the project? |  | Visibility activities have to be planned in the Grant Contract and its annexes as well as included in the project budget.  |

1. **Control of the filling the task in the Project by lead beneficiary**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes / No /** **Not applicable** | **Remarks** |
| 1 | Has the Lead Beneficiary provided the other beneficiaries with their part of the pre-financing payments in accordance with the partnership agreement and with the grant contract, as soon as possible and in total? |  |  (Please enter the date of receipt of payment)N/A – in case auditor verifies report of the Beneficiary not being a LB. |
| 2 | Has the Lead Beneficiary deducted or suspended any amounts or imposed any specific fees or other charges with equivalent effect which would cause a decrease in the amount of advances to the other beneficiaries? |  | N/A – in case auditor verifies report of the Beneficiary not being a LB.NO – in case no deductions/ suspending.YES – comment of the situation should be provided |

1. **Control of compliance with other EU rules**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes / No /** **Not applicable** | **Remarks** |
| 1 | Was there any evidence that the project activities do not comply with the EU horizontal objectives of environmental protection? |  | Answer N/A is not possible under this question.NO – everything is OK;YES – evidence that the project activities do not comply with the EU horizontal objectives have been detected. Comments should be provided.E.g. In the project related to waste water treatment plants it appeared that equipment installed does not meet waste water emission standards of the EU. |
| 2 | Was there any evidence that the project activities do not comply with the EU horizontal objectives of equal opportunities and non-discrimination as well as equality between men and women? |  | Answer N/A is not possible under this question.NO – everything is OK;YES – evidence that the project activities do not comply with the EU horizontal objectives have been detected. Comments should be provided.E.g. renumeration for a man and woman in a project under the same position differs. |
| 3 | Was there any evidence that the project activities, outputs and results do not respect the provisions regarding the accessibility of disabled persons? |  | Answer N/A is not possible under this question.NO – everything is OK;YES – evidence that the project activities do not comply with the EU horizontal objectives have been detected. Comments should be provided. |
| 4 | Was there any evidence that the project excludes other target groups based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation? |  | Answer N/A is not possible under this question.NO – everything is OK;YES – evidence that the project activities do not comply with the EU horizontal objectives have been detected. Comments should be provided. |
| 5 | Was there any evidence of the violation of the EU rules on state aid, i.e. it can be confirmed that a) project activities are in line with the Grant Contract and its annexes and do not raise any new issuesb) project activities do not create an economic advantage for a partner or a third party and are without potential impact on competition, but serve a general common interest.*(Concerns only Polish beneficiaries)* |  | If no problems, breaches, the answer should be “NO”. |
| 6 | In case there are activities of the project partner that are not defined as state aid in the Grant Contract and its annexes, are these activities of noneconomic nature?*In this context, non-economic means:**The beneficiary does not undertake any activities for which a market exists; or**The beneficiary does not offer goods/ services for which a market**exists; or**The beneficiary does not implement activities in the context of the**project that could be carried out by a private operator which intends**to make profit (even if it is not the intention within the project); or**The beneficiary does not provide goods/services in the context of**the project that could be provided by a private operator which intends**to make profit (even if it is not the intention within the project); or**The beneficiary does not construct infrastructure (e.g. port**infrastructure) that shall be exploited economically and is not and is not available for public use free of charge.* *(Concerns only Polish beneficiaries)* |  |  |

1. **Other elements of expenditure eligibility verification**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes No** **Not applicable** | **Remarks** |
| 1 | During the control of the estimation of the value of the public contracts, has the auditor obtained assurance that the beneficiary had not split the contract into parts by, for example,• analysis of the procurement plan,• analysis of concluding contracts in terms of scope / type,• analysis of planned expenditure during project implementation in terms of convergence of scope / type. |  | If no problems, breaches, the answer should be “YES”. |
| 2 | Was it ensured during the expenditure verification that the following expenditures were not reported as eligible:a) debt and debt service charges (interest);b) provisions for losses or liabilities,c) costs declared by the beneficiary and already financed from the Union budget,d) purchase of land or buildings for an amount exceeding 10% of the eligible expenditure of the project,e) foreign exchange losses,f) duties, taxes and charges, including VAT, except where no recovery is possible under applicable national tax laws, unless otherwise specified in the relevant provisions agreed with partner countries involved in cross-border cooperation,g) loans to third parties,h) fines, financial penalties and expenditure related to litigation,i) contributions in kind, including volunteering. |  | If no problems, breaches, the answer should be “YES”. |
| 3 | During the check of expenditure, including the public procurement procedures, has the auditor come across any evidence of fraud? |  | *In case of answer “YES” the JTS shall be informed immediately*  |

**SUMMARY**

**( Obligatory Part)**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Question** | **Yes No** **Not applicable** | **Remarks** |
| **1** | Is the expenditure in the submitted report so far consistent with the eligibility rules in force in the Programme, as specified in the Programme Manual? |  | YES – if no problems, breaches of rules;NO – in case of problems, deductions + comment. |
| **2** | Is the project documentation kept in a way that ensures availability, confidentiality and security, and the correct audit trail? |  | YES – in case documents are available and audit trail ensured;NO – in case of problems, missing documents + comments. |
| **3** | Was any ineligible expenditure found during the audit? |  | NO – if all costs considered eligible;YES – in case of ineligible costs in the report + comments. |
| **4** | Was a conflict of interest identified or are there any indications that such a conflict may exist? |  | NO – in case no conflict of interest;YES – in case conflict of interest has been identified + comments. |
| **5** | Does the auditor identify risks for proper project implementation? |  | NO – in case no risks identified;YES – in case of problems and threats identified + comments.Answer should comply with the answer under point 3.3 of a checklist. |
| **6** | Is there a need for the beneficiary to correct the project reports submitted so far? |  | N/A – in case of the first report. |
| **7** | Is there any need to notify the JTS that ineligible expenditure was found and the need to initiate the procedure for recovery of incorrectly made payments? |  | Applicable for the final report only. |
| **8** | Have recommendations from previous audits of the project been implemented? /if applicable/ |  | N/A – in case no audits conducted till the moment of the report verification. |
| 9 | If some irregularities have been found during previous controls, has the related expenditure been properly presented for further settlement in the amount/proportion accepted? |  | *Please consider the results of previous controls (i.e. public procurement controls, control of the rule of competitiveness, on the spot control, etc.)* |
| **NOTES** |  |
| **ANNEXES** | *- e.g. list for ex-post controls of public procurement procedures, etc.* |

|  |  |
| --- | --- |
| **Auditor’s data** |  |
| **Name**  |  |
| **Signature**  |  |
| **Date** |  |

1. In case of Polish beneficiaries, the auditor shall fill in the checklist constituting Annex 11 to the *Guidelines on expenditure verification* [↑](#footnote-ref-2)