Interreg Baltic Sea Region
First level control report incl. checklist

Version 2.2 of 22 May 2017

A. First level control report

The first level control report and checklist constitute an essential and obligatory part of the project's audit trail. They have to be completed by the first level controller of each project partner. Based on these documents the controller can certify the partner's expenditure. The control report including the checklist has to be submitted to the controlled project partner and to the lead partner for validation of the project's overall progress report.

1. Project and partner report

1.1 Project title	Sohjoa Baltic		
1.2 Project acronym	Sohjoa Baltic	1.3 Project No.	#R073
1.4 Partner report no.	6	Final report	☒
1.5 Reporting period	from 1.4.2020	to	31.12.2020

2. Project partner

2.1 Number	14
2.2 Organisation	Liikenne- ja viestintävirasto (Traficom)

3. Designated first level controller

3.1 Name	Tuomas Koskiniemi
3.2 Organisation	KPMG Oy
3.3 Job title	JHT-Audior
3.4 Division/unit/ department	KPMG Oy Julkishallinnonpalvelut
3.5 Address	Töölönlahdenkatu 3 00100 Helsinki
3.6 Country	Finland
3.7 Telephone	+358 20 736 3000
3.8 Email	tuomas.koskiniemi@kpmg.fi

4. Control information

4.1 Expenditure declared to the controller [EUR]	15.972,12
4.2 Expenditure accepted and certified [EUR]	15.972,12

If the expenditure declared to the controller is higher than the expenditure accepted and certified, please indicate the expenditure, which was deducted from the partner report, in the section "11. First level control certificate" of the partner report.

4.3 How much of the partner's expenditure have you checked? ☒ 100% ☐ <100%

Controllers are expected to check 100% of the expenditure. If less than 100% was checked, the sampling method has to be described.

4.4 Type of control carried out ☒ desk-based ☐ on-the-spot check ☐ other

4.4.1 Please describe:

4.5 On-the-spot check(s)

One on-the-spot check is obligatory per project partner in the project lifetime, except when a documented sampling method is applied and allowed by the Programme country. If an on-the-spot check was carried out, please indicate it in the section "11. First level control certificate" of the partner report.

Date: Place: ☐ premises of the project partner ☐ place of project outputs ☐ other

Add lines Delete lines

4.6 Format in which documents were made available ☐ original ☐ copies (e.g. certified) ☒ electronic

4.7 Comments:

N/A

5. Follow-up measures from previous reports

If any findings/issues are still open from the previous report(s), describe the follow-up measures recommended by the first level controller and actions implemented by the project partner. Conclude on their effectiveness.

N/A

6. Description of findings/observations/reservations

Specify the findings, observations and reservations, if any, that you made during your checks for this report.

N/A

7. Conclusions and recommendations

Describe the measures that were implemented to solve the detected errors. Provide recommendations that help to avoid similar errors. Provide a conclusion whether there is a reliable system in place and whether there is sufficient reassurance that the cost statement is free of material misstatement.

N/A

8. Follow-up measures for the next report

N/A

9. Controller's signature

Place	Helsinki, Finland
Date	20.11.2020
Name	Tuomas Koskiniemi, JHT
Signature	

This document cannot be modified in any of its general contents but has to be filled in its specifics linked to the recent first level control. This confirmation has to be filled and signed by the first level controller. In case of non-compliance of this document, the corresponding payment procedure will not be initiated.

B. First level control checklist

1. Relevant documents

Are the following documents available for the first level control?

	Control question	Yes	No	N/A	
1.1	Subsidy contract	☒	☐		Comment
1.2	Application form/Project data	☒	☐		Comment
1.3	Partnership agreement (signed by project partner)	☒	☐		Comment
1.4	Partner report, including list of expenditure (overview of all project expenditure by project partners and budget lines, incl. payment day, VAT specification, procurement procedure for sub-contracted items where applicable, and brief description of the cost item)	☒	☐		Comment

2. General checks

	Control question	Yes	No	N/A	
2.1	As far as evident the partner still has the same legal status as stated in the latest approved application form.	☒	☐		Comment
2.2	Does the partner contribution come from the partner's own resources?	☒	☐		Comment
2.3	Please confirm (answer "yes") that there is no evidence that the expenditure has already been reimbursed by any other funding source (EU, regional, local or other).	☒	☐	☐	Comment
2.4	Are there mechanisms in place to avoid double-financing?	☒	☐		Comment
2.5	Was recoverable VAT deducted? *If the project partner is not entitled to recover the VAT, please select 'N/A'.*	☒	☐	☐	Comment
2.6	General comments, recommendations, points to follow-up:				Comment

3. Accounting and audit trail

	Control question	Yes	No	N/A	
3.1	Has one of the following options been chosen to clearly identify the costs allocated to the project? a. A separate accounting system b. An adequate accounting code	☒	☐		Comment
3.2	Are the amounts paid accurately recorded in the accounting system? *Not applicable for flat rates, standard scales of unit costs or lump sums.*	☒	☐		Comment
3.3	Are all costs declared only once, i.e. not already reported in this or any of the previous reporting periods?	☒	☐		Comment
3.4	Has all expenditure been incurred within the eligible Programme area?	☒	☐		Comment
3.5	Has all ERDF expenditure been incurred inside the Union part of the Programme area?	☒	☐		Comment

3.6	Has each reported expenditure been supported by an invoice or an accounting document of equivalent probative value that is complete and accurate in accounting terms?	☒	☐		Comment
3.7	Has each expenditure been supported by a payment proof (e.g. bank account statements, bank transfer confirmations, cash receipts)? *Not applicable for flat rates, standard scales of unit costs or lump sums.*	☒	☐		Comment
3.8	Have the costs been correctly allocated to the budget lines?	☒	☐		Comment
3.9	Has the partner's budget by budget lines been respected?	☒	☐		Comment
3.10	Is the amount of reported expenditure within the project partner's total budget?	☒	☐		Comment
3.11	Is the exchange rate used for the conversion into euros correctly applied, using the monthly exchange rate of the European Commission in the month during which the partner report was submitted to the first level controller?	☐	☐	☒	Comment
3.12	Has the partner received from the lead partner the Programme's co-financing from the previous periods?	☒	☐	☐	Comment
3.13	Does the account, from which the payments are made and received, belong to the partner organisation? In case of deviations (e.g. trustee accounts held by the externalised project management) please confirm that this is a legal set-up.	☒	☐	☐	Comment
3.14	Is it ensured that ineligible costs according to Programme rules and Article 69 (3) (a+b) of Regulation (EU) No 1303/2013 and Art 2 (2) of Delegated Regulation No 481/2014 are excluded? In particular: • interest on debt • fines • financial penalties • costs related to fluctuation of foreign exchange rate • gifts that are not related to the promotion communication, publicity and information or that exceed EUR 50 • in-kind contributions (except unpaid voluntary work which is eligible in Interreg Baltic Sea Region).	☒	☐		Comment
3.15	As far as evident, were (net) revenues deducted from the total reported eligible costs? *If there are no revenues or the activity is implemented under State aid scheme, please tick N/A.*	☒	☐	☐	Comment
3.16	Is there evidence that reported activities have taken place and that co-financed products and services were delivered or are in the process to being delivered? *If the evidence was not obtained through an on-the-spot check, it is important to indicate in the comment section how sufficient assurance was gained instead.*	☒	☐	☐	Comment
3.17	Are all costs directly related to the project and necessary for the development or implementation of the project?	☒	☐		Comment

3.18	General comments, recommendations, points to follow-up:	Comment

4. Budget lines

Budget line 1 - Staff costs

If costs under this budget line are included in the report please tick here ☒

	Control question	Yes	No	N/A	
4.1	Is the expenditure related only to staff/employees directly employed by the organisation which is officially listed as a project partner in the application form or natural persons that work under a contract considered as an employment contract according to the national law?	☒	☐	☐	Comment
4.2	Was the compulsory "Staff cost tool" used for calculation of the staff costs of every employee working for the project?	☒	☐		Comment
4.3	Is the "Staff cost tool" completed with the correct data and in a correct way?	☒	☐		Comment
4.4	The staff costs are calculated according in the following way:				Comment
	1. Person employed by the partner organisation working **full-time** on the project	☐	☒		
	2. Person employed by the partner organisation working **partly** on the project at a **fixed percentage**	☒	☐		
	3. Person employed by the partner organisation working **partly** on the project at a **flexible percentage** (flexible number of hours per month)				
	a. Calculation based on the monthly contractual hours as indicated in the employment contract	☐	☒		
	b. Calculation based on dividing the latest documented annual gross employment costs (= gross employment costs for 12 consecutive months before the person started the work for the project resp. before the start of the relevant reporting period) by 1,720 hours.	☐	☒		
	4. Person employed by the partner organisation based on a contracted hourly rate.	☐	☒		
4.5	Where relevant, the following documents are available: • work contract or equivalent • job description or equivalent • payslips (or similar) • payment proofs • time sheet (relevant for the calculation option 3 and 4 in the question 4.4)	☒	☐	☐	Comment
4.6	Provided a person works in several projects, please confirm that there is no evidence that the total number of working hours declared exceeds the total eligible working time of the employee (no double-financing).	☒	☐	☐	Comment
4.7	General comments, recommendations, points to follow-up:				Comment

Budget line 2 - Office and administrative expenditure

Control question	Yes	No	N/A

4.8	Is it ensured that no office and administration costs (such as stationery, photocopying, mailing, telephone, fax and internet, heating, electricity, office furniture, maintenance, office rent) are declared under any other budget line?	☒	☐		Comment
4.9	General comments, recommendations, points to follow-up:				Comment

Budget line 3 - Travel and accommodation costs

If costs under this budget line are included in the report please tick here ☐

Budget line 4 - External expertise and service costs

If costs under this budget line are included in the report please tick here ☒

	Control question	Yes	No	N/A	
4.15	Are the deliverables available, identifiable and in compliance with the contract/agreement concluded between the project partner and the service provider and in compliance with invoices/requests for reimbursement? *As for all other expenditure items, check that the external expertise and services were contracted in compliance with public procurement rules.*	☒	☐		Comment
4.16	Is the expenditure related to items foreseen under this budget line in the specifications provided in the application form/project data?	☒	☐		Comment
4.17	As far as evident, are the providers of services or expertise different from the project partner organisations and their employees?	☒	☐	☐	Comment
4.18	Have the travel and accommodation expenses of external service providers or guests invited by the project partners also been recorded under the external services and experts budget line (i.e. not under the travel and accommodation budget line)?	☐	☐	☒	Comment
4.19	General comments, recommendations, points to follow-up:				Comment

Budget line 5 – Equipment expenditure

If costs under this budget line are included in the report please tick here ☐

Budget line 6 – Infrastructure and works

If costs under this budget line are included in the report please tick here ☐

Budget line 7 – Expenditure for specific project activities

If costs under this budget line are included in the report please tick here ☐

5. Public Procurement

Control question	Yes	No	N/A

5.1	Has the controlled organisation observed European, Programme, national, regional and internal public procurement rules? *For cases above EUR 5,000, please indicate in the comments section:* • *The relevant threshold* • *The procedure (open, restricted, negotiated, direct contracting, bid-at-three rule etc.)* • *Degree of publicity/media applying to this threshold* • *Title of contracts/name of contractor falling under this threshold* • *A conclusion about the adequacy of the procedure* *Pay particular attention to contracts awarded below the EU-threshold and especially to contracts that are awarded directly.*	☐	☐	☒	Comment
5.2	Have the principles of transparency, non-discrimination, equal treatment and effective competition been respected, including for items below the EU threshold? *Transparency rules are outlined in the Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the public procurement directives (2006/ C179/02).*	☐	☐	☒	Comment
5.3	Is full documentation of the procurement procedure available? It usually includes the following: • *Initial cost estimate made by the project partner to identify the applicable public procurement procedure* • *Request for offers or procurement publication / notice* • *Terms of reference* • *Offers/quotes received* • *Report on assessment of bids (evaluation/selection report)* • *Information on acceptance and rejection (notification of bidders)* • *Contract including any amendments* *In case documentation is not required, please tick N/A and provide an explanation in the comments section.*	☐	☐	☒	Comment
5.4	In case it is relevant, were the contracts advertised in the Official Journal of the European Union?	☐	☐	☒	Comment
Among others, please check following:					
5.5	Are the contracts in line with the selected offers?	☒	☐	☐	Comment
5.6	Please confirm (answer "yes") that there has been no artificial splitting of the contract objective/value in order to avoid public procurement requirements.	☒	☐	☐	Comment
5.7	Has any contract been amended or extended?	☐	☒	☐	Comment

Comments/Follow-up :

Procurement was on the first period

5.8	*For tenders:* Were the evaluation and award decisions properly documented and justified (e.g. evaluation and award decisions are properly documented and selection and award criteria have been applied to all received offers in a consistent way and as published in advance and no new criteria were added)?	☐	☐	☒	Comment
5.9	*For direct awards because of* • *Urgency:* is it proven that the urgency is due to unforeseeable circumstances? • *Technical/exclusivity reasons:* is it ruled out (based on objective evidence) that any other supplier is capable of providing the services?	☐	☐	☒	Comment
5.10	Have invoices been issued and payments been done in line withs the procurement budget and the amounts fixed in the contract/the accepted offer (global price, unit prices)?	☐	☐	☒	Comment
5.11	Bid-at-three rule Do the purchases of equipment, investment or external services below the national threshold and above EUR 5,000.00 (without VAT) comply with the Programme's bid-at-three rule? In that respect please see the note about non-discrimination and equal treatment. *Please note: According to the jurisdiction of the European Court of Justice, the contracting authorities have to comply with the principles of non-discrimination and equal treatment laid down in the EC treaty, even below the EC thresholds. Based on these requests the European Court of Justice states an obligation of transparency and requests the contracting authority to ensure "a degree of advertising sufficient to enable the services market to be opened up to competition".*	☐	☐	☒	Comment
5.12	General comments, recommendations, points to follow-up:				Comment

6. Information and publicity rules

	Control question	Yes	No	N/A	
6.1	Please confirm the compliance with the following: When a project partner (i.e. institution, organisation) or a project maintains a website, this website should include a short description of the project, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Programme/European Union. It shall also adhere to 6.3.	☒	☐		Comment
6.2	Has the partner organisation placed at least one poster with information about the project (minimum size A3) at a location readily visible to the public? The poster shall adhere with 6.3. and display the objective of the project as well as the amount of EU financial support.	☒	☐		Comment

6.3	Please confirm that where relevant the project information and communication measures have displayed the support from the Programme and the EU funds as follows:				
	a) the European Union emblem in accordance with the technical characteristics specified in the European Commission Implementation Regulation(EU) 821/2014, together with a reference to the European Union;	☒	☐		Comment
	b) a reference to the EU funding source(s). The reference shall read as follows: European Union (European Regional Development Fund) in English or respective national language; and	☒	☐		
	c) the Programme logo	☒	☐		
6.4	Please confirm that every equipment item that is a **part of a project's investment(s)** and which is partially or fully financed by the Programme has been marked with a label containing the following elements: • the European Union emblem; • a reference to the EU funding source(s); and • the Programme logo. The label must not be removed even after the finalisation of the project. *If there was no investment(s) planned in the application form, please select "N/A".*	☐	☐	☒	Comment

7. Compliance with State aid rules

First level controllers are asked for a professional judgment as a controller here. They are asked in particular to confirm that they have not come across anything that makes them doubt that the EU and/or Programme State aid rules are not adhered to. It is important to indicate what the professional judgment is based on, such as reported activities compared to the application form, project partner confirmations obtained on these matters, insights gained during an on-the-spot check, interviews with the project partner or other internal documents that a project partner provides.

	Control question	Yes	No	N/A	
7.1	Are the State aid relevant activities in line with the latest approved version of the application and do not raise any new issues? *Each group of activities in the application that contains State aid relevant activities is marked as "State aid relevant" through a checkbox.*	☐	☐	☒	Comment
7.2	Has all expenditure for State aid relevant activities been correctly declared as State aid relevant in the project partner's accounting system and report?	☐	☐	☒	Comment
7.3	Is the State aid budget of the project partner observed? *The budget flexibility does not automatically apply to the State aid budget. In case a partner uses the budget flexibility it has to prove that this has been agreed on with the lead partner and the MA/JS.*	☐	☐	☒	Comment
7.4	Please confirm that only Interreg Baltic Sea Region supports the eligible costs with State aid. *State aid granted for the same eligible costs cannot be accumulated, i.e. a project partner cannot receive State aid for the same eligible costs from this Programme and from any other public funding source.*	☐	☐	☒	Comment

7.5	For project partners framed within the General Block Exemption Regulation (GBER): a. Are the specific conditions as laid down in the GBER declaration complied with? b. Did the project activities start only after the application form of the 2nd step was submitted to the Programme?	☐	☐	☒	Comment
7.6	In case there are activities of the project partner that are not marked as "State aid relevant" in section 4 of the application: Are these activities of non-economic nature? *In this context, non-economic means:* • *The project partner does not undertake any activities for which a market exists; or* • *The project partner does not offer goods/ services for which a market exists; or* • *The project partner 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 project partner 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 project partner does not construct infrastructure (e.g. port infrastructure) that shall be exploited economically and is not available for public use free of charge.*	☒	☐	☐	Comment
7.7	General comments, recommendations, points to follow-up:				Comment

8. Anti-fraud measures

First level controllers are asked for a professional judgment as a controller here. They are asked in particular to confirm that they have not come across anything that makes them doubt that the EU and/or Programme rules are not adhered to. It is important to indicate what the professional judgment is based on.

The column "N/A" does only apply if there is no expenditure declared in the budget line concerned.

	Control question	Yes	No	N/A	
8.1	During the check of BL1 Staff costs, did you come across any evidence of fraud? (for guidance please see the Annex 1 below)	☐	☒	☐	Comment
8.2	During the check of expenditure of BL4 External expertise and services, including the public procurement procedures, did you come across any evidence of fraud? (for guidance please see the Annex 1 below)	☐	☒	☐	Comment
8.3	During the check of BL5 Equipment, did you come across any evidence of fraud? (for guidance please see the Annex 1 below)	☐	☐	☒	Comment
8.4	During the check of BL6 Infrastructure and works, did you come across any evidence of fraud? (for guidance please see the Annex 1 below)	☐	☐	☒	Comment

8.5	During the check of the project, did you come across any other evidence of fraud? Or do you have any general comments, recommendations or points to follow-up?	☐	☒	☐	Comment
8.6	Please indicate what your professional judgment is based on, such as:				
	• project partner confirmations obtained on these matters	☒	☐	☐	Comment
	• insights gained during an on-the-spot check	☐	☐	☒	Comment
	• interviews with the project partner	☒	☐	☐	Comment
	• further internal documents provided by the project partner	☐	☐	☒	Comment
	• other	☐	☐	☒	Comment
8.7	Please tick if any suspected or established fraud was detected (for any point from 8.1 to 8.5 that was ticked "Yes") and in such case please fill in Annex 2 below.	☐			

9. Controller's signature

Place	Helsinki, Finland
Date	20.11.2020
Name	Tuomas Koskiniemi, JHT- Auditor
Signature	

Validate & print

This document cannot be modified in any of its general contents but has to be filled in its specifics linked to the recent first level control. This confirmation has to be filled and signed by the first level controller. In case of non-compliance of this document, the corresponding payment procedure will not be initiated.