**Methodology for selecting projects for on-the-spot controls**

1. **Selection of regular projects for on-the-spot controls**
2. The FLC selects projects for on-the-spot control from among all projects that collectively meet the following conditions:
   1. as of the date of sample selection, have a signed subsidy contract and have not yet been completed,
   2. in the fiscal year for which the sample is selected have achieved or will achieve[[1]](#footnote-2) a minimum of 40% implementation of the planned budget of the project partner.
3. The FLC selects projects for control based on risk factors:
   1. Budget from ERDF partner in EUR

Budget < EUR 100 thousand – 1 point

EUR 100 thousand ≤ budget< EUR 500 thousand – 2 points

EUR 500 thousand ≤ budget < 1,000 thousand – 3 points

Budget ≥ EUR 1,000 thousand – 4 points

* 1. Type of activities in the partner's part of the project

Activities do not include the purchase of equipment and infrastructure and works – 1 point

Purchase of equipment and infrastructure and works involve less than 50% of the partner's budget – 2 points

The purchase of equipment and infrastructure and works covers at least 50% and less than 75% of the partner's budget – 3 points

Purchase of equipment and infrastructure and works cover at least 75% of the partner's budget – 4 points

* 1. on-the-spot controls conducted at the project partner

an on-the-spot control has been scheduled or was carried out and no financial findings have been identified – 1 point

an on-the-spot control was carried out and financial findings were found – 3 points

an on-the-spot control has not yet been planned and carried out – 4 points

* 1. results of controls/audits by other institutions

An external audit has been carried out on part of the partner's project – 1 point

External audits have been carried out on parts of the project and financial findings have been identified – 3 points

Part of the project has not had any external audit to date – 4 points

* 1. Controller's evaluation from cooperation with the partner (also from other projects). Drawing upon the previous implementation of Interreg projects and the partner's settlement of Interreg payment claims thus far, the controller evaluates the probability of errors in documentation and project implementation as follows:

low (e.g., partner has submitted progress reports requests on time, low number of errors and/or deficiencies in documentation – most often formal deficiencies, meeting deadlines for submission of clarification supplements or the next version of the progress reports, ongoing contact and informing the controller of any delays agreed with the JS or lead partner) – 1 point

not high (e.g., high number of formal errors in the progress reports, low number of substantive errors) – 2 points

medium (including problems with contacting people in charge of the project, frequent delays in submitting progress reports, large number of formal and substantive errors) – 3 points

high (among other things, the beneficiary has not yet implemented projects under Interreg) – 4 points

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Factors** | **Budget from ERDF partner in EUR** | **Type of activities in the partner's part of the project** | **On-the-spot controls conducted at the project partner** | **Results of controls/audits by other institutions** | **Controller's assessment of cooperation with the beneficiary** | **Result**  **(points)** |
| **Points** | 1-4 | 1-4 | 1-4 | 1-4 | 1-4 | Ʃ) |
| **Minimum score** | 1 | 1 | 1 | 1 | 1 | 5 |
| **Maximum score** | 4 | 4 | 4 | 4 | 4 | 20 |

**Indication for on-the-spot control, is a score in the range of 14-20 points.**

1. **Selection of SPF projects for on-the-spot controls**
2. The FLC selects SPF projects for on-the-spot controls that have met the conditions as of the sample selection date:
   1. They have a signed SPF project funding agreement;
   2. The Small Projects Committee/SPF Steering Committee selected small projects for funding under the SPF project in the given call,
   3. The SPF beneficiary has not signed agreements with the final recipients of small projects for the call.
3. Frequency of on-the-spot controls of the SPF project:
   1. The FLC conducts an on-the-spot control of each SPF project and
   2. each time after the completion of the small project selection process, i.e. after the condition referred to in point 1(b) is met.

1. Estimate based on data in the progress reports. [↑](#footnote-ref-2)