



European Regional Development Fund  
European Territorial Cooperation  
2007 – 2013

**1st level control checklist for  
beneficiary expenditure**



**Project**

Name of the project	Clean North Sea Shipping: Competitive Marine Transport Service AND Reduction of Emission "a North Sea model"
Acronym	Clean North Sea Shipping (CNSS)
Journal ID	35-2-14-10
Name of the Lead Beneficiary organisation + country	Hordaland County Council, Norway Lars Tveit: <a href="mailto:Lars.Tveit@post.hfk.no">Lars.Tveit@post.hfk.no</a>
Project Duration	01.10.2010 – 30.09.2013
Reporting period	01.10.2013 – 30.04.2014

**Project sub-partner/beneficiary checked<sup>1</sup>**

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Function in the project	<input type="checkbox"/> Lead Beneficiary <input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Sub-partner

**Authorized beneficiary controller**

Name	Jahangir Kaiser
Job title	First Level Control
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<sup>1</sup> If the controller carries out control also on all sub-partners of the beneficiary, they must be listed as well. If the beneficiary took over the responsibility for the correct use of funds of any beneficiary outside eligible area, the controller has to carry out control on the expenditure of the beneficiary outside eligible area and this beneficiary must be listed here as well.

**Control information and summary**

Methodology	Administrative check
Amount declared by sub-partner(s)	n/a
Accumulated amount declared by beneficiary to the controller	€ 222 853,42 (periodens kostnader 67 162,54)
Amount accepted and confirmed by the controller	€ 222 853,42
Specify the amount of expenditure found ineligible and the reasons.	
General observations / reservations concerning the current control period Treatment given to these observations / reservations. Follow up on issues from previous claims.	Irrecoverable VAT has declared but there is a no budget för that budget line. Budget line nr3, 4,5 and nr11 has exceeded.
Any recommendations/issues to be followed-up in the next progress report	n/a

I confirm that I have carried out the control required and that this checklist has been filled in in accordance with the Manual for 1<sup>st</sup> level control in the Interreg IVB North Sea Region Programme and in accordance with Sweden laws as listed in appendix 11 to the Manual. This checklist is part of the control statement in section 10 of the finance report 16.06.2014.

Place, Malmö, SwedenDate, 16.06.2014Name, Jahangir Kaiser

Signature of the controller,

**TILLVÄXT  
VERKET**

SWEDISH AGENCY FOR ECONOMIC AND REGIONAL GROWTH

Official stamp<sup>2</sup>

<sup>2</sup> If according to internal procedures, a stamp is not used, please state it.

## Control Checklist

Control question	yes	no	N/A	Comments/Follow-up/Documents verified (for sample only)
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## 1. Correctness and completeness

Is the application for reimbursement complete and all the calculations are correct?	X			
Have all project related income been deducted from the eligible expenditure reported in this claim?			X	No income has been reported
Have you verified that the expenditure reported here have not been co-financed from other EU sources and they constitute a claim to the Interreg IVB North Sea Region Programme only?	X			

## 2. Eligibility period

<p>Is the expenditure related to services contracted, delivered and paid</p> <ul style="list-style-type: none"> <li>- between the start of eligibility of the project (c.f. the contract) and</li> <li>- by the end of the reporting period in question (for the last report, it is the end of the finalisation month indicated in the Application form)?</li> </ul> <p>For info: it is important to check also the date of delivery of the services.</p>	X			
<p>For preparation costs:</p> <p>Is the expenditure paid and products and services delivered in the period between:</p> <ul style="list-style-type: none"> <li>- after 1 January 2007 but not earlier than 12 months before the start of eligibility of the project and</li> <li>- and the start of eligibility of the project</li> </ul>			X	

### 3. Relation to the approved operation

<p>Have all the expenditure presented been incurred for:</p> <ul style="list-style-type: none"> <li>- the purpose of implementing the operation in accordance with the descriptions provided in the original application or latest changes approved by the secretariat (including the annexes specifying the expenditure for budget lines 6, 8 and 10)</li> <li>- and corresponds to the activities agreed between beneficiary and the LB?</li> </ul> <p>Does the expenditure reported reflect the implementation situation as described in the activity report, which forms part of this claim?</p>				<p><b>Clean North Sea Shipping: Competitive Marine Transport Services and Reduction of Emission – a North Sea Model</b></p> <p>CNSS will focus on emission and greenhouse gas reduction from ships, using studies to reveal the status of air quality in ports and surrounding areas. The partnership of CNSS (port, business, regions, public authorities, NGOs, research institutes) will change this by creating transparency on cost-efficient technology solutions and develop and improve the introduction of successful air quality programs.</p> <p>The present challenge is to develop and implement environmentally friendly cost-effective concepts and practical solutions in line with upcoming standards.</p> <p>Promoting the development of efficient and effective logistics solutions, the maritime transport system (ships, port and surrounding areas) will step into a transition processes to meet the demands of enlargement and sustainable development at the same time.</p>
<p>Have there been any activities carried out outside eligible area:</p> <ul style="list-style-type: none"> <li>- If yes, do they comply with the limits set in section 5.2.3.3 of the Operational Programme?</li> </ul>			X	

### 4. Compliance with national and Community eligibility rules

<p>Is the expenditure eligible according to:</p> <ul style="list-style-type: none"> <li>- EU regulations (1083/2006 Art.56, 1080/2006 Art.7(1) and Art.13; 1828/2006 Art.47-53 ?</li> <li>- Fact Sheet No 2 on eligibility?</li> </ul>	X			
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- XXX (country) national rules as listed in appendix 11 of the Manual for 1 <sup>st</sup> level control in the North Sea Region Programme?				
Was there any expenditure reported in this claim found ineligible? If yes, please state the reasons and the amount.		X		

### 5. Accounting

Are specific accounts kept for the project or have other methods like specific cost centres in the accounting system been established which allow identifying the costs allocated to and income generated by the project and to provide a computerised list of declared expenditure/income?	X			
Does the accounting system functions properly and prevents double funding of expenditure within this project and between the projects of this beneficiary organisation?	X			
Are the amounts paid/received accurately recorded in the accounting system?	X			
Has each reported expenditure been supported by an invoice/timesheet or an accounting document of equivalent probative value? Are the documents complete and accurate in content as well as in accounting terms?	X			
Has each reported expenditure been supported by a payment proof (usually bank statement/bank transfer confirmations/cash receipts)?	X			
Can the amount of the reported expenditure/income be entirely reconciled with the supporting documents provided?	X			
Please quantify the expenditure, which should be/have been deducted from the claim due to the deficiencies of the accounting documents/system.			X	

### 6. Audit trail

Control question	yes	no	N/A	Comments/Follow-up/Documents verified (for
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				sample only)
<p>Are <b>all external invoices</b>, in addition to compliance with section 5 (accounting) of this checklist, supported by:</p> <ul style="list-style-type: none"> <li>- tender documents (procurement note, terms of reference, offers/quotes, order forms and contracts) and</li> <li>- in case no tender was carried out is there evidence on file documenting justification of this decision</li> <li>- a signed contract or a legal document of similar legal value?</li> </ul> <p>Is there evidence that the activities for which the expenditure is reported have taken place, the delivery of services, goods and works are in progress or have been completed?</p> <p>For info: 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.</p> <p>In case of the payment of contractual advances treated as actual eligible expenditure: Has the service, good or work been delivered at the latest by the end of the finalisation month as quoted in the application form?</p> <p>For info: Payment of contractual advances is defined as payments on account relating to the execution of works or services for the operation in accordance with normal commercial law and practice on the basis of contracts entered into by a final beneficiary or final recipient, and which are supported by receipted invoices (e.g. payment for a travel ticket or advance payment for a consultant carrying out a study).</p>	X			
<p>Can <b>all other external costs</b> (e.g. credit cards, petty cash etc.), in addition to compliance with section 5 (accounting) of this checklist, be justified as necessary for the implementation of the project in full?</p> <ul style="list-style-type: none"> <li>- Is there evidence that the activities for which the expenditure is reported have taken place, the delivery of services, goods and works are in progress or have been completed?</li> </ul> <p>For info: 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.</p>	X			

<p>Are <b>all staff expenditure:</b></p> <ul style="list-style-type: none"> <li>- Related only to employees working on the project?</li> <li>- For full time project staff, is the calculation based on the actual salary costs (employees' gross salary + employer's contributions)?</li> <li>- For part-time project staff are costs calculated on the actual salary costs and actual time spent, documented by means of properly functioning time registration system (the one which allows for time registration by project, allows for descriptions of activities carried out and has a validation/verification mechanism for the superiors)?</li> <li>- Is there evidence that the activities for which the expenditure is reported have taken place?</li> </ul> <p style="text-align: center;">For info: 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.</p> <ul style="list-style-type: none"> <li>- Are the staff costs supported by documents such as the working contract, payslips, payment proofs, calculation evidence for the determination of the staff time/hourly rate, time recordings, project specific timesheets?</li> </ul>	X		<p>On the basis of my First Level Control checks I can verify that none of the staff costs claimed in any of the reporting periods have been reported making use of a productive and non-productive hour's methodology or any other methodology which has the effect of distorting the hourly rate.</p>
<p>For <b>flat rate overhead:</b></p> <ul style="list-style-type: none"> <li>- Are overhead only budgeted under budget line 6?</li> <li>- Is the rate used under 25% of the costs, which could directly affect the rate of overhead?</li> <li>- Is the rate based on the calculations for the operation of the same type?</li> <li>- Are the calculations properly documented and periodically reviewed?</li> <li>- Are the costs included in the calculations only indirect costs, which cannot be directly registered under and attributed to the project?</li> <li>- Have all the costs included been verified for their eligibility and are they all eligible?</li> </ul>		X	<p>No overhead has been reported</p>
<p>For <b>overhead based on full real costs:</b></p> <ul style="list-style-type: none"> <li>- Are overhead only budgeted under budget line 6?</li> <li>- In addition to compliance with section 5 (accounting) of this checklist, are the</li> </ul>		X	<p>No overhead has been reported</p>

<p>calculations properly documented?</p> <ul style="list-style-type: none"> <li>- Are these costs attributed to the project pro-rata according to a duly justified, fair and equitable method?</li> <li>- Are the costs included in the calculations only indirect costs, which cannot be directly registered under and attributed to the project?</li> <li>- Have all the costs included been verified for their eligibility and are they all eligible?</li> </ul>				
<p>In addition to the above, does the <b>equipment</b> purchased also fulfil the following criteria:</p> <ul style="list-style-type: none"> <li>- The purchase has been made well before the end of the project in order to allow for full depreciation in accordance with national rules?</li> <li>- If not, is the late purchase still justified? Or have the costs been depreciated and only the share corresponding to the remaining project period been reported?</li> <li>- The amount for equipment reflects the actual use of these items in the context of the project. If it is not exclusively used for project purposes, only a share of the actual cost is allocated to the project. Is this share calculated according to a fair, justified and equitable method?</li> <li>- An inventory of the purchased items as well as the documentation of the method for reporting them (single declaration or depreciation, full or partial use for the project) has been kept for accounting, control and audit purposes?</li> <li>- Is it ensured that the items             <ul style="list-style-type: none"> <li>- have not already been fully depreciated?</li> <li>- are not already included as indirect costs in another category such as the general costs budget line?</li> </ul> </li> <li>- For the final claim have all the equipment been verified for the scrap value in accordance with Fact Sheet No 2. If there was any scrap value has it been deducted and what was the amount? If scrap value was not deducted please state reasons.</li> </ul>			X	No equipment has been purchased
<p>Is <b>VAT</b> claimed genuinely and definitively borne by the final beneficiary and is it properly documented. Has the accounting system been verified for that?</p>	X			
<p>For <b>in-kind contribution of land, real estate, equipment or raw materials</b>:</p>			X	



- Has the value been certified by an independent qualified valuer or duly authorised body? - Has it been documented?				
For <b>in-kind contribution of unpaid voluntary work</b> : - Has the value of that work been based on the time spent and daily rates of remuneration for equivalent work? - Has it been properly documented?			X	
Is the <b>use of exchange rates</b> : - in line with Fact Sheet No1? - the method used is consistent for all reporting periods? - well documented?	X			EURO = 8,931 SKR

#### 7. Compliance State Aid, Environmental and Equal Opportunities rules

The North Sea Region Programme does not provide <b>state aid</b> support and the conditions for participation in the programme are set out in section 5.2.3.5 of the OP and in the Fact Sheet No. 7. Are all activities in line with the requirements set out in these documents?	X			
Have all activities reported been in compliance with EU environmental rules?	X			
Have all activities reported been in compliance with XXX(country) national environmental rules as listed in appendix 11 of the Manual for 1 <sup>st</sup> level control in the North Sea Region Programme?	X			
Have all activities reported been in compliance with EU rules on equal opportunities and non-discrimination?	X			
Have all activities reported been in compliance with XXX(country) national rules on equal opportunities and non-discrimination as listed in appendix 11 of the Manual for 1 <sup>st</sup> level control in the North Sea Region Programme?	X			

#### 8. Compliance with EC and national public procurement rules

<p>For all the expenditure reported in this claim:</p> <ul style="list-style-type: none"> <li>- Have works, goods and services been contracted/purchased in compliance with relevant provisions such as: <ul style="list-style-type: none"> <li>- the European rules and</li> <li>- XXX(country) national rules as listed in appendix 11 of the Manual for 1<sup>st</sup> level control in the North Sea Region Programme and</li> <li>- internal or other applicable public procurement rules (which must be in compliance with the above)?</li> </ul> </li> <li>- Is the public procurement procedure well documented and documents such as procurement note, terms of reference, offers/quotes, order forms and contracts available?</li> <li>- Have the principles of transparency, non-discrimination equal treatment and effective competition been complied with (also for items below the EU-thresholds)?</li> </ul>	X			
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**9. Respect of EC and national rules on publicity**

<p>For all the expenditure reported in this claim and the respective activities:</p> <ul style="list-style-type: none"> <li>- Have the publicity rules as set out in Articles 8-9 of the EC Regulation 1828/2006 and Fact Sheet No 14 been respected?</li> <li>- Have the XXX (country) national publicity rules as listed in appendix 11 of the Manual for 1<sup>st</sup> level control in the North Sea Region Programme?</li> </ul>	X			
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