

# FLC System Malta

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# *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/RegisteredAuditors.aspx>

# *The Role of the Financial Control Unit*

- ❑ The Financial Control Unit (FCU) will carry out checks on the first level control 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 professionalism 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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