

FIRST LEVEL CONTROL

Vasa 15.3.2018

Anders Lidman
revisor, OFGR
tilintarkastaja, JHT



FIRST LEVEL CONTROL IN FINLAND

- Decentralised model for verification
- Certification by the Finnish Ministry of Employment and the Economy (MEE)
- Each controller must meet the required preconditions:
 - The controller must be a Chartered Public Finance Auditor (OFGR, JHT) or an Authorised Public Accountant (CGR, KHT) or an Authorised Auditor (GR, HT)
 - Sufficient knowledge of Community and national Structural Fund legislation and experience of verifying projects funded by the EU
 - Sufficient knowledge in English and the language of the programme
 - Fully independent of the organisation or unit subject to verification
- The controller must **personally** carry out the control.
- The beneficiary draws up a more detailed agreement with the controller concerning the verification process.



COMMON MISTAKES WHEN REPORTING

- Please follow the instructions in "Projekthandbok" when registering the costs.
- In "Projektintäkter" should be registered only income such as fees or sales.
 - Don't register sickness insurance compensation or other insurance compensation as income, the compensation should reduce costs instead.
- In "Finansieringssammanställning" only report what has been **received** on the bank account during the reporting period. Only the lead partner reports received payments.
- Please add all necessary "Bilagor" in section 3 when reporting and give or send them to the controller.
- Calculate manually the "Schablonkostnad" every time you are reporting.



PERSONNEL COSTS

- Follow carefully the "Projekthandbok" concerning personnel costs.
- Holiday pay costs are not eligible in some situations
 - For full time or part time personnel, holiday pay should be **payed** during the project time, but only holiday pay costs that has been accumulated during the project time is eligible.
 - However, if a part time employee reports his hours monthly on the time sheet and the hourly personnel cost is calculated as his yearly pay including social expenses divided by 1720 hours, holiday pay costs may be included.



PUBLIC PROCUREMENT IN FINLAND

- Follow the EU-regulations, national legislation and limits and your own organisation's rules for public procurement.
- When making lesser purchases, check the price level with a few suppliers (preferably at least 3) and document your phone calls or save your emails.
- Avoid purchasing from another project partner without public procurement.
- You can not avoid public procurement if you for some reason don't employ a specific person yourself but purchases his services via another organisation, even though the organisation is connected to the project.
 - In this case the other organisation must have the status of a project partner and it must make it's own financial reports .



OTHER THINGS TO CONSIDER

- Assure that all your documents can be found after your project is over. They should be archived properly n+3 years after the last payments from the European Commission.
 - “n” is not determined until the last payment from the EU is made.
 - For example: the last payments to Finland for the programme period of 2000-2006 were made during 2012. Hence all documents had to be archived until 31.12.2015.