





FLC System Malta

Maria Catania, Astrid Fenech Funds and Programmes Division 25th November 2020













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Co-financing rate: 90% /85%/75% EU Funds; 15%/25% 10% National Funds









Presentation Outline

- ☐ Designation of the FLC
- ☐ Procedure and Criteria
- ☐ The role of the Financial Control Unit
- ☐ The Sampling Methodology
- Conclusion







Designation of the FLC

☐ Decentralised system

Project partners select their own respective FLC

☐ Internal (independent) or external (selected respecting public procurement rules)







Procedure

- 1. Request for quotations is issued
- 2. Checklist & CV for FLC is forwarded to FPD
- 3. FPD designates FLC
- 4. Letter of engagement is signed







Criteria

- ☐ Sufficient knowledge of English language;
- □ Sufficient knowledge of EU regulations, national rules, public procurement rules, employment legislation and regulations, VAT legislation;
- Included on the list of Maltese Registered Auditors https://accountancyboard.gov.mt/Registers/Register edAuditors.aspx







The Role of the Financial Control Unit

- ☐ The Financial Control Unit (FCU) will carry out checks on the <u>first level control</u> performance and the quality of the control system, i.e. checks are performed on the first level controllers;
- ☐ Checks by FCU shall be done on a sample basis using a risk assessment analysis system that determines which projects should be evaluated.







The Sampling Methodology

- □ Every six months, the FCU will take stock of all claims submitted by the four programmes, and will identify and determine the number of First Level Controllers involved;
- ☐ A High risk and Random sampling exercise will be performed to determine the FLCs that will need to be checked during that period;
- ☐ FLCs checked in previous periods, will be omitted from the next quality check cycle, unless an irregularity is discovered during the previous quality check cycle.







Conclusion

- ☐ Since the check is being performed on the FLCs, we can assess the level of professionality that each auditor dedicates towards the claims;
- ☐ Through this system, we are indirectly giving hands-on practise to the auditors of what needs to be checked in a financial claim; what documents need to be submitted, and at times, what manuals and regulations need to be followed;
- ☐ The ultimate aim of these checks is, to minimise errors as much as possible, and that these mistakes are not repeated in subsequent claims.



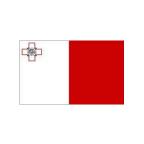




Thank you for your attention

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