

## Finance seminar report | 11-12 June 2009 | Brussels

The INTERREG IVC Finance seminar for the Lead partner finance staff and controllers of running IVC projects was held at the EU-Representation of Saxony - Anhalt in Brussels (Belgium) on 11 and 12 June 2009. INTERREG IVC welcomed 61 participants, representing 36 approved projects and 11 first level controllers.



Thomas Spriet from the Nord-Pas de Calais Region welcomed the participants and opened the day by introducing the participants to Nord-Pas de Calais' role in being a Managing Authority of three INTERREG programmes: INTERREG IVA-Two Seas, INTERREG IVB North West Europe and INTERREG IVC.

Michel Lamblin, Director of the INTERREG IVC programme, then gave a general presentation of the INTERREG IVC Programme. He also presented at large programme characteristics and structure as well as the programme priorities and the eligible costs.

Erwin Siweris, Deputy Programme Director, presented the legal framework of financial management. He focused mainly on the subsidy contract and its principles and he also underlined the importance of the programme manual, which provides further details for planning and implementing an INTERREG IVC project. This manual is particularly relevant for financial managers and controllers of approved projects because it provides practical information on reporting and controlling of INTERREG IVC expenditure. The country specific requirements as well as national guidance documents can be consulted in the country specific information section of the website.

The reporting was under the control of György Alföldy and Katja Ecke, Finance Officers of the JTS. György in his presentation reminded participants of the procedures and deadlines of reporting, namely that the progress report has to be submitted to the JTS three months after the end of reporting period at the latest. To achieve this, project partner controllers should deliver their confirmation to the Lead Partners at the latest two months after the end of the reporting period. György also illustrated the reporting and payment process between partners, Lead partners, JTS and Certifying Authority.

The presentation of the eligibility period made by Katja included a mention that projects are eligible from the date of approval by the Monitoring Committee to the end of the month marked as "finalisation month" in the approved application. Eligibility rules are applicable to the preparation costs and general project costs. It is important to respect the "actual-paid-out-rule" according to which all expenditure must be actually paid out before the end of the period in which it is reported. For the budget flexibility, Katja highlighted the two applicable rules: first, the 10% / EUR 20,000 flexibility rule which is implemented together with the progress report and second, the 20% (of the total budget) flexibility rule which requires prior approval by the MA/JTS and can only be requested once in a project's lifetime.



After the coffee break, where the participants were able to get to know each other a little bit better, the last part of the day was dedicated to first level control.

Dominique Bouchez, Financial Control and Audit Officer, emphasised in her presentation the general considerations of first level control. Dominique introduced 4 systems possible for centralised and decentralised control following different criteria. The last point of view of her presentation was focused on the knowledge expected from a first level controller, divided into 2 parts by general knowledge and more specific knowledge.

Anne-Cécile Renard, Finance Officer, continued with a presentation on what is expected from first level control at Project Partner Level. Anne-Cécile detailed the role of the project partner's controller, and the documents that the partners need to provide to the Lead Partner to ensure an adequate audit trail. In a little exercise the participants also established together a list of documents that the partners need to provide to their controller for control purposes.

Martina Bačová, Finance Officer, then presented the tasks of the Lead Partner's controller, who confirms that the progress report of the whole partnership is correct from the accounting aspects and that reported costs have actually been paid and are eligible. Martina highlighted that such a confirmation is possible, as it is based on the submitted partner control confirmations. Therefore, a crucial point for the Lead Partner and the Lead Partners' controller is to check that the partner's confirmations have been signed by an independent controller with respect to the country specific control requirements. The Lead Partner's controller also verifies that the ERDF contribution has been paid to the partners and checks that all the partner expenditure fits with the budget planning.



The last presentation of the day was given by Swedish first level controller Håkan Flykt. He emphasized the importance of timely submission of complete and well prepared documentation to the first level controller. In addition he encouraged the project partners to be in regular contact with their controllers, as fluid and transparent communication often helps to avoid problems later on.

The second day was much more interactive with case studies for participants to solve. The case studies covered staff costs, administration costs, public procurement and publicity requirements. The cases are included in the material to download.



Participants actively discussed on the presented topics and raised many questions. Especially, tricky points in respect to staff costs calculation, public procurement, but also the special role of the Lead Partner and the Lead Partner's first level controller were raised.

Following the case studies, György Alföldy gave a presentation on common costs. He presented the methodology of reporting shared costs through two specific examples.

Last but not least, Petra Geitner, Senior Finance Officer, and Sébastien Cazabonne, Certifying Authority, talked about the auditor's expectations and presented some important findings to avoid projects having to pay back the funds or to avoid a flat rate financial correction which would penalise the whole programme and all the Member States. Petra and Sébastien proposed a careful reading of all the documents and the preparation of transparent and extensive project documentation.

Overall, the event was largely successful judging from the feedback of participants, who expressed the wish for further events like this one in the future.

*Lille, 19 June 2009*