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LATVIJAS REPUBLIKAS  
REĢIONĀLĀS ATTĪSTĪBAS UN PAŠVALDĪBU LIETU MINISTRIJA

REPUBLIC OF LATVIA  
MINISTRY OF REGIONAL DEVELOPMENT  
AND LOCAL GOVERNMENT

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LĀČPLEŠA IELĀ 27, LV-1011, RĪGĀ, TĀLRUNIS (371) 67770406, 67770484, FAKSS (371) 67770479,  
E-PASTS pasts@raplm.gov.lv

RĪGA, 10 March 2009

No. 7. 1-09/1613

Mrs Ann-Gritt Neuse  
ESPON Coordination Unit  
CRP HT – BP 144  
L-4221 Esch sur Alzette  
LUXEMBOURG

**Subject: First Level Control System**

We are pleased to send you the signed questionnaire with answers describing Latvia's First Level Control System for ESPON 2013 Programme (CCI No. 2007 CB 163 PO 022).

We are looking forward to continue our successful co-operation.

Yours sincerely,

Laimdota Straujuma  
State Secretary

Encl.: Questionnaire, 9 pages.

**ESPON 2013 Programme – Member State's Description of the First Level Control System according to Article 16 of Regulation 1080/2006**

Territorial Cooperation Programme, ESPON 2013  
 CCI 2007CB163PO022

SECTION	DESCRIPTION
<p><b>1. General</b></p> <p>1.1. Information submitted by:</p> <ul style="list-style-type: none"> <li>• Member State</li> <li>• The main contact point                             <ul style="list-style-type: none"> <li>○ Name of the institution</li> <li>○ Responsible unit</li> <li>○ Address</li> <li>○ Telephone, fax</li> <li>○ E-mail address</li> <li>○ Title (Mr/Mrs)</li> <li>○ Name and Surname</li> <li>○ Position within the unit</li> </ul> </li> </ul>	<p><b>Latvia</b>                      State Regional Development Agency                      Territorial Cooperation Project Control Department                      Elizabetes 19, LV 1010, Riga, Latvia                      phone: +37167350632,                      fax: +37167079001                      tspkd@vraa.gov.lv</p> <p>Mrs. Oksana Dumpe                      Director of Territorial Cooperation Project Control Department                      Phone: +371 670350632                      Fax: +371 67079001                      oksana.dumpe@vraa.gov.lv</p>
<p>1.2. The information provided describes the situation on :</p>	
<p><b>2. System Structure</b></p> <p>What kind of system did you opt for?</p> <ul style="list-style-type: none"> <li>- a <u>centralized control system</u>: a control body appointed at central level to carry out the control for all beneficiaries on the territory (please continue with question 2.1)</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- a <u>decentralized control system</u>: the beneficiaries proposes a controller who is authorized by a central MS body or selects a controller from a short list provided by the MS (please continue with question 2.2)?</li> </ul>	<p>For the programming period 2007 – 2013 Latvia has a <u>centralized first level control system</u>, which is carried out by the State Regional Development Agency.</p>

<p><b>2.1 Centralised Control System</b> Please describe the system. Please indicate if the control is carried out by civil servants or by an external audit firm appointed for this specific mission. In case of an external audit firm, please explain how it was/will be appointed. <u>Contact details of the controller</u> Please provide the contact details of the designated body who will undertake the controls.</p>	<p>The Ministry of Regional Development and Local Government (hereinafter – MRDLG) has appointed the State Regional Development Agency as institution for performing First level control.</p> <p><u>State Regional Development Agency</u> Territorial Cooperation Project Control Department (TCPD) Elizabetes 19, LV 1010, Riga, Latvia phone: +37167350632, fax: +37167079001 tspkd@vraa.gov.lv</p> <p>Mrs. Oksana Dumpe Director of Territorial Cooperation Project Control Department Phone: +371 670350632 Fax: +371 67079001 oksana.dumpe@vraa.gov.lv</p>
<p><u>Contact details supervisory body</u> In case of an external controller, please specify the body fulfilling the supervisory duties and the contracting.</p>	<p><u>Supervisory Body 1</u> N/A</p>
<p><u>Controller's qualification</u> Which minimum requirements (degrees, work experience, national qualifications, and/or registration in professional organisations) does the controller under the centralized system described above shall fulfil?</p>	<p><u>Controllers qualification minimum requirements :</u> At least one year professional working experience in the field of control of projects co-financed by EU-funds (Structural Funds and ERDF in particular); Bachelor degree in Accounting, Economics, Business administration and/or Law; knowledge of INTERREG programme requirements and EU regulatory framework for the EU-Structural Funds; knowledge of the English language; Existing controllers have experience with Structural Funds audit, tax audit and tax fraud investigation, banking, accountancy; The leading controllers have Masters degree of Social sciences, particularly in Economics, Euro-</p>

pean studies and Business administration; the working experience up to 7 years in financial control function administration for Structural funds.

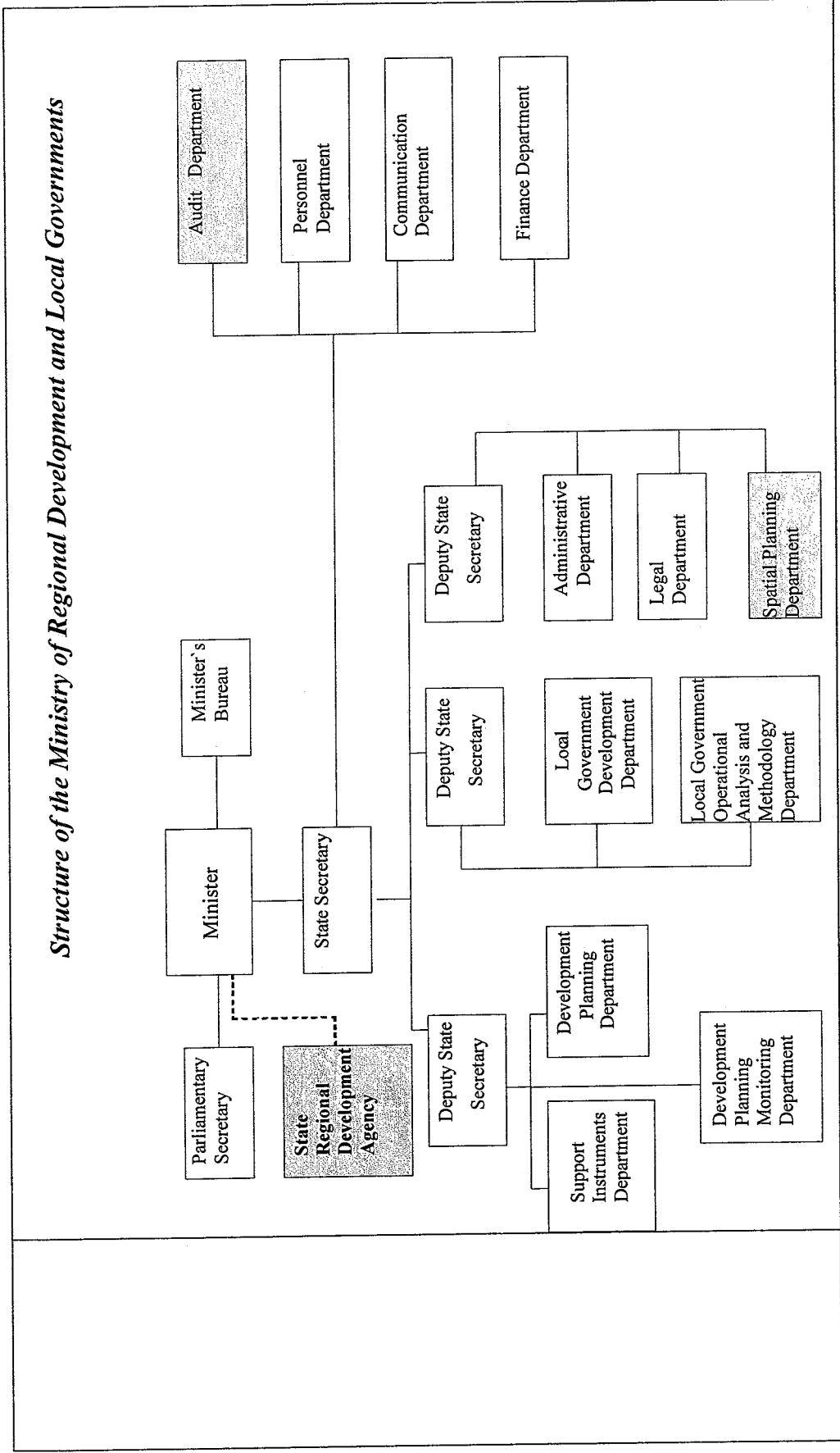
The controllers have knowledge of National legislation, the EU/ERDF regulatory framework, the ESPON 2013 programme rules/requirements mentioned in ESPON 2013 programme manual, operational programme, control guidelines and any document that the programme might consider binding for the projects and appropriate knowledge of English language.

Controller must provide a function totally independent and separated, must not be involved in project preparation, activities, and finances.

<p><b>2.2 Decentralized Control System</b> Please describe the system.</p> <ul style="list-style-type: none"> <li>- Will the beneficiary select a controller from a list of several public and/or private control bodies established on MS level beforehand</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>- will the beneficiary propose an independent controller (internal or external), who is then authorized at central level before the first expenditure is reported and confirmed (please also refer to the guidance note established by the CU attached)?</li> </ul> <p>In both cases, please explain the procedure for establishing the shortlist or authorizing the controller.</p> <p>If appropriate, please give also examples of types of possible control bodies.</p> <p>In case of use of shortlist of controllers, please provide the list (if not available yet, please indicate date of publication of shortlist).</p> <p><u>Controllers' qualification:</u></p> <p>Please explain the <u>minimum requirements</u> for a controller to act as Project partner/Lead partner controller (e.g. degrees, work experience, national qualifications, and/or registration in professional organisations).</p> <p>For the approbation/selection of controllers at central level, we suggest using the checklist provided in Annex 4 of the guidance note. Please confirm the use of this document or explain what kind of other document(s) (which has to be at least equivalent) you will use instead. Copy of the</p>	<p>N/A</p> <p>N/A</p>
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<p>equivalent documents should be provided to the ESPON Coordination Unit.</p> <p>Contact details of the central approbation body</p> <p>Please indicate the contact details of the central body in charge of establishing the shortlist of selected control bodies or the body in charge of authorizing the controller proposed by a project partner.</p>	<p><u>Central Approbation Body</u></p> <p>N/A</p>
<p><b>4. Separation of Functions</b></p> <p>Please explain how your Member State will ensure a clear separation of functions between the different bodies having responsibilities for the management and control of project(s) and/or the programme. If appropriate, please provide an organization chart to document the separation of functions between the bodies or units in charge of</p> <ul style="list-style-type: none"> <li>- project activities and finances</li> <li>- the verification of the project expenditure and delivery of the products and services (so-called "first level control" according to Article 16 of Regulation 1080/2006)</li> <li>- the sample checks on operations (the so-called "second level audit" according to Article 14 (2) of Regulation 1080/2006 and Article 62 of Regulation 1083/2006)</li> <li>- and project approval/Monitoring Committee representation (according to Article 63 of Regulation 1083/2006)?</li> </ul>	<p>Second level control will be implemented by Audit Department of MRDLG. The Audit Department of MRDLG organises its work based on the decisions taken by the group of auditors and the Audit Authority (including guidelines, instructions etc.). The second level control functions will be executed by the EU Funds Audit Division of the Audit Department. The placement of the Audit Department within the structure of MRDLG and direct subordination to the State Secretary ensures the proper independence and segregation of duties, which is also stipulated in its Regulation.</p> <p>No any other unit or department in MRDLG will implement any ESPON project.</p> <p>First level control will be performed by the State Regional Development Agency, namely by it's Territorial Cooperation Project Control Department.</p> <p>Audit Division of the MRDLG, which is responsible for second level control, is independent from Spatial Planning Department of MRDLG, which is represented in the ESPON Monitoring Committee by Inguna Urtane, Director of Spatial Planning Department and Alda Nikodemusa, Head of Regional Planning Division of Spatial Planning Department.</p>

*Structure of the Ministry of Regional Development and Local Governments*



<p><b>5. First Level Control Delays</b></p> <p>How do you ensure that the first level control is carried out within 2 months after receipt of the documents?</p> <p>Three months are requested by the regulation 1080/2006, but the Lead Partner will also need two months after reception of the certification from the Project Partners to establish its own certification. This will allow the project to present a reimbursement claim four months after the completion of the six months reporting period)?</p>	<p>State Regional Development Agency in written procedures has established that the expenditure will be validated within a period of 2 months. There is special time schedule with additional internal deadline controls for evaluation of Project partners and for Lead partner's level.</p> <p>If there is need to request any explanations or additional information from PP the letter for extra information has to be sent to PP. There are additional deadlines for submitting the documents during the clarification process.</p>
<p><b>6. Quality Assurance/Guidance to FLC bodies</b></p> <p>The programme will establish</p> <ul style="list-style-type: none"> <li>- ESPON control guidelines</li> <li>- a template for a FLC checklist</li> <li>- a template for a FLC report.</li> <li>- A control certificate inside the progress report to be signed by the FLC.</li> </ul> <p>The use of these standardized documents will be obligatory.</p> <p>Have you provided any additional guidance to the body/bodies in charge of first level control to ensure sound financial control (such as written guidelines, training)</p> <p>If yes please provide</p> <ul style="list-style-type: none"> <li>- the reference</li> <li>- the date</li> <li>- related documentation (if applicable).</li> </ul> <p>Copies of the additional guidance documents should be provided to the ESPON Coordination Unit as soon as they will become available.</p> <p>Please describe how you will ensure that the</p>	<p>The Republic of Latvia has issued Law on ETC programmes (covers also ESPON) and Rules of Cabinet of Ministers No. 89 (see link in latvian language - <a href="http://www.ilikumi.lv/doc.php?id=188370&amp;from=off">http://www.ilikumi.lv/doc.php?id=188370&amp;from=off</a>) on eligibility rules and first level controllers for ETC programmes. Rules of Cabinet of Ministers cover responsibility, authority and functions.</p> <p>Requirements of the Article 60 b) of Regulation (EC) No 1083/2006 are included in Law on ETC</p>



guidance is followed and the requirements resulting Article 60 b) of Regulation (EC) No 1083/2006 and from the ESPON 2013 control guidelines and ESPON 2013 control certificate are respected.

programmes and relevant Rules of Cabinet of Ministers and First Level Controllers as public institution are obliged to follow these rules.

<p><b>7. Control Cost</b></p> <p>Who will pay for the control? Will it be provided for free (by the MS) or will the cost be borne by the Lead/Project partner and thus reported as eligible cost within the project?</p> <p>If the control cost is borne by the beneficiary and to be reported as eligible project cost, please provide details on how the cost is calculated, what is the basis for the payment (e.g. service contract) and to whom it has to be paid.</p>	<p>Within 2007 – 2013 period first level control for ESPON Programme Lead partners/Project partners will be provided free of charge.</p>
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Name, Title + Organisation of Signatory for the MS	Place, Date and Stamp
<p>Laimdota Straujuma State Secretary Ministry of Regional Development and Local Government</p>	<p>Rīga, March 2009</p>

Thank you in advance for sending the filled-in questionnaire including relevant annexes to the following address:

ESPON Coordination Unit  
CRP HT – BP 144  
L-4221 Esch sur Alzette  
Luxembourg

If you need assistance or any further information/details for filling in the document, please contact Ann-Gritt Neuse (e-mail: [ann-gritt.neuse@espon.eu](mailto:ann-gritt.neuse@espon.eu), Tel. +352. 54.55.80.693).