## **Methodology for Selecting Small Projects from the Small Project Fund (SPF) to control selection procedure**

**Fiscal year: 1 July 2023 - 30 June 2024**

The FLC applies the methodology for selection of SPF projects to oversee the call to those SPF projects that have been selected for on-the-spot verification in accordance with the Methodology for Selection of Projects for on-the-spot verification.

Rules of sample selection for verification of the call process for small projects under the SPF .

## The FLC conducts verification of the tasks mentioned in chapter 6.7 letters b)-d) on a sample of small projects of at least 5% of the number of small projects that were submitted under a given call for an SPF project beneficiary. The FLC may use random selection.

## The FLC conducts verification (**determination of the amount of support** **for small projects**) mentioned in chapter 6.7 letters e) on a sample of small projects in accordance with the following rules:

1. The FLC selects a baseline sample representing **30% of the** **number of small projects.**
2. The sample referred to in (a) may include the same small projects that were selected in the sample referred to in (1).
3. The NC selects small projects with the highest value for sampling. If it is not possible to select 30% of the items using this criterion, the FLC uses random selection.
4. Within the selected small project, the FLC verifies at least one lump sum with the highest value.

The FLC verifies the accuracy of the draft budget calculation in accordance with the budget calculation requirements described in the programming documents.

**Complementary sample**

The FLC may select a complementary sample:

1. The FLC will analyse the chosen baseline sample to evaluate whether the selected sample of small projects or lump sums within the selected small project will offer reasonable assurance that the remaining small projects or lump sums are devoid of deficiencies. The reasonable assurance does not mean absolute certainty.
2. The identification of deficiencies in the sample that could impact the accuracy assessment of budget calculations leads to an expansion of the sample.
3. The FLC makes decisions regarding the selection and size of the complementary sample based on their professional judgment.
4. The FLC has the option to complement the sample using random sampling schemes (such as systematic[[1]](#footnote-1) or stratified[[2]](#footnote-2) sampling) or opt for the "random" principle (Haphazard selection).
5. In special cases, the FLC has the authority to expand the supplementary sample to cover 100% of small projects or lump sums. The FLC justifies conducting 100% verification as an exception when there are significant indications of misconduct, fraud, or a high risk of misconduct and/or fraud.

The selection of the sample is described and recorded in the on-the-spot verification documentation on each occasion. The sample selection of small projects (both baseline and complementary) is outlined in the checklist for on-the-spot verification.

1. Among the first items in the list, one is drawn randomly, and then those items that are multiples of the number "n" are chosen for verification. [↑](#footnote-ref-1)
2. The population is divided into strata, i.e. groups distinguished by a specific, well-defined characteristic (e.g. budget categories). The items to be sampled are then drawn separately from each stratum. [↑](#footnote-ref-2)