

Interreg IPA Cross-border Cooperation Programme "Greece – Albania 2014-2020"

Description of the First Level Control system set up by the Ministry for Europe and Foreign Affairs of Albania (participating in the programme in accordance with article 23 par. 4 of Regulation 1299/2013 and article 37 par.1 of the Commission Implementing Regulation 447/2014.

The information in this template is required in order to complete the description of the management and control system.

Partner Country:

A – BODY RESPONSIBLE FOR THE FIRST LEVEL CONTROL (FLC) SYSTEM

<i>Institution responsible for the FLC system</i>	
Name of the institution	Ministry for Europe and Foreign Affairs
Responsible unit	FLC Office
Address	Bulevardi "Gjergj Fishta", Nr. 6, Tirana, Albania
<u>Contact person</u>	
Title (Mr/Ms)	Mr.
First name and Surname	Briz Musaraj
Position within the unit	Head of First Level Control Office
Telephone	+355698139419
Fax	
E-Mail	briz.musaraj@integrimi.gov.al

B - DESIGNATION OF THE FLCs

B.1 - Centralised control system

In centralised first level control systems a central body is appointed to carry out the first level controls in accordance with article 23 (4) of the Regulation 1299/2013, article 125 par.4, and 5 of the Regulation 1303/2013 and article 37 par.1 of the Commission Implementing Regulation 447/2014.

Is your control system (= FLC=management verifications of expenditure) centralised?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no please move on to part B.2.)
<i>Institution in charge of FLC (If there is more than one institution in charge, please copy and paste the following 11 lines as many times as needed)</i>	
Administrative level	<input checked="" type="checkbox"/> national level <input type="checkbox"/> regional level <input type="checkbox"/> other: please specify
Name of the institution	Ministry for Europe and Foreign Affairs
Responsible unit/department	First Level Control Office/Directory for EU Funds
Address	Bulevardi "Gjergj Fishta", Nr. 6, Tirana, Albania
<i>Contact person</i>	
Title (Mr/Ms)	Ms.
First Name and Surname	Daniela Çekani
Position within the unit/department	Director for EU Funds
Telephone	+35542264839
Fax	
E-Mail	Daniela.cekani@mfa.gov.al
If the FLC is carried out by more than one body, please specify the role of each body within the FLC system: <ul style="list-style-type: none"> • how the FLC system is built up, how the FLC tasks and responsibilities are shared, which body is entitled to sign the control certificate: 	
<input type="checkbox"/> supervisory/coordinating function <input type="checkbox"/> FLC body <input checked="" type="checkbox"/> N/A	

(...) B.1 Centralised control system

The FLC level control is carried out by (please specify):	<input checked="" type="checkbox"/> employees of the above mentioned body/bodies <input type="checkbox"/> external auditors appointed for the specific mission by and under the responsibility of the above mentioned body/bodies
For which EU funded Programme(s) is the FLC body responsible?	"Interreg - IPA CBC Greece - Albania 2014 - 2020"
How does the Partner Country ensure that sufficient human and financial resources are planned for the FLC and that the FLC (incl. on-the-spot checks) is carried out within the time limit set in the Partner country agreement?	<p>There shall be a proportional assignment of projects for each controller depending on the awarded contracts under this call for proposal.</p> <p>According to the Programme/Project Manual the deadline for the submission of the Progress Report is 30 days from the end of the Reporting Period. Beneficiaries should send the expenditure of each month to the designated controller according to the reporting period</p>
<p>E.g. please specify the maximum number of project beneficiaries assigned to one controller, time limit set for the project beneficiaries to submit the supporting documents to the FLC body after the end of each reporting period, maximum certification time per financial report, time limit set for the project beneficiaries to reply to clarifications etc.</p>	<p>The First level control office shall ensure that the expenditure of a beneficiary can be verified within a period of three (3) months following the submission of the documents by the beneficiaries</p> <p>In case of clarifications concerning project beneficiaries' activities necessary for issuing the CVE, the First Level Controllers may also ask the beneficiaries to provide additional necessary supporting documents as well as clarifications. These documents and clarifications have to be submitted within 10 days from the notification issued by the FLC Office.</p>

<p>Please confirm that FLCs hold minimum qualifications, such as:</p> <ul style="list-style-type: none"> • relevant degrees and/or • work experience in controlling projects co-financed by Structural funds⁽¹⁾ and/or • compulsory national qualifications (if any: please specify) and/or • national approval (if the case, please specify how this is granted) and • sufficient knowledge of the English language • sufficient knowledge of the relevant EU regulations, programme and national rules. 	<p><i>Two points are pre-ticked. Please select at least one other point.</i></p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> confirmed <input checked="" type="checkbox"/> confirmed <input type="checkbox"/> confirmed <input checked="" type="checkbox"/> confirmed <input checked="" type="checkbox"/> confirmed <input checked="" type="checkbox"/> confirmed
<p>Please add more if it is the case and give a brief explanation.</p>	<p>The FLC Office is established for the first time in framework of this programme; however Albania has a previous experience regarding FLC in framework of IPA Adriatic 2007 – 2013. The designated FLC body has previous experience in project beneficiaries monitoring and reporting, in TA grant managing and reporting, under different IPA CBC programs of 2007-2013 programming implementing period.</p>

¹ Suggested: minimum 3 years in financial management or auditing/controlling of projects co-financed with Structural or other EU funds.

(...) **B.1 Centralised control system**

<p>Please also confirm that FLCs will be regularly trained on specific issues relevant for FLC, e.g. public procurement VAT state aid staff costs calculations</p>	<p><input checked="" type="checkbox"/> confirmed</p>
<p>Will the FLC costs be charged to the project beneficiaries?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>If yes, please specify how costs will be calculated how the contracting (if applicable) and invoicing process will be set up the approximate cost for FLC so that project beneficiaries can include it in their budget in the project application.</p>	<p>N/A</p>
<p>How will the <u>management verifications on the spot</u> be organised?</p> <p>If on-the-spot checks are carried out on a sample basis, please describe the methodology planned to select beneficiaries to be checked on the spot</p>	<p><input checked="" type="checkbox"/> at least one on-the-spot check to be carried out for each partner during the lifetime of the project <input checked="" type="checkbox"/> on a sample basis</p> <p><input type="checkbox"/> pure random <input checked="" type="checkbox"/> risk based approach <input type="checkbox"/> other: <i>please specify</i></p>
<p>For the MA's/ JS' information: Is the central FLC body also in charge of the financial control verifications for other ETC or Investment for Growth and Jobs Programmes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, please specify the programme(s):</i></p>

B.2 - Decentralised control system

In decentralised system, an approbation body will designate an independent, qualified FLC based on a proposal made by the project partner or based on a shortlist established by the approbation body.

Is your control system decentralised?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If no please go back to part B.1.)
<i>Institution in charge of performing the role of approbation body</i>	
Name of the institution	
Responsible unit/department	
Address	
<i>Contact person</i>	
Title (Mr/Ms)	
First name and Surname	
Position within the unit/department	
Telephone	
Fax	
E-Mail	
What is the procedure for designating the FLCs in accordance with article 23 par. 4 of the Regulation 1299/2013, article 125 par. 4 and 5 of the Regulation 1303/2013 and article 37 par.1 of the Commission Implementing Regulation 447/.	The approbation body will designate an independent, qualified FLC based on <input type="checkbox"/> a proposal made by the project partner <input type="checkbox"/> a shortlist established by the approbation body Please specify further if needed:
If the controller will be designated based on a proposal made by the project partner, please indicate if the controller can be internal and/or external.	The controller can be <input type="checkbox"/> internal (as long as he/she is independent from the unit in charge of project finances and activities) and/or <input type="checkbox"/> external.

(...) B.2 Decentralised control system

<p>If the controller will be designated based on a shortlist, please indicate the procedure and provide the shortlist. If the shortlist is not yet available, please provide the timeframe and the procedure for setting up the shortlist instead:</p>	
<p>Please confirm that the <u>approbation body</u> before the designation, will ensure that the appointed controller is independent from the controlled PP holds the minimum qualifications such as:</p> <ul style="list-style-type: none"> • relevant degrees; • work experience in controlling projects co-financed by Structural funds²; • compulsory national qualifications (if any: please specify); • national approval (if the case, please specify how this is granted); • sufficient knowledge of the English language • sufficient knowledge of the relevant EU regulations, programme and national rules. 	<p>Three points are pre-ticked. Please select at least one other point.</p> <p><input checked="" type="checkbox"/> confirmed</p> <p><input type="checkbox"/> confirmed</p> <p><input type="checkbox"/> confirmed</p> <p><input type="checkbox"/> confirmed</p> <p><input type="checkbox"/> confirmed</p> <p><input type="checkbox"/> confirmed</p> <p><input type="checkbox"/> confirmed</p> <p><input checked="" type="checkbox"/> confirmed</p> <p><input checked="" type="checkbox"/> confirmed</p> <p><input checked="" type="checkbox"/> confirmed</p>
<p>Are the FLC costs considered to be eligible within the project (please specify if there are specific conditions to determine the eligibility of control costs)?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Please also confirm that FLCs will be regularly trained on specific issues relevant for FLC, e.g. public procurement, VAT, state aid staff costs calculations</p>	<p><input checked="" type="checkbox"/> confirmed</p>

² Suggested: minimum 3 years in financial management or auditing/controlling of projects co-financed with Structural or other EU funds.

C – GUIDANCE AND QUALITY ASSURANCE/QUALITY CONTROL ON FLCs

<p>The Programme will establish FLC guidelines a template for a FLC report incl. checklist (serving as a minimum requirement) a control certificate to be signed by the FLC.</p> <p>The use of these standardised documents will be obligatory.</p>	
<p>Do you have additional guidance/instructions on financial management and control and applicable EU and national rules been issued for the use by FLCs to ensure the sound financial management and correct validation of expenditure?</p> <p>If yes, please provide:</p> <ul style="list-style-type: none"> • details about the nature of the relevant documents (e.g. guidance notes, manuals, standard terms of reference and contracts etc.); • a digital copy or link to the web page source of the above listed documents for publishing them on the Programme's web page. 	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <ul style="list-style-type: none"> • We have the official Programme and Project Manual, Legal Framework 2014 – 2020. We also have been provided with the Manual on specification of Budget Costs, Budget Reduction Methodology and the final approved version of "Guidance On Managing Verifications" • No website established

How will the Partner Country monitor and control the performance and quality of the FLCs on its territory, and if needed, implement corrective measures?

In particular please describe:

- how you ensure that the FLC (incl. on-the-spot checks) is carried out within the time limit set in the cooperation programme (e.g. timeline included in approval certificate, minimum requirements for terms of reference for FLC selection, commitment required from FLC during approval, etc.).
- the requirements upon the on-the-spot verifications³ of the project beneficiaries to be carried out by the FLC.
- how the training of the FLCs on a regular basis will be ensured (before the first validation of expenditure, during the project implementation, through meetings or seminars etc.)

According to terms of reference the FLC body informs periodically the responsible Directory for EU Funds at the Ministry for Europe and Foreign Affairs in relation to any issue or irregularity detected during the implementation of operations by Albanian beneficiaries.

- Each partner country shall ensure that the expenditure can be verified by the FLC within a maximum period of 3 months of the submission of the documents by the beneficiary concerned.
- On-the-spot checks shall cover the additional verifications from financial, technical and physical aspects of the project and can be performed proportionally to the amount of public support to an operation and to the level of risk identified by such verifications, according to the type of project and of the related Lead/Beneficiary
- Training for controllers are provided by programme authorities MA/JS/CA to assure a correct validation of expenditure within the deadlines defined in the Programme and Project Manual. The timeline for tailor-made training for FLC staff shall be defined by MA

Will quality checks will be carried out?

If yes, please specify :

- the body in charge of the quality checks;
- the type of check (eg. control report review, on-the-spot verifications to check existence of complete audit trail, check during which the certified expenditure is checked

☒ Yes ☐ No

- MEFA /Directory for EU Funds
- The MEFA /Directory for EU Funds Monitors and evaluates the work performance of First Level Controllers through: Records on the verifications (M.I.S.) carried out

³ In compliance with the article 23 (4) of the REGULATION 1299/and article 125 (5) and (6) of the REGULATION 1303/2013, on-the-spot verifications are usually done for each project partner at least once during the project lifetime. For FLCs controlling more than one project partner, sampling may be possible under the condition that the method is well justified and documented.

<p>again);</p> <ul style="list-style-type: none"> • sampling method ; • sample size. <p>If no, please describe how the effectiveness and efficiency of your national FLC system will be ensured nevertheless.</p>	<p>by FLC containing CVE-s stating the work performed, the date and results as well as irregularities detected/reported will be not only accessible electronically but also in pepper version of the Certificates together with field project checklist stored in the project dossier. The MEFA/TDC shall obtain the assurance in its supervisory capacity that the tasks of the FLC had been properly carried out.</p> <ul style="list-style-type: none"> • Sampling method could be defined by depending on the irregularities detected and reported by FLC. The checks will be carried out based on the risk identified and reported by the FLC. • The frequency and coverage of the quality check shall be defined by MEFA/DTC based on the level of risk identified by FLC verifications for the management and control system as a whole
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D – SEPARATION OF FUNCTIONS: FLC, Member of the Group of Auditors (GoA) and project partner function

<p>How will the Partner Country ensure the clear separation of functions between the body/unit responsible for the FLC and</p> <ul style="list-style-type: none"> • the body/unit representing the Partner Country in the Group of Auditors and thus in charge of second level audits? • the bodies/units in charge of project activities and finances? <p>If FLC, member of the GoA and/or project partner functions are</p>	<p>Albania will ensure the clear separation of functions and independence of the FLC Office.</p> <ul style="list-style-type: none"> • The FLC office is in administrative and hierarchal terms independent from the Audit Authority. • First level control office is fully independent from the project implementing units, including the unit in charge of TA project implementation. • N/A
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potentially located within the same organisation, please provide an organisation chart to document the independence of the units.

Place: Tirana, Albania	Institution of the signatory:
Date: 25/06/2018	Name and title of the signatory: MINISTRY FOR EUROPE AND FOREIGN AFFAIRS
Stamp (if exists):	Signature: GAZMEND BARBULLUSHI, SECRETARY GENERAL