

ON-THE-SPOT CONTROL CONTROL REPORT incl. CHECKLIST

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I PROGRAMME AND PROJECT - GENERAL INFORMATION							
1	Programme name:	CENTRAL EUROPE PROGRAMME					
2	Project number/index:	2CE166P3					
3	Project acronym:	EnSURE					
4	Project full name:	Energy Savings in Urban Quarters through Rehabilitation and New Ways of Energy Supply					
5	Lead Partner's name:	Municipality of Sopot / Urząd Miasta Sopotu					
6	Project's duration period:	05/2010 - 07/2013					
II PROJECT PARTNER - GENERAL INFORMATION							
1	Partner's number:	PP 8					
2	Partner's name:	Municipality of Sopot					
3	Contact person:	Ms. Maja Macur					
4	Address:	Poland, 81-704 Sopot City, 25-27 Tadeusza Kościuszki Str.					
5	Telephone:	+48 58 521 37 60					
6	Fax:	+48 58 551 01 33					
7	E-mail:	maja.macur@um.sopot.pl					
8	Partner's budget:	151 484,59					
III ON-THE-SPOT CONTROL - GENERAL INFORMATION							
1	Controller's name:	Izabella Dyłżyńska-Jakubowska, Dorota Pietrzak					
2	Authorisation of control:	Number:	CPE/U/31/2015 CPE/U/32/2015	Date:	11-05-2015	Issued by:	Director of Center of European Projects
3	Letter introducing the control:	Number:	CPE-XIV-0910-42-IDJ/15			Date:	2015-05-07
4	On-the-spot control:	Number:	10/2015	Date:	2015-05-15	Place of control:	Municipality of Sopot Sopot City, Poland
5	Period covered by control:	From:	05/2010	To:	07/2013	Progress Reports:	ALL
6	Partner representatives:	1.	Ms. Maja Macur			2.	N/A
IV SUMMARY ON TREATMENT OF RECOMMENDATIONS FROM PREVIOUS ON-THE-SPOT CONTROL							
Not applicable - first on-the-spot check.							
V CURRENT ON-THE-SPOT CONTROL - SCOPE							
<input checked="" type="checkbox"/> Sound internal control system <input checked="" type="checkbox"/> Sound accounting system <input checked="" type="checkbox"/> Sound audit trail <input checked="" type="checkbox"/> Sound filing system <input checked="" type="checkbox"/> Inspection of equipment <input checked="" type="checkbox"/> Inspection of investment <input type="checkbox"/> Controls related to Lead Partner							
VI CURRENT ON-THE-SPOT CONTROL - SUMMARY OF FINDINGS AND CONCLUSIONS - BEFORE CONTRADICTIONARY PHASE							
Brief description of general overview on the project and the project partner.							
<p>Result of control: positive. Regarding to the control of expenditures no findings have been made. The documentation is organized, complete and easily available. The control of expenditure on selected operations is carried out by the Center of European Projects (CEP). A sample of project has been made by the CEP controllers with reference to Guidelines for the control and Program requirements.</p> <p>The controllers confirm, that the project is carried out in accordance with the respective national and european law as well as an application form and program documentation including guidelines on eligibility. The beneficiary made available documents relating to: internal control system including accounting documents, workflow, statutes of the unit, Ordinance of Director on organization management, the chart of accounts, the instructions of documents registry. In organization internal control measures are implemented, which ensure that project was run properly.</p>							

During on the spot control, controllers did not detect any financial irregularities.
 However audit team detected irregularities in payrolls and business trip settlements descriptions concerning the source of co-financing from the EU funds, which put a risk of double founding from different co-financing sources for the same expenditure item. The practice of annulling the originals of invoices and other probative documents is compulsory in the framework of the CENTRAL EUROPE programme. However payrolls and business trip settlements were not marked.
 The Partner is required to describe all payrolls and business trip settlements accordingly and provide FLC with sample, which were subjected to on the spot control.

List of all ineligible items revealed as a result of the on-the-spot control. Moreover based on above Project Partner is required to recheck all payrolls in the project and complement the missing descriptions.

Not applicable - controllers did not detect any financial irregularities.

VII LIST OF ANNEXES

1 On-the-spot control - checklist

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VIII VERIFICATION AND APPROVAL (BEFORE CONTRADICTIONARY PHASE)

Report prepared by:	11.06.2015	Izabella Dyłczyńska-Jakubowska Dorota Pietrzak	<i>Izabella Dyłczyńska-Jakubowska</i> <i>Pietrzak D.</i>
	Date	Name and surname	Signature
Approval - Head of Control Unit	11.06.2015	Szymon Denis	<i>Szymon Denis</i>
	Date	Name and surname	Signature
Approval - Deputy Director, Center of European Projects	11.06.15	Rafał Kociucki	<i>Rafał Kociucki</i>
	Date	Name and surname	Signature

Head of Control Unit

Szymon Denis

ZASTĘPCA DYREKTORA
Centrum Projektów Europejskich

Rafał Kociucki

ANNEX NO. 1 - ON-THE-SPOT CONTROL - CHECKLIST
A FINANCIAL PROCEDURES, ROUTINES AND ACCOUNTING SYSTEM

	Control question	YES	NO	N/A	Comments
1	Are internal control systems in place?	X			The beneficiary has made available all the required documents.
2	Are there internal procedures/routines that secure all expenditures are made only once?	X			
3	Are there internal procedures/routines that secure all expenditures are paid for?	X			
4	From a FLC's point of view, is the partner's organization assessed as well organized and structured?	X			
5	Has the project partner set up a separate project's (sub-) account or established another method for identification of the partner's expenditure in the general partner's accounting (specific cost centres)?	X			There is separate accounting records exclusively for project expenditures.
6	Are there internal procedures/routines that secure all costs and expenditures are entered into accounting system only once?	X			
7	Is it assured that project related invoices are not entered into institution's VAT register?	X			
8	Have there been any other controls/audits made regarding the project partner directly related to the project?		X		
9	If yes, were there any findings affecting eligibility of expenditures?			X	

B EXISTENCE OF THE ORIGINAL DOCUMENTATION

	Control question	YES	NO	N/A	Comments
1	Is the original documentation in line with the copies verified during the desk-based check?	X			
	- employment contracts	X			
	- job descriptions	X			
	- lists of attendance	X			
	- payrolls	X			Lack of payroll description.
	- business trip settlements	X			Lack of business trip settlements description.
	- invoices	X			
	- contracts with external service providers	X			
	- proofs of payment	X			
2	Are descriptions made on the back side of original invoices in line with the copies submitted to the desk-based check?			X	It has been detected that copies of payrolls and business trip settlements submitted to the desk-based check were not stamped.
3	Are there any important attachements to the original documents which were not presented during the desk-based check?		X		There weren't any important attachements to the original documents which had not been presented during the desk-based check.
4	Do original documents have unjustified corrections/erasures of data causing ineligibility of expenditure/double financing?	X			

C FILING SYSTEM

	Control question	YES	NO	N/A	Comments
1	Are there appropriate arrangements in place to ensure that all original documents will be retained by the end of the period required by the programme?	X			
2	Is the project original documentation identifiable and easy accessible?	X			
3	Is there a person/unit responsible for project files until project completion?			X	Project is closed.
4	Is there a person/unit responsible for project files after project completion (archiving)?	X			Ms. Maja Macur. Municipality of Sopot. maja.macur@um.sopot.pl
5	Is the project documentation well organised and kept in a safe place?	X			
6	For all documentation retained electronically, are security standards met?			X	Documents are retained in paper version.
7	Is every kind of promotional material kept for control/audit purpose?	X			

D INSPECTION OF EQUIPMENT

BUDGET LINES	APPROVED BUDGET	AMOUNT OF EXPENDITURE CHECKED	PROGRESS IN %	BRIEF DESCRIPTION
Equipment	1 040,00 €	847,33 €	81,50%	Notebook.

	Control question	YES	NO	N/A	Comments
1	Does the equipment physically exist?	X			
2	Is the equipment properly registered in the inventory?	X			
3	Is the equipment properly marked with a sticker with a visible programme logo, EU logo and other visual elements required by the programme?	X			
4	Is the equipment used solely for purposes foreseen in the Application Form?			X	Project is closed.
5	After project completion, is the equipment owned by the project partner and used for purposes foreseen in the Application Form?	X			

E INSPECTION OF INVESTMENT

BUDGET LINES	APPROVED BUDGET	AMOUNT OF EXPENDITURE CHECKED	PROGRESS IN %	BRIEF DESCRIPTION
Investments (infrastructure and works)	70 000,00 €	70 000,00 €	100,00%	Construction works thermomodernization construction works thermomodernization in Sopot Music School.

	Control question	YES	NO	N/A	Comments
1	Does the investment correspond to the expected output of the project according to the Application Form?	X			Construction works thermomodernization construction works thermomodernization in Sopot Music School.
2	Is the investment properly registered in the inventory?	X			
3	In case of investment in the form of infrastructure or building works - are all required authorizations/permissions such as feasibility studies, environmental impact assessments, construction permits, etc. available?	X			

4	If the investment is still ongoing, is there a visible billboard at the location of the investment with the programme logo, EU logo and project reference taking at least 25 % of the billboard?	X			
5	After investment completion, is there a permanent explanatory plaque visible and of required size?	X			
6	If yes, is a permanent explanatory plaque placed on the physical object?	X			
7	Are there proper arrangements in place to ensure that the investment is not and will not be modified over the durability period?	X			
8	After investment completion, is the investment owned by the project partner and used for purposes foreseen in the Application Form?	X			

F CONTROL SPECIFIC FOR LEAD PARTNER

	Control question	YES	NO	N/A	Comments
1	Does the Lead Partner keep all documentation related to the progress reports and certificates of expenditures submitted by all project partners?			X	
2	Has the Lead Partner transferred to project partners all ERDF payments related to the previous reporting periods?			X	
3	Has the Lead Partner transferred all ERDF payments without any reduction?			X	
4	Has the Lead Partner transferred all ERDF payments without any unjustifiable delay?			X	
5	Are all transactions related to the ERDF payments to project partners properly registered in the LP's accounting system?			X	

G VERIFICATION AND APPROVAL OF CHECKLIST

Report prepared by:	11.06.2015	Izabella Dyłczyńska-Jakubowska Dorota Pietrzak	<i>Izabella Dyłczyńska-Jakubowska</i> Pielnik D.
	Date	Name and surname	Signature
Approval - Head of Control Unit:	11.06.2015	Szymon Denis	<i>Szymon Denis</i>
	Date	Name and surname	Signature
Approval - Deputy Director, Center of European Projects:	11.06.15	Rafał Kociucki	<i>Rafał Kociucki</i>
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