

Joint Operational Programme Romania – Ukraine 2014 - 2020

Rules and expectations for the Cotrollers

Projects Authorizing Unit



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Projects Authorizing Unit

Structure of MA responsible with verifying and authorizing payment requests for the grant contract within 2014-2020 Romania – Ukraine Joint Operational Programme.

The MA has overall responsibility for the verification according art. 26.5 from ENI CBC IR.

Functions of Projects Authorizing Unit

☐ Verifying financial reports with payment requests:

✓ Administrative verifications

✓ On the spot checks

☐ Authorising payments



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Payments within the project according art. 4.1 of the Contract:

Option 1:

Pre-financing instalment – 70% of the ENI Grant foreseen at Article 3.2 of the Contract

Final balance – maximum 30% or the balance of the ENI Grant foreseen at Article 3.2 of the Contract, subject to provisions of Article 5.5.

Option 2:

Pre-financing instalment – 80% of the ENI Grant foreseen for the first 12 months of implementation of the project as set out in Annex I. The grant for the first 12 months will be calculated by applying the percentage set out in Article 3.2 to the total budget estimated for the first 12 months.

Interim instalment – subject to provisions of Article 5.5

Final balance - maximum 10% or the balance of the ENI Grant foreseen at art. 3.2 of the Contract, subject to provisions of Article 5.5.

First Level of Control - Controllers

According art. 32.1 from the ENI IR, Reg. 897/ 20104:

“Expenditure declared by the beneficiary in support of a payment request shall be examined by an auditor or by a competent public officer being independent from the beneficiary. The auditor or the competent public officer shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the contract.”



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Second Level of Control - Authorizing Level

Article 26 of IR - verifications by Managing Authority - second level of control

MA shall verify that services, supplies or works have been performed, delivered and/ or installed and whether expenditure declared by the beneficiaries has been paid by them and that this complies with applicable law, programme rules and conditions for support of the projects.

According art. 32.2 from the ENI IR, Reg. 897/ 20104, MA may be assisted by Control Contact Points.



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Key expectations



☐ Expenditure verification

- ✓ Is performed in accordance with the eligibility requirements set by the Programme
- ✓ Verifies whether the Beneficiary has applied the rules described in the **INSTRUCTION NR.2 of October 2020**
- ✓ Indicates in the expenditure verification reports the verified expenditure items/invoices and revenues
- ✓ Pays special attention to the staff costs, travel and accommodation and procurement processes
- ✓ Reports irregularities and any deviations according with MA Instruction
- ✓ Provides recommendations where necessary
- ✓ The verification report gives a clear statement, is accurate and understandable

☐ Expenditure Verification Checklist

- ✓ Comments where necessary in order to understand the full status
- ✓ Comments for any deviations and reasons for ineligibility



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Key expectations



Targets of verification, especially:

- Application of Programme rules
- Organization of project accounting
- Financial report listing all reported expenditure items/invoices
- Calculation basis (e.g. salaries, timesheets, administrative costs)
- Procurements (should be verified according PRAG version from the year the Call for Proposals was launched – for example Call 1 – PRAG 2018)
- Proof of delivery and proof of payment
- Risk identified

Overall expectation: Good quality expenditure verification work and good quality reporting



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Practical examples

☐ Other than the Programme template has been used for the reporting or the Programme template has been modified

☐ Auditor did not answer to all the questions presented in the Checklist

☐ If the answer to one question is NO the column "Comments" should be properly explained, e.g.

" All expenses have been actually incurred and paid by the Lead Beneficiary/Beneficiary, and they can be verified on the basis of adequate original supporting documents?"

" Expense comply with the national legislation, Programme and Grant Contract rules?"

☐ In the Checklist there is mentioned *"ineligible costs"* but

'Expenditure and Revenue Verification Report' states *"No factual findings"*



Practical examples

- ☐ Inconsistency between the amounts in the verified list of expenditure and the 'Expenditure and Revenue Verification Report'
- ☐ Auditor/controller declared that he verified 100%
but not all the expenditure and revenue were verified
- ☐ The report isn't informative enough (opinion "OK" under the headlines in the 'Expenditure and Revenue Verification Report')
- ☐ No clear statement or no statement at all
 - *no statement under several relevant headlines in the 'Expenditure and Revenue Verification Report'*
 - *no statement about the revenue*



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Practical examples



- ☐ Statement about ineligibility or irregularity but no explanation which expenditure invoice this refers to

- *document is missing (invoice, receipt, payment order)*
- *beneficiary has made an aquisition without tendering process or he performed the tendering process but did not attach the relevant documents*

- ☐ Calculation errors

- 'Total eligible expenditure' or 'net revenue' are not correctly calculated

- ☐ Procurements not properly verified or no financial correction applied even if necessary

Please be aware that in case of non-compliance with the relevant procurement rules FLC or MA (Project Authorizing Unit) will apply financial corrections according to Commission Decision no. 9527/ 2013, Annex - Guidelines for determining financial corrections to be made by the Commission to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement.





**Thank
You!!!**

Thank you for your attention!



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