

**EUROPEAN SOCIAL FUND**  
**ON-THE-SPOT CONTROL INSPECTION**



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**GUIDE FOR APPLICANTS**

Scottish Executive Transport and Lifelong Learning Department  
European Structural Funds Division  
Verification & Compliance Team

## **FOREWORD**

The Guide is intended to help applicants prepare for any type of inspection visit in relation to the new ESF Programme. It is neither a full statement of requirements nor a full interpretation of EC Regulations, but should be read in conjunction with the EC Regulations and the appropriate notes for guidance for applications and claims. Further guidance is available in the first instance from the relevant Programme Management Executive and the Scottish Executive's ESF Managing Authority in Meridian Court, Glasgow, will advise on matters of policy.

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## 1. THE LEGAL FRAMEWORK

Article 38 of Council Regulation 1260/99, obliges Member States to take the necessary measures to:

- "verify on a regular basis that operations financed by the Community have been properly carried out;
- prevent and take action against irregularities;
- recover any amounts lost as a result of an irregularity or negligence".

In addition Article 38 also makes provision for EC officials to carry out control inspections themselves.

Commission Regulation (EC) 438/2001 sets out detailed arrangements for financial control by Member States.

## 2. WHO CARRIES OUT ON-THE-SPOT VERIFICATION CHECKS

**The Scottish Executive** is responsible, for the proper implementation of the European Social Fund, and related Community Initiatives in Scotland. On-the-spot control inspections by the Scottish Executive will normally be carried out by members of the **Scottish Executive Transport and Lifelong Learning Department's** (SETLLD) European Structural Funds Division (ESFD) Verification and Compliance Team.

Control inspections by the **European Commission** will generally involve the authorising Directorate General DG Employment & Social Affairs. From time to time the Office European de Lutte Antifraude (OLAF) also visit the UK. The role of Commission auditors is to ensure that measures supported by the ESF are undertaken with proper regard to economy and cost-effectiveness. Their aim is to ensure compliance with the regulations and to help them achieve this aim they carry out systems audits in Member States.

Before carrying out visits the EC notifies the Member State, to obtain any assistance necessary. The EC, however, retains the right to carry out inspections without notice, in the framework of prior agreement with the Member State. It is however current practice for visits by the EC to be organised by SETLLD-ESFD, who will also accompany the EC on their visits and deal with any action arising, including the issue of audit findings and co-ordination of responses.

**The European Court of Auditors (ECA)** is the Community's external auditor. It is responsible for the audit of all the Community expenditure and revenue in much the same way as Audit Scotland is responsible for auditing Scottish Executive Departments.

It should not be confused with the Commission's control services e.g. DG Employment & Social Affairs or any of the specialist functions which are all internal to the Commission. The ECA is an

independent institution based in Luxembourg. Visits by the ECA are also organised by SETLLD-ESFD who accompany the ECA on their visits and deal with any action arising from the visit.

### **3. AIM AND OBJECTIVES OF ON-THE-SPOT CONTROL INSPECTION**

#### **AIM**

To meet the Scottish Executive obligations under Article 38 of Council Regulation (EC) 1260/99 by means of on-the-spot visits to applicant organisations.

#### **OBJECTIVES**

The objectives of a control inspection are:

to ensure that the delivery of the project is consistent with the details specified in the approved application and claim form i.e. in line with EC Regulations and the relevant Single Programming Document (SPD) or Programme Complement;

to assess the physical reality of the operations corresponding to the expenditure declared;  
to ensure that the expenditure charged against the project is:

- **actual**, that the expenditure claimed actually has been defrayed and the percentages for the ESF financial contribution have been applied properly;

- **consistent**, that the project was in line with the SPD or Programme Complement and that expenditure claimed was relevant to the project; and

- **eligible**, that the project conforms to ESF and EC guidance and was defrayed against ESF activity delivered during the period approved; to ensure that all receipts arising from the activity are taken into account, e.g. project income generated has been declared.

### **4. A VAC VISIT – WHAT AND WHY**

#### **4.1 SYSTEMS**

The VAC Team will identify the systems for ascertaining the need for the project, managing the delivery of the activity and accounting for all of the costs included in the claims. The systems may be identified through a combination of verbal representation and documentation reviews. The described systems will be confirmed and evaluated. Controls in place will be tested and their effectiveness evaluated and further testing may be required where control weaknesses are found.

## 4.2 EXPENDITURE

### **Guidance on eligible and ineligible costs is provided by the Scottish Executive.**

ESF eligible costs included in the claim can only relate to ESF activity. Any expenditure that relates to other organisational activities, or that have not been defrayed as a result of delivering the ESF project cannot be included. It is important, therefore, that the level of activity and need for the project are clearly understood within the context of the organisational infrastructure rather than in isolation and that the systems established at all levels are identified and highly transparent. The inspection team will expect the supporting financial and beneficiary records to reflect the scope of the project and level of activity.

## 4.3 RISK

There are always risks to any system and in the context of ESF, these include:

- ❑ the absence of effective controls to deter fraud;
- ❑ poor value for money obtained from any project activities, monitoring, inspection and audit activity;
- ❑ failure to achieve ESF objectives;
- ❑ poor quality ESF activities and outcomes; and
- ❑ undetected fraud and irregularities;

Robust systems and effective controls considerably reduce these risks.

## 5. PREPARING FOR A VISIT

Visits often have to be arranged at fairly short notice, but wherever possible three weeks' notice will be given. For EC inspections between two and three weeks' notice is given normally. We shall write to you to arrange the time and date of our visit, specifying the details of who will be attending and which projects we shall examine. Although the visiting officers will normally concentrate on a specific project, they may examine additional projects (possibly even for other years) to confirm that a consistent approach to project management etc. has been adopted.

A visit will normally last for a day, however, this may vary depending on the level of ESF activity and the complexity of the systems in place. You may also be requested to provide additional information prior to the visit.

Key staff should be available (though not necessarily in attendance) for the duration of the visit to answer questions, provide a description of the systems employed and be on hand to answer further questions following the VAC Team's review of documentation. If they can only be available for

part of the day, tell the visiting team so that it can make the best possible use of its time.

Key staff would usually be:

- ❑ the person who compiled the relevant ESF application;
- ❑ the person who compiled the relevant ESF claims;
- ❑ the manager of the ESF project;
- ❑ the person responsible for accounting for expenditure defrayed in the delivery of the ESF project;
- ❑ the person who has monitored the ESF project;
- ❑ where appropriate, the person who has managed sub-contractors/ training providers;
- ❑ where appropriate, the person who has conducted research to support the ESF application.

In some organisations the same person performs two or more of these duties.

It is essential that adequate facilities are provided to accommodate the visit, taking into consideration the number of staff to be involved, and the number of visiting officers. A room of suitable size should be made available with a large tabletop area so that files and documentation can be examined. It is also important that disruptions are kept to a minimum.

## **6. HOW TO ENSURE THE SUCCESS OF AN ON-THE-SPOT VERIFICATION**

All parties will want the visit to progress as smoothly as possible. Ideally, the format should be as follows:

### **6.1 ORGANISATIONAL INFRASTRUCTURE AND CONTROLS**

In order to identify all the systems relating to the ESF projects, the Project Manager or relevant staff will need to provide an outline covering the following key areas:

- ❑ organisational infrastructure - the strategic objectives of the organisation, and the full range of activities carried out;
- ❑ the importance of ESF to your organisation - in particular information on all other sources of funding and the percentage of income ESF affords in relation to other income;
- ❑ project eligibility;
- ❑ the needs assessment processes specific to ESF projects, in particular those projects under review;
- ❑ the construction of ESF project objectives, project specifications and policy for ESF

publicity;

- ❑ ESF project delivery plan and cash flow profile;
- ❑ the level of success of your previous ESF aided projects and methods of ESF project evaluation;
- ❑ resource allocation - budget information and staffing to include the organisation chart and staff allocation of the whole project;
- ❑ method of eligibility checks including project, beneficiary and expenditure details;
- ❑ policy and methodologies for allocation and apportionment of actual costs and accounting for beneficiary time keeping.

Upon receipt of the above information the team will conduct an initial evaluation of the organisation's systems for ESF administration.

## **6.2 TESTING**

During the visit the team will normally conduct tests on ESF project source documentation and working papers.

Tests are necessary to confirm:

- ❑ the inspection team's understanding of the systems and controls over the project;
- ❑ that systems and controls over the project are operating as intended; and
- ❑ the initial evaluation of findings and ascertain the effects of any perceived control weaknesses.

The team reviews documents in support of the systems identified. The team's testing should provide assurances in the areas of organisational control & compliance, project management control and supporting records.

## **6.3 PUBLICITY**

The applicant should comply fully with the EC Regulation on Publicity

### **ADDED VALUE AND NEEDS ASSESSMENT**

The applicant organisation should ensure that the project boundaries are clearly defined, so that the added value of ESF can be clearly demonstrated. The ESF project should demonstrate also that:

- ❑ the needs assessment clearly supports the project objectives detailed in the ESF application.

## **6.5 APPLICANT ORGANISATION'S AUTHORISATION OF THE PROJECT**

The organisation should be able to demonstrate that it has effective mechanisms for:

- ❑ assessing ESF project viability, e.g. decisions based on the most accurate, relevant and up-to-date market information;
- ❑ formally approving its ESF applications for submission to the ESF administering authorities; and
- ❑ approving the financial commitment within the organisation should the bid be successful.

## **6.6 PLANNING**

The planning process should include an outline of project objectives, resource requirements for delivery and monitoring/evaluation of progress through to completion, timing of the project, expected numbers, marketing strategy, and cash flow projections.

## **6.7 RESOURCES**

The level of available match funding and resource within the organisation should be sufficient to support all ESF projects if approved.

## **6.8 MONITORING**

A system should be established to ensure that ESF project delivery and finances are effectively monitored and controlled. Controls over ESF expenditure should operate within a management accounting system. This will enable actual expenditure to be compared with planned expenditure, highlight and facilitate explanation of any significant differences.

## **6.9 PERFORMANCE MEASUREMENT**

Performance measurements should be in place to assess:

- ❑ the success of the project in meeting its objectives; and
- ❑ the progress of beneficiaries through the project.

## **6.10 ELIGIBILITY CHECKS**

Ineligible beneficiaries should not receive support from the project. There should be sufficient detail obtained and complete records held to determine beneficiary eligibility, including systems to analyse beneficiaries, their addresses and postcodes, etc. There should be evidence of management checks on the beneficiary eligibility detail.

Checks on eligibility of beneficiaries should be sufficient to ensure that:

- ❑ all beneficiaries selected for the project meet the stated suitability and ESF eligibility criteria for

the project in line with the advice from the Scottish Executive.

The VAC team may ask to be shown around the delivery site to confirm that the facilities are compatible with the activity being offered, e.g. training facilities should be consistent with the type of training delivered and to meet the requirements of the Health and Safety at Work Act and other relevant legislation.

### **6.11 MANAGEMENT CHECKS**

A system should be established to allow checks that the project management control systems are effective at all stages. The management checks need to have a level of independence and authority to ensure that the information gained is reliable and any necessary remedial action is taken.

### **6.12 FINANCIAL RECORDS**

Record keeping should be in sufficient detail, showing clearly:

- that only eligible items of expenditure had been claimed;
- the actuality of expenditure;
- an acceptable and consistent method of apportionment, and
- the expenditure is within the timescale of the project.

### **6.13 BENEFICIARY ATTENDANCE RECORDS**

The purpose of examination of beneficiary records is to confirm that:

- records of attendance of each participant are clear, accurate, up-to-date, and include all absences; work placement or any other similar activity; early leavers etc.

If you are unable to gather together all the records, they are incomplete for whatever reason, or contain inaccuracies (e.g. you discover beneficiaries live outside the area boundary of your programme) or you find that you have included ineligible expenditure, **you should inform the visiting officers at the outset.** Do not wait for them to uncover a mistake!

### **6.14 SYSTEMS, CONTROLS AND RECORDS MANAGEMENT**

The approach described above advises that documentation will be examined to confirm the described systems and to examine any perceived areas of risk. Documentation will therefore be required to demonstrate controls at organisational level, project management level and at record keeping level.

**For a period of three years following the final payment under the programme, i.e. the final payment from the EC to the Scottish Executive, not the final payment to an individual project, applicant organisations must retain all project source documentation together with working papers which show how the claims were compiled.** It is the applicant organisation's responsibility to ensure that the documentation held by a sub-contractor used in the delivery of the

ESF activity is sufficient, shows the actual cost involved excluding any profit element, is retained also for the required period and is available for scrutiny. The VAC Team may wish to see the sub-contractual agreement between the applicant organisation and the sub-contractor as well as the sub-contractor's basis for calculating expenditure included in the claims.

VAC visits can be undertaken at any time in the applications and claims cycle. The key documents which will form the basis of the visit are the ESF application and claim form.

## **6.15 SYSTEMS AND ORGANISATIONAL CONTROLS**

Useful documentation which should be made available during the VAC visit to demonstrate strategic organisational control includes:

- ❑ year-end financial records covering the life of the project;
- ❑ Mission Statement and Business plan or other similar documentation to demonstrate
- ❑ the organisation's aims, objectives and priorities in both the long and short term;
- ❑ up-to-date description of the organisation and structure - this can be demonstrated by means of an organisation chart or a description of the organisation;
- ❑ market research documentation to demonstrate work undertaken to support activity planning. The analysis of market trends/ beneficiary need should be objective and able to clearly justify the need for the ESF activity;
- ❑ ESF Project viability and eligibility assessment demonstrating consideration of project objectives, added value, performance measures and feasibility. Please note that the project objectives will be expected to be consistent with those described in the project application as well as with the overall business objectives. Project feasibility can be demonstrated by presentation of a cost-benefit analysis; and
- ❑ Policy for publicity. This can be demonstrated through a description of the approach to publicity and supporting documentation that has been issued to beneficiaries and the general public and inclusion of the publicity objectives within the project plan.

## **6.16 MANAGEMENT CONTROLS**

In order to test and evaluate the systems to control and monitor project performance, the documentation in the following paragraphs should be presented to the VAC Team for examination

## **6.17 PROJECT SPECIFICATION**

A comprehensive project specification that clearly highlights project objectives. The objectives must be specific, measurable, achievable, realistic and time-bound, as well as consistent with those stated on the application and claims. The project specification should also include a systematic training plan, identifying:

- ❑ training modules, timetables;

- ❑ main skills and work experience required, subjects covered and specific outcomes and milestones;
- ❑ timing and method of monitoring and evaluation; and
- ❑ resource allocation for project delivery and lines of authority.

## 6.18 MONITORING

Evidence of regular management monitoring of the project - the visiting team will expect to see monitoring reports that detail progress against milestones and action plans (as appropriate).

## 6.19 EVALUATION AND CONTINUOUS IMPROVEMENT

Project evaluation documents to demonstrate whether the overall project objectives were being met - this can be shown by providing copies of evaluation reports, beneficiary follow-up surveys, and comparisons with other tuition providers. The visiting team will assess the effectiveness of evaluation and consider how the results of the evaluation process have led to continuous improvement within the applicant's ESF administrative process.

- ❑ **GOOD VALUE IN PROJECTS** - The applicant organisation should ensure that Community funds are used efficiently and show how this has been achieved/measured.
- ❑
- ❑ **PROJECT PROGRESS MONITORING** - The visiting team will examine the applicant organisation's approach to monitoring the project. This can be demonstrated by providing examples of performance indicators and measures, internal audit reports and improvement plans. Where the organisation has received a previous VAC visit, the visiting team will review also implementation of any remedial action that had been required.

The visiting team may wish to see records to support projects that have already ended. Problems are often encountered during a VAC visit with the retrieval of key project management documentation, particularly where it has been some time since the project ended or a new financial year has started. **It is strongly advised that a central project file for each project is maintained to include all of the above documentation so that information on the organisational and management controls can be accessed easily during a VAC visit.** The applicant should ensure that such files are available.

## 6.20 BENEFICIARY RECORDS MANAGEMENT

The VAC team will expect the applicant organisation to maintain a full list of all of the beneficiaries on the project. This list should indicate the participation start and end date for each beneficiary. The applicant organisation is responsible for maintaining an accurate and up-to-date list which should be consistent with other documentation held for the beneficiaries.

The records applicant organisations maintain for each beneficiary should include:

- ❑ recruitment/enrolment - the visiting team will require a description of the method used to recruit ESF beneficiaries, supported by a completed training application/ enrolment form signed

and dated by the beneficiary and duly certified by the applicant organisation's project management to confirm that the beneficiary meets the ESF eligibility criteria. The completed form should include sufficient information to complete claims entries such as the disability status, in addition to a truth and obligation declaration;

- ❑ documents to demonstrate project management's assessment of beneficiary training needs and suitability;
- ❑ an individual training plan/ record agreed by the beneficiary detailing:
  - start and finish dates;
  - total hours of required and actual attendance;
  - individual project modules and timetables;
  - beneficiary progress during project and whilst on work experience;
  - certificates or qualifications planned and gained;
  - planned and actual outcome;
  - dated beneficiary signature - the training record is an agreement between the beneficiary and the applicant organisation (or sub-contractor). Any up-dates and amendments should be agreed and signed by both parties. Project management is expected to check that the information entered on the training record is correct;
- ❑ attendance records to substantiate beneficiary hours, including work experience as shown in the claim entries;
- ❑ in line with activities in the approved application and forming part of the beneficiary attendance records, details of :
  - guidance and advice provided which helped beneficiaries to find stable jobs, enter self-employment or to participate in vocational training or re-training;
  - help provided in career and/or job planning, job searches and interview techniques, confidence building and raising motivation; and
  - direct contact between "counsellors" and beneficiaries,
- ❑ records to substantiate beneficiary allowances and costs;
- ❑ in-year monitoring reviews undertaken with the beneficiaries to record their progress. This should be agreed by the beneficiaries;
- ❑ evidence of outcomes achieved; and
- ❑ records of training evaluation and follow-up signed by the beneficiaries.

## 6.21 BENEFICIARY ANALYSIS

The ESF application and claim /claim progress report forms ask for basic characteristics of the beneficiaries whom the project expects to assist, by (un)employment status, gender, age and Local Authority area of residence, ethnic origin; disability; post project destination; qualifications achieved, etc.;

Applicant organisations will need to demonstrate that records include this information to enable accurate completion of the claim.

## 6.22 AUDIT TRAILS

Relevant invoices or source documents or records must support all entries on the claims etc. Any item on the claim may be subject to verification checks. The VAC team will verify that expenditure charged against the project is shown separately in the organisation's accounts or can be identified easily in its accounting system.

Lack of clear audit trails and working papers linking the claim to the annual returns, present severe problems, preventing the applicant organisation from demonstrating the propriety of ESF expenditure and beneficiary detail.

Where the visiting team cannot trace items of expenditure through systems, it will carry out various exercises in an attempt to verify the actual expenditure. A lack of source documentation may result in an adjustment to the claim and a refund falling due.

All claims must be supported by detailed working papers with a visible audit trail linking the claim, the annual returns, financial summaries and analyses, BACs lists, bank statements and the source documentation.

## 6.23 EXPENDITURE ELIGIBILITY

The applicant organisation will need to demonstrate the total cost of the ESF project, including the Match Funding element.

The eligibility of expenditure is assessed against three criteria:

- ❑ timescale - the expenditure must be defrayed on the approved ESF project activity prior to any claim being submitted;
- ❑ purpose of the expenditure - this must be in accordance with the Objectives of the Single Programme Document of which the project forms a part, and with the objectives included within the application;
- ❑ type of expenditure - ESF contributes to certain items of expenditure defrayed in the delivery of ESF activities. **Guidance on eligible and ineligible costs is provided by the Scottish Executive.**

## ❑ 6.24 FINANCIAL RECORDS MANAGEMENT

Documentation should be available for examination during a visit to support the total project cost included in the claims. The following documentation should be maintained for both direct and apportioned costs:

- ❑ accounting policy;
- ❑ working papers to support the construction of the ESF claim, showing how the claim was compiled and, where appropriate, how costs were apportioned;
- ❑ invoices/ receipts to support the total project cost;
- ❑ sub-contracting and leasing agreements
- ❑ accounts and bank statements, for both expenditure and income;
- ❑ staff costs - including tutors' timesheets and payment/ payroll records. The tutors' timesheets should identify time spent on ESF activity and distinguish between direct project work (e.g. classroom tutoring) and indirect assistance (support and guidance). For indirect assistance, the applicant organisation should specify the type of activity, demonstrate that it meets ESF criteria and show how it relates to the delivery of the project as outlined in the project plan;
- ❑ cost centre analyses which detail categorisation and allocation of costs included in the accounting system;
- ❑ documentary evidence of all match funding, including any private support or match funding in-kind; and
- ❑ the applicant organisation's audited accounts covering the life of the ESF project.

## 6.25 APPORTIONED COSTS

The chosen method of apportionment or charging staff costs may not be acceptable. An unacceptable method of apportionment may not be detected until a VAC visit is undertaken, which may lead to a repayment. In larger applicant organisations, complex methods of apportionment may be used. If in doubt, the applicant organisation should check with the Scottish Executive's ESF Section in Meridian Court. Full information will be required to allow a considered response.

The visiting team will examine the method of apportionment and assess whether it is fair and equitable. It will wish to examine also the calculations to support the amount of apportioned costs included in the claims.

Costs charged to ESF must relate only to the projects approved. If costs include non-ESF activities, e.g. if only part of a building is used for the ESF project, they should be apportioned accordingly, e.g. on the basis of usage. Methods of apportionment based on floor space used for the ESF project or ESF beneficiary numbers have been accepted previously.

Costs should be allocated on a logical, fair and equitable basis, e.g. actual overhead defrayed allocated on the basis of beneficiary training hours. This will avoid overstating the overhead costs.

Common errors include:

- ❑ using a budgeted or estimated overhead rate rather than the actual rate incurred;
- ❑ basing the hourly cost of overhead on timetabled hours instead of actual training hours;
- ❑ notional or estimated charges (e.g. 5-10%) being included as a central administration charge;
- ❑ including ineligible items of overhead specifically not allowed by the guidelines, e.g. bank interest charges;
- ❑ notional rent/rates. i.e. where rent is included as a charge in the claim but there is no actual payment; and
- ❑ inclusion of ineligible opportunity costs (see paragraph 6.26 below).

## **6.26 OPPORTUNITY COSTS**

Opportunity costs are potential costs associated with opportunities forgone. ESF does not generate profits and a decision to fund an ESF project could be made at the expense of making a profit from some other investment.

## **6.27 INCOME**

Where appropriate, the applicant organisation will need to demonstrate that income generated has resulted in an adjustment to the claim. Examples of income earned include:

- ❑ sale of articles produced as a direct result of the project activity;
- ❑ sale of services provided as a result of the project activity;
- ❑ rental of training facilities funded by the ESF project; and
- ❑ receipts from provision of other facilities e.g. canteen, phones, dispensing machines, photocopying/printing, library, postage, identity cards, accommodation, sickness benefit refunds, salary recovery, insurance claims, crèche charges.

For direct costs, income generated is directly matched to the expenditure defrayed to generate that income. For both ESF and non-ESF projects the expenditure and any income generated should be shown separately (accounted for transparently) and there should be separate supporting documentation for each - ESF expenditure, ESF income, non-ESF expenditure, and non-ESF income. If costs are apportioned, it may also be appropriate to apportion income not earned directly by the ESF project. In order to verify any amounts of income generated, the visiting team will examine the following records:

- ❑ bank statements; and accounting records.

The visiting team may also wish to examine such records maintained by the Match Funder.

## **6.28 FEEDBACK DURING THE VISIT**

During the visit oral feedback will be provided as findings emerge or as queries are raised.

At the end of the visit, the team's findings will be summarised and you will have the opportunity to give an initial response, provide further information if required, agree the findings and initiate immediate remedial action. This may reduce delays in processing outstanding claims for this and other projects.

## **7. AFTER THE VISIT**

The visiting team will review the information gathered during the visit and prepare a report setting out its findings and, where appropriate, making recommendations for strengthening the control of ESF support. The report will normally be issued to the Managing Authority within 1 month of the visit or receipt of outstanding documentation.

Project management will then be asked by the Managing Authority to accept the findings and set out timed proposals for addressing any issues raised. The inspection will then be brought to a conclusion, which is hopefully, acceptable to the visiting team, the Managing Authority, and project management.

The Managing Authority will retain the inspection report together with appropriate follow-up correspondence for inspection by the European Commission.

## **CHECKLIST OF ASPECTS TO BE REVIEWED BY THE VAC TEAM      ANNEX A**

1. the basis of the match funder's confirmation of the financial viability of the applicant organisation and its formal monitoring of the project,
2. the tasks performed by any volunteer in relation to in-kind match funding contributions are appropriate to the description of the work used for costing purposes, and
3. the volunteer hours included in the claim are consistent with those set out in the project plan and application.
4. the effectiveness of its systems for ESF administration.
5. the systems for ascertaining the need for the project, managing the delivery of the activity and accounting for all of the costs included in the claims.
6. applicant organisation/project documentation :
  - central project file
  - mission statement and business plan
  - outline or description of the project and project objectives
  - specification, delivery plan, cashflow profile and budgetary control information
  - viability and applicant's authorisation procedures
  - resource requirements for delivery
  - staffing details/organisation chart
  - cost allocation and apportionment methodologies
  - monitoring/evaluation of progress/performance measures and outputs
7. EC publicity requirements
8. added value requirements
9. evidence of checks on eligibility of beneficiaries
10. evidence of checks that the project management control systems are effective
11. financial records
12. beneficiary attendance records
13. year-end financial records covering the life of the project
14. beneficiary training plans and progress reports
15. documents to demonstrate the overall project objectives were being met, e.g. evaluation reports, beneficiary follow-up surveys, and comparisons with other tuition providers
16. beneficiary records
17. invoices, receipts for income, source documents, and original records to support all entries

on the claim, sub-contracting and leasing agreements, bank statements, match funding documentation