



European Economic Area Financial Mechanism 2009-2014

Programme Operator:

Commission for Citizenship and Gender Equality

CONFIDENTIAL

UNTIL APPROVAL

MANAGEMENT AND CONTROL SYSTEM

PT07: Mainstreaming Gender Equality and Promoting Work Life Balance

Commission for Citizenship and Gender Equality

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ACRONYMS:

EFTA	European Free Trade Association
FMC	Financial Mechanism Committee
IFDR	Financial Institute for Regional Development
IGF	Inspectorate-General for Taxation
EEAFM	European Economic Area Financial Mechanism
NMU	National Management Unit
PO	Programme Operator
SEAPI	Secretariat of State for Parliament Affairs and Equality
CIG	Commission for Citizenship and Gender Equality
CITE	Commission for Equality in Labour and Employment
INE	Statistics Portugal
KS	Norwegian Association of Local and Regional Authorities

1. Executive summary

This document describes the Management and Control System of the Commission for Citizenship and Gender Equality, hereinafter referred as CIG, in its capacity as Programme Operator (PO), to which powers have been granted by the European Economic Area Financial Mechanism (EEAFM) 2009-2014.

While respecting the principles of economy, efficiency and efficacy, the Management and Control System provides information on:

- a) the duties assigned to the Programme Operator;
- b) compliance with the principle of segregation of duties;
- c) use of procedures that ensure the regularity and legality of expenditure;
- d) the reliability of accounting, monitoring and financial reporting information systems
- e) ways of auditing the operation of systems;
- f) the procedures and systems guaranteeing an appropriate audit trail;
- g) whistleblowing procedures and recovery of amounts paid in error.

2. Brief overview of the legal framework of the European Economic Area Financial Mechanism 2009-2014

This document complies with *Protocol 38b of the EEA Agreement, Regulation on Implementation of the European Economic Area Financial Mechanism 2009-2014*, hereinafter referred to as the Regulation, the *Memorandum of Understanding* between the Donor States and Beneficiary State (*MoU*) and the *Guidelines on the Description of the Programme Operator's Management and Control System* (drafted by the EEAFM NMU 2009-2014).

It also covers the general principles of management and control systems, the Programme Operator's responsibilities, the calendar, nature and depth of administrative, financial, technical and physical checks of projects and operations, the working documentation drafted and its filing, any recourse to third parties to make these management checks, the audit trail and information on whistleblowing.

3. The Programme Operator

3.1. Name, address and contact point

The CIG belongs to the public administration. Its head office is in Lisbon and it has an office in Porto. It is part of the Presidency of the Council of Ministers and falls under the authority of the Secretariat of State for Parliament Affairs and Equality , pursuant to sub-delegation of powers ordinance no. 10237/2011 of 10 August of the Minister of State and Parliamentary Matters, published in *Diário da República* no. 157, 2.º série, of 17 August 2011.

The CIG succeeded the Commission for the Equality and Rights of Women (CIDM) and, in turn, the Commission on the Status of Women (CCF).

The CIG is a central service directly administered by the state. It has administrative and financial independence and is restricted to the management of programmes funded by resources from the EU or similar international bodies.

Its mission is to implement public policies on citizenship and the defence of gender equality.

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Email address

A specific email address will be created for this programme after signing of the Programme Agreement between the national focal point and Programme Operator.

3.2. Main duties

3.2.1. Date and form of the formal appointment authorising the Programme Operator to perform its duties

The CIG was appointed Programme Operator of the Programme Area PT07 Mainstreaming Gender Equality and Promoting Work-Life Balance in the Memorandum of Understanding (MoU) between the Portuguese Government (represented by the Minister of Agriculture, Maritime Affairs, the Environment and Spatial Planning) and the donor countries (Norway, Iceland and Liechtenstein), which was signed in Sintra on 28 March 2012.

3.2.2. Specification of duties and tasks performed directly by the Programme Operator

As soon as the MoU was signed, the CIG began defining Programme PT07 Mainstreaming Gender Equality and Promoting Work-Life Balance. As Programme Operator, the CIG is responsible for preparing and implementing the programme pursuant to Article 4.7 of the Regulation of EEA Grants 2009-2014, in particular:

(a) Ensuring that projects contribute to the overall objectives of the European Economic Area Financial Mechanism 2009-2014 and the specific programme outcomes and objectives and that they comply with this regulation, the programme agreement as well as applicable national and European Union law in all implementation phases;

(b) Collecting applications, selecting projects to be funded and signing project contracts with their promoters;

(c) Verifying the project outputs and that the expenditure declared by the project promoters has actually been incurred and complies with this Regulation, the programme agreement as well as applicable national and European Union law;

(d) Ensuring that payments to promoters are made in a timely manner;

(e) Ensuring the quality of the implementation of the programme and **verifying the projects' progress towards expected outcomes, *inter alia*** through reviews and/or on-the-spot verification of projects carried out on a sample basis;

(f) Conducting monitoring of projects selected based on risk assessment and random samples;

(g) Ensuring that the financial contribution is used exclusively for the purpose of the programme and its projects and according to the programme agreement and that all assets forming part of the programme are used only for such purposes as provided for in the programme agreement;

(h) Ensuring that there is a system for recording and storing in computerised form accounting records for each project and that the data on implementation necessary for financial management, reporting, monitoring, verifications, audits and evaluation required in the regulation are collected;

(i) Establishing an organisational structure of the Programme Operator that ensures independence and functional separation of the division responsible for verification of payment claims from other divisions responsible for the implementation of the programme;

(j) Establishing and maintaining a separate bank account dedicated exclusively to the programme;

(k) Ensuring that project promoters maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project without prejudice to national accounting rules;

(l) Ensuring transparency and confidentiality of and authorised access to documents in accordance with the requirements of Article 8.8 of the Regulation;

(m) Ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;

(n) Drafting and submitting the interim financial reports and the annual programme report, in accordance with Articles 5.11, 5.12, 8.3, 8.4 and 8.7;

(o) Submitting to the Certifying Authority a forecast of payments in accordance with Article 8.5 of the Regulation;

(p) Ensuring entry of up-to-date statistical data on each project and **programme in accordance with the Programme Operator's Manual and ensuring that** the FMC and the National Focal Point is, upon request and within reasonable time, provided with all documents and information related to the implementation of the programme and its projects;

(q) Ensuring that all necessary and appropriate measures are taken to prevent, detect and nullify any cases of suspected irregularities, that they are

investigated promptly and efficiently and properly reported and remedied, including making any financial corrections that may be appropriate.

(r) Ensuring that all relevant local, national and European Union legislation including legislation on the environment, public procurement and state aid is complied with by the project promoters;

(s) Ensuring that legal and regulatory provisions on information and advertising are complied with.

3.2.3. Duties formally delegated by the Programme Operator (duties, intermediate bodies, form of delegation)

The CIG will perform its duties as Programme Operator and is not allowed to delegate duties to intermediate bodies.

The management of this programme will consist of internal resources and subcontracts.

3.3. Organisation

3.3.1. Organisation chart and units' functions

As defined in Article 10 of its Statute, the CIG is organised as follows:

a) A hierarchy model for resource management, legal matters, studies and training, communication, documentation and information, international relations and human trafficking;

b) A matrix structure in management and support of citizenship and gender equality, gender and domestic violence, social network and local authority projects.

This combination of a core structure, flexible units and multidisciplinary teams is as follows:

A – Core structure¹

The CIG consists of a service department, which is the northern office and is managed by a director of services, a first-grade intermediate position.

B - Flexible units

¹ - See Article 1 of Ministerial Order 27/2012 of 31 January.

Pursuant to Article 10 (a) of Regulatory Decree 1/2012 of 6 January, this hierarchy structure comprises resource management, legal matters, studies and training, communication, documentation and information, international relations and human trafficking. Article 3 of Ministerial Order 27/2012 of 31 January established a maximum of three flexible units. Maintaining the previous structure, Ordinance 4970/2012 of 20 March² (of the President of the CIG) established the following divisions and their duties:

- Documentation and Information Division;
- Legal Division;
- Administrative and Financial Division.

C - Multidisciplinary teams

Pursuant to Article 10 (b) of Regulatory Decree 1/2012 of 6 January, this matrix structure comprises management and support of citizenship and gender equality, gender and domestic violence, social network and local authority projects. They are grouped into competence centres manned by multidisciplinary teams. Ministerial Order 27/2012 of 31 January established a maximum of two multidisciplinary team leaders and Ordinance 5034/2012 of 20 March³ (of the President of the CIG) established the following multidisciplinary teams and their duties:

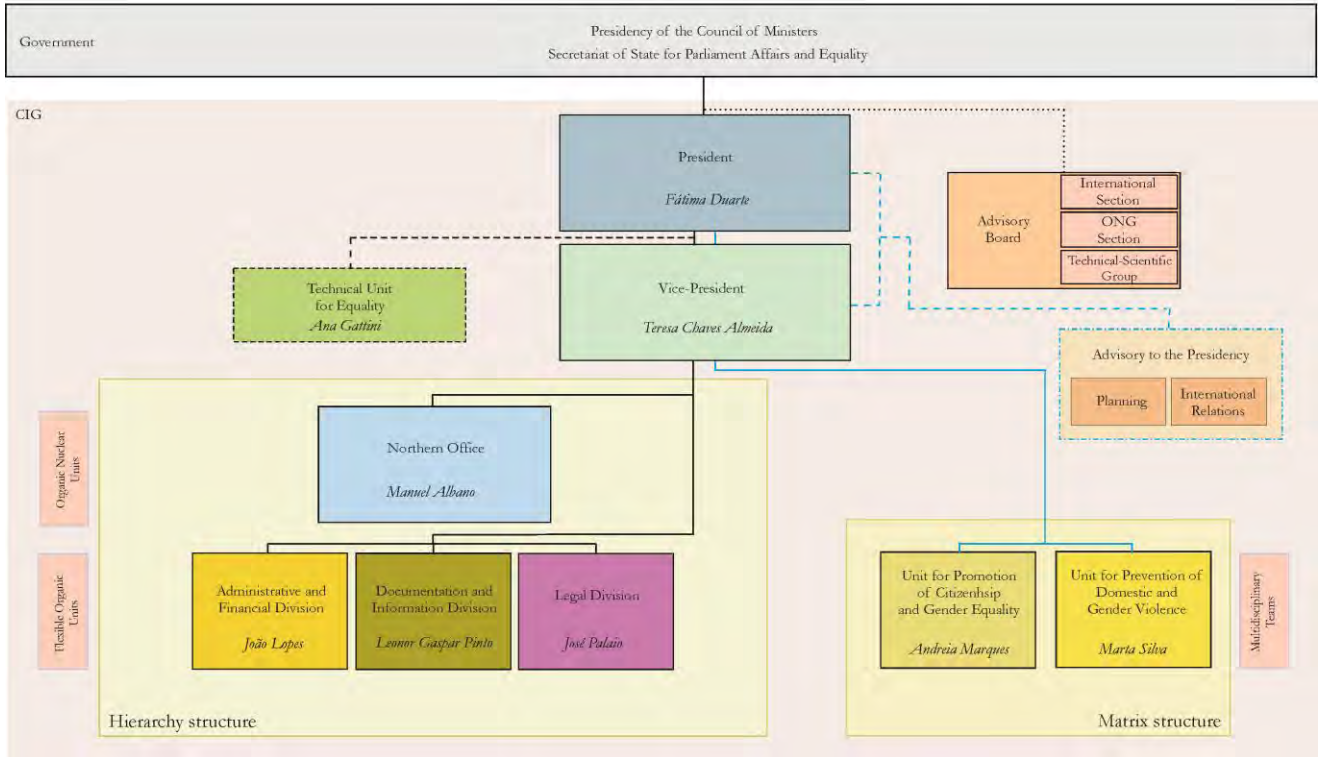
- Unit for Promotion of Citizenship and Gender Equality (N -CIG)
- Unit for Prevention of Domestic and Gender Violence (N -VDVG).

² - See *Diário da República*, 2.ª série — No. 72 — 11 April 2012.

³ - See *Diário da República*, 2.ª série — No. 72 — 11 April 2012.

Commission for Citizenship and Gender Equality [CIG]

Organisation Chart



The CIG has a programme management team made up of a coordinator, two practitioners, one financial manager, one legal manager and a clerk. It will also be necessary to involve or subcontract an accountant, an auditor and a specialist in the programme area. This unit will report directly to the CIG President and Vice-President.

CIG position	Programme position	Programme duties	Email
Specialised assistant to management	Coordinator	<ul style="list-style-type: none"> - Ensuring that projects contribute to the overall objectives of the European Economic Area Financial Mechanism 2009-2014 and the specific programme outcomes and objectives; - Signing project contracts with their promoters; - Establishing an organisational structure of the Programme Operator that ensures independence and functional separation of the division responsible for verification of payment claims from other divisions responsible for the implementation of the programme; - Deciding on applications for funding and ensuring that the applicants are informed of the decision made. - Representing the CIG with interlocutors, e.g. the Financial Mechanism Office (FMO), the national 	manuel.barroso@cig.gov.pt

		<p>focal point, the certification authority, the audit authority, beneficiaries and other contracted bodies;</p> <ul style="list-style-type: none"> - Ensuring CIG's presence, personally or by a representative, at meetings, seminars and other programme events; - Approving reports on work completion and minutes of meetings; - Ensuring physical and financial management of individual and aggregated information on funded projects; - Ensuring collection and despatch of full information on projects applying for and receiving funding. 	
Senior practitioner	Substitute coordinator practitioner with experience of EEA Grants 2004-2009- CIG	<ul style="list-style-type: none"> - Ensuring the quality of the implementation of the programme and verifying the projects' progress towards expected outcomes; - Ensuring that there is a system for recording and storing in computerised form accounting records for each project and that the data on implementation necessary for financial management, reporting, monitoring, verifications, audits and evaluation required in the regulation are collected and made available; - Ensuring transparency and confidentiality of and authorised access to documents in accordance with the requirements of Article 8.8 of the Regulation; - Drafting and submitting the interim financial reports and the annual programme report, in accordance with Articles 5.11, 5.12, 8.3, 8.4 and 8.7; - Handling documental organisation and analysis of funding applications, including submission of draft approvals, filing, refusing, reducing or revoking applications, while abiding by the principle of segregation of functions; - Verifying the conditions for admission and formal eligibility of applications and responsibility for compliance with the selection criteria and compilation of the final list of approved projects; - Ensuring entry of up-to-date statistical data on each project and programme in accordance with the Programme Operator's Manual and ensuring that the FMC and the National Focal Point is, upon request and within reasonable time, provided with all documents and information related to the implementation of the programme and its projects. 	Joana.marteleira@cig.gov.pt
Senior practitioner in the Documentation and Information Division	Practitioner with experience in communication and advertising	<ul style="list-style-type: none"> - Ensuring that legal and regulatory provisions on information and advertising are complied with. 	fernanda.santos@cig.gov.pt
Head of the Administrative and Financial Division	Financial manager	<ul style="list-style-type: none"> - Ensuring that payments to promoters are made in a timely manner; - Establishing and maintaining a separate bank 	joao.lopes@cig.gov.pt

		account dedicated exclusively to the programme; - Submitting to the Certifying Authority a forecast of payments in accordance with Article 8.5 of the Regulation; - Handling the whole financial verification process in the place of execution of funded projects, while abiding by the principle of segregation of functions, outsourcing the work if necessary.	
Head of the Legal Division	Legal expert	- Ensuring that all necessary and appropriate measures are taken to prevent, detect and nullify any cases of suspected irregularities, that they are investigated promptly and efficiently and properly reported and remedied, including making any financial corrections that may be appropriate.	j.palαιο@cig.gov.pt
External	Accountant	- Conducting administrative verifications of projects, including whether the expenditure declared by the project promoters has actually been incurred and complies with this regulation, the programme agreement as well as applicable national and European Union law; - Ensuring that the financial contribution is used exclusively for the purpose of the programme and its projects and according to the programme agreement, and that all assets forming part of the programme are used only for such purposes as provided for in the programme agreement; - Ensuring that there is a system for recording and storing in computerised form accounting records for each project and that the data on implementation necessary for financial management, reporting, monitoring, verifications, audits and evaluation required in the regulation are collected; - Ensuring that project promoters maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project without prejudice to national accounting rules; - Ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification; - Ensuring that all relevant local, national and European Union legislation including legislation on the environment, public procurement and state aid is complied with by the project promoters.	(to be hired)
Clerk	Clerk	- Providing all requested administrative assistance.	(to be hired)
External	Auditor	- Auditing projects based on samples; - Conducting monitoring of projects selected based on risk assessment and random samples.	(to be hired)
External	Gender equality specialist	- Analysing applications; - Working on all programme activities on request; - Sitting on the Programme Selection Committee.	(to be hired)

3.3.2. Written procedures for use by Programme Operator personnel

The Programme Operator's personnel must abide by all the legal implementation documentation for EEA Grants 2009-2014. The programme's management will also execute the programme in accordance with the version approved by the FMC.

The CIG will draw up a Programme Regulation that must be used by all involved in the programme, including the management team, promoters and partners. This Regulation will be completed after approval of the programme and before the invitation for applications.

3.3.3. Project selection and approval procedures

Projects will be selected and approved in accordance with Chapter 6 of the Regulation on implementation of the European Economic Area Financial Mechanism 2009 – 2014.

Open calls for applications will be published in two major newspapers, on the webpage of the Programme Operator and National Management Unit.

Each Open Call will be open for two months, in accordance with Article 6.3 of the Regulation.

Applicants must submit their applications to the Programme Operator on the proper form, available on the programme website and covering the following elements:

- 1.** Project title
 - a. Description of the project, including its framework and pertinence to national plans or other strategic regional or local instruments;
 - b. Implementation strategy;
 - c. Activities;
 - d. Target population;
 - e. Geographical coverage;
 - f. Expected outcomes;
- 2.** Timeline of project and activities

3. Budget (attach detailed annualised version)

4. Summary (attach English version)

An Application Form Guide will be drafted to help complete it.

The application must be accompanied by the following:

- a) Declaration indicating the entity's name, tax number, registered office and names of the people with legal powers to represent it, plus a copy of its articles of association (printed and digitised version);
- b) Declaration that it has no debts to the tax authority or Social security (printed and digitised version);
- c) Certificate attesting to the applicant's VAT rate;
- d) Documents attesting to the professional competence of the entity and the key members of its project management team;
- e) Documents proving its intention to form a partnership (if applicable);
- f) Small diagnostic assessment of the project;
- g) Logical framework (optional);
- h) **Copy of taxpayer's card;**
- i) Annex to the application form above-mentioned and other documents that the project promoter considers relevant for an appreciation of the project on the basis of the selection criteria;
- j) Previous year's annual report including the following up-to-date information:
 - Number and type of members and beneficiaries;
 - Entity's budget and origin of income (dues, subsidies, donations, others);
 - Personnel (managers, practitioners, administrative and financial staff, others);
 - Most important projects, including name, period of reference and EU programme or initiative.

The application form must be completed in Portuguese and printed in two **copies, one marked "Original" and the other "Copy"**. It is advisable to save it on CD-ROM with all the necessary documentation.

The complete set of forms on paper and a CD-ROM with the above-mentioned saved documents must be submitted, accompanied by a letter, in a closed, sealed envelope, with the entity's stamp or seal signed by one of its official representatives.

The outside of the envelope must bear the entity's complete name and references to the title indicated in the announcement of the Open Call and/or Small Grants Schemes.

The opening and closing of the Open Calls and/or Small Grants Scheme will be defined in the announcement, as per the EEA Financial Mechanism guidelines.

As Programme Operator, CIG will conduct and monitor all activities related to the implementation of this programme, including applicants' compliance with the admission and formal eligibility conditions, responsibility for applying the selection criteria and drafting of the final list of approved projects. Accordingly, taking account of the specific objectives of the programme, the projects submitted in the call will undergo a preliminary evaluation so that they can be prioritised for drafting a provisional list to be submitted to the Selection Committee for an opinion.

The Selection Committee will consist of three gender equality specialists, one of whom will be independent. The committee will be formed up to one month before publication of the first Open-Call. The names of its members will not appear in the announcements. Representatives of the Financial Mechanism and the National Management Unit will be invited to attend the Selection Committee meetings as observers.

The Selection Committee will be responsible for giving an opinion and making recommendations to the Programme Operator on the provisional list of approved projects to ensure compliance with the selection procedures and criteria established by the EEA Financial Mechanism.

The projects submitted must contribute to the general objectives of the European Economic Area Financial Mechanism.

The specific evaluation criteria will be:

- a) General impact of the outcomes;
- b) Originality of proposed solutions;
- c) Evidence of the gender dimension as a strategic factor of the project in all its components;

- d) Evidence of the sustainability of the project's outcome after funding ends;
- e) The project's pertinence to the objectives of national plans or other strategic regional or local instruments.

The general evaluation criteria will be:

- a) Pertinence of the general objectives to national plans or other strategic regional or local instruments and Programme PT07;
- b) Coherence of the specific objectives with the diagnostic assessment, eligibility of the execution period and needs of the target populations;
- c) Technical quality of the activities in terms of contents, methodologies and duration of intervention, permanent monitoring indicators and assessment of its outcomes;
- d) Enhancement of the personal and social skills of the target populations and the specialised and professional qualifications and experience of the team;
- e) Demonstration and multiplying effect of good practices and innovative solutions;
- f) Assessment of risk factors of intervention and their management;
- g) Short- and medium-term economic practicability of the intervention.

Analysis and decision process

The analysis and selection of applications will be divided into three phases.

- Verification of compliance with the admission and formal eligibility conditions by the Programme Operator, to appraise the information provided and supporting documentation in the applications;
- Assessment of technical quality by the Programme Operator to appraise the applications in terms of suitability of entities and partners, relevance of the project and its activities, suitability of its specific objectives, methodological efficiency, risk assessment and management, expected impact and sustainability of outcomes using a referential analysis matrix;

- In quantitative terms, a project is considered to have sufficient merit to be funded if it receives at least 50 points on a scale of 0 to 100. If its merit is insufficient it will be rejected.
- Financial assessment by the Programme Operator to appreciate the eligibility of the expenditure, suitability to the project objectives and cost-benefit ratio in relation to the expected outcomes.

Applicants may be asked to provide additional information during appraisal of formal and technical eligibility in the analysis process.

If the entities do not meet the admission criteria they will be excluded immediately.

Pursuant to Article 6.5 of the Regulation, promoters that do not meet all the formal eligibility conditions in their application will be notified of the noncompliance and must send a response in a maximum of 10 business days. If the application's administrative non-eligibility persists, the promoter will be informed of this decision.

After the technical quality assessment, the Programme Operator will submit a provisional list of admitted projects to the Selection Committee for an opinion before making a final decision on the definitive list of approved projects and posting it on the programme website. In accordance with 6.5.2 of the Regulation, each Selection Committee member will sign a statement of independence from the projects that it analyses to ensure that there are no conflicts of interest. The result of the assessment will be an average of the scores. If the difference between scores is greater than 30%, the CIG will turn to another, independent expert.

MITIGATION OF THE RISK OF CONFLICTS OF INTEREST

- Everyone involved in the selection of applications (independent experts, members of the programme team and Selection Committee members) must sign a statement of independence from the applications that they assess.
- This statement must clearly indicate the absence of conflicts of interest, as set out in Article 4.11.2.
- Everyone involved in the process must declare the entities in which they have interests, in accordance with Art. 4.11.2. Whenever there is a possibility of conflicts of interest between a person involved in the selection process and an application, this person cannot take part of its selection decision.

The Programme Operator's analysis must not last more than 60 days before making a decision. Beneficiaries whose projects are approved will be officially notified of the final decision. Those whose projects have not been approved will be notified of the draft rejection decision, in accordance with Articles 100 and 101 of the Code of Administrative Procedure and will have 10 business days as of the date of receipt of the notification to respond in writing. If they do not respond within this time limit, the grounds for rejection will be deemed to have been accepted and the final rejection decision will be sent to them.

If the project is approved, a Funding Agreement will be concluded between the CIG, as Programme Operator, and the project promoter, for granting of the funding. This agreement will contain a clause in which the project promoter guarantees that it will be capable of implementing its project.

The terms of the agreement must include the duration of the project and the eligibility period of the expenditure and a mention of its total amount and the funding to be paid by the programme.

Project promoters must start the project no more than 30 days after signing the agreement.

3.3.4. Verification of projects and operations

3.3.4.1. Verification procedures

In order to fulfil the responsibilities imposed by the EEA FM 2009-2014 Regulation, the Programme Operator will conduct verifications of the administrative, financial, technical and physical aspects of projects and operations.

Pursuant to Article 4.7 of the Regulation, which sets out the Programme Operator's responsibilities, the CIG has defined the following verification procedures:

- On-site verification of all projects;
- Progress reports with each request for payment or an advance;
- Audits by an external auditor for physical and financial verification of the project at its place of execution by a professional unconnected to the Programme Operator, in which the Project Manager must provide the auditor with all relevant information about the project.

- Administrative verifications of each request for an advance and reimbursement by an accountant, to be hired.

Administrative verifications

a. Scope and objectives: In order to lend weight to validation of the expenditure declared by the beneficiaries, administrative verification procedures are strict and thorough and will use cross-analysis of different physical and financial elements to ensure the accuracy of the information provided by project promoters and projects' compliance with the principles of legality and reasonability. All interim or final requests for advances and reimbursement of expenditure submitted by project promoters, will undergo administrative verifications based on an analysis of the request and the relevant probative documents (i.e. invoices, delivery notes, bank statements, progress reports, attendance sheets). Project promoters must attach to requests for advances and reimbursement of expenditure a descriptive list of invoices to back up these requests.

b. Analysis

Reimbursements will undergo administrative verification, i.e. a technical and financial analysis, comprising the following phases:

i. Analysis of admissibility of reimbursement, in which the Programme Operator's accountant confirms its legality, ensuring that the reimbursement bears the signature of the head of the entity, signature and stamp of the accountant or of the financial official, for public entities, and an indication of the location of the recorded documents

ii. Technical and pedagogical analysis, which analyses conformity of the contract's principles with the recipients and compliance of public markets, when applicable, conformity of records of the physical execution of the project in terms of clarity of content, sequencing and scheduling and eligibility of populations (employment status, place of work or home).

iii. Analysis of list of expenditure and financial execution, in which the administrative verifications focus on expenditure declared by beneficiaries and verify all requests for reimbursement based on the list of support documents sent and copies of original documents that support the lists. Whenever nonconformities are found in an accounting document partially allocated to other items not included in

the sample or in the same items or sub-items but in previous requests for reimbursement not covered by this procedure, this circumstance must be indicated in the report and the accountant must begin the necessary procedures to correct the expenditure not included in the financial sample.

Administrative verification of the list of expenditure consists of an analysis of eligibility, legality and reasonability of the expenditure in the document lists. In financial terms, the analysis covers compliance with legal limits on project expenditure, reasonability of the expenditure contracted or allocated from internal costs, actual payment of the expenditure, information on the front page of the documents, the legality and regularity of the support documents and the conditions and eligibility limits of the personnel assigned to the project.

Expenditure documents will be requested for verification in all requests for reimbursement submitted. After analysis of the request for reimbursement, the accountant will select the sample of expenditure documents and receipts to be checked and request them from the promoter.

The expenditure sample must abide by the following criteria:

- It must represent at least 20% of the total expenditure submitted;
- 50% of the sample must be the highest expenditure, 10% of the lowest expenditure, 20% medium-level expenditure and 20% expenditure chosen by the Programme Operator, based on the risks identified in its monitoring of the project.

When choosing the sample, the accountant must consider risks, such as:

- **excessive weight of expenditure with a certain supplier;**
- **a document of an abnormally high value for the type of project;**
- **documents refused in previous requests for reimbursement and submitted again for funding**

If the selected sample does not contain all the necessary documents, the accountant will ask the entity to send them by email, fax or post and the reimbursement analysis will be suspended until they are sent.

After receipt of the documents sent and/or requested- stamped copies of the original expenditure documents - the reimbursement analysis will proceed and the accountant must indicate his/her opinion for each document verified:

- **Document not accepted, with grounds;**
- **Total expenditure accepted in the item in which it is recorded;**

- Expenditure accepted but transferred to another item;
- Accepted partially in the item in which it is recorded, in which case the accountant must indicate the amount to be considered;
- Accepted partially in the item and partially transferred to another item, in which case the accountant must indicate the amount to be considered in the item and identify the item and amount to be transferred to it;

iv. Once the analysis has been completed, a reimbursement financial analysis algorithm is used to calculate the amount of expenditure approved and the respective payments, broken down by source of funding.

v. The accountant gives his/her opinion and prints the Financial Analysis Report with his/her opinion. If there have been any reductions in the amounts proposed as a result of the analysis of the documents requested, the opinion will indicate the reason. This analysis must be performed no more than 30 days after receipt of the request for reimbursement.

On-site verification

All projects will undergo on-site verification, which checks the project's outputs, existence of an up-to-date information system and compliance with advertising standards, identifies weak points and risks of the project arising from its execution and drafts plans for mitigating them. This verification will also analyse original expenditure and payment documents. Notification of on-site verification must be sent no more than two 2 business days after receipt of the request for reimbursement.

The reference period for drafting the verification is 15 consecutive days.

On-site verification check lists drawn up for the purpose will be used on these visits. The minimum number of accounting documents to be sampled in on-site verification is 30. These visits take place in the locations in which the projects operate and where they keep their technical and accounting documentation. At a financial level, the visit will cover the last approved request for reimbursement. The analysis of requests for reimbursement will be suspended until the results have been inserted in the visit reports. On-site visits will last one day and will be made when a project or operation has shown material and financial progress and not after its completion. This will avoid any problematic situations being detected without the

possibility of correcting them. In order to ensure the segregation of duties, these checks will be conducted by a financial expert who is independent from the programme, such as a CIG accountant or one from outside it, to be hired.

3.3.4.2. Programme Operator units and/or bodies performing verification

In order to ensure the segregation of duties, as mentioned above, on-site verification will be conducted by a financial expert who is independent from the programme. Administrative verifications will be done by an accountant from outside the Programme Operator.

The CIG's general duties as Programme Operator are allocated as follows:

➤ Programme coordinator:

- Ensuring that the obligations and duties set out in the programme agreement, Regulation and MoU are fulfilled as required by law;
- Deciding on applications for funding and ensuring that applicants are informed of the decisions;
- Representing the CIG in relations with other bodies, such as the Financial Mechanism Office (FMO), the national focal point, the certification authority, the audit authority, beneficiaries and other contracted bodies or entities;
- Ensuring CIG's presence, personally or by a representative, at meetings, seminars and other programme events;
- Approving reports on work completion and minutes of meetings;
- Performing physical and financial management of individual and aggregated information on funded projects;
- Ensuring collection and despatch of full information on projects applying for and receiving funding;

➤ Technical unit:

- Handling documental organisation and analysis of funding applications, including submission of draft approvals, filing, refusing, reducing or revoking applications, while abiding by the principle of segregation of functions;

- Ensuring the development of the project, analysing progress of physical execution, proposals to change the application, annual and final reports on funded operations and other execution instruments;
- Ensuring that legal and regulatory provisions on information and advertising are complied with.
- Administrative assistant:
 - Performing all administrative tasks within the scope of the programme.
- Head of Legal Division:
 - Ensuring that everything necessary and appropriate is done to prevent, detect and remedy any suspected irregularity.
- Head of Administrative and Financial Division:
 - Ensuring that payments to promoters are made in a timely manner; Establishing and maintaining a separate bank account dedicated exclusively to the programme; Submitting to the Certifying Authority a forecast of payments in accordance with Article 8.5 of the Regulation; Handling the whole financial verification process in the place of execution of funded projects, while abiding by the principle of segregation of functions, outsourcing the work if necessary.
- The external accountant:
 - Handling all documental organisation and administrative verification of requests for reimbursement or advances, including analysis and re-analysis of requests for reimbursement.
- Auditor:
 - Conducting audits of projects based on sampling.
- Specialist:
 - Analysing applications, collaborating in all programme activities when asked and sitting on the programme's Selection Committee.

3.3.4.3. Applicable written procedures (e.g. manuals, check lists)

The following programme documents will be created and will be completed after approval of the programme and before the issue of the open calls:

- Application Form Guide

- Manual of Procedures for Project Promoters (with check lists)
- Specific regulation of the programme Mainstreaming Gender Equality and Promoting Work-Life Balance
- Guide to administrative and financial procedures for the programme Mainstreaming Gender Equality and Promoting Work-Life Balance
- National whistleblowing procedures
- Collection of information on calls and application periods
- Collection of detailed information on applications and operations
- Expenditure form checked by item
- List of payments made by the PO to PPs
- On-site verification form
- Audit form
- PP expenditure form
- Check lists for verification of payment requests

3.3.5. Handling of requests for advances and reimbursement

3.3.5.1. Procedures for receiving, verifying and validating requests for advances and reimbursement and authorisation, execution and recording of payments to beneficiaries

After approval of projects, the CIG will disburse the first tranche of advances to promoters as approved in the application, to a maximum of 15% of the total approved funding. The last 10% of funding will be paid after approval of the final report.

Advance	15%	90%
1st reimbursement	25%	
2nd reimbursement	25%	
3rd reimbursement	25%	
Final payment	10%	10%
TOTAL	100%	100%

Three times a year, the promoter must submit the expenditure incurred by the project and the next reimbursement will be made on the basis of the degree of proven financial execution and the needs justified for the following period.

The promoter must list project expenditure in a template provided by CIG (list of documents justifying expenditure) and submit it for validation along with the physical execution report. This template consists of recapitulative lists of the project's expenditure and revenue, with document-by-document information (document no., entry no., receipt no., total value of document, value allocated and general accounting account in which it is recorded).

This expenditure must wholly or partially justify advances provided to the promoter. In the previous template, the promoter must justify the amount that it expects to be necessary for the next three months of execution.

As mentioned in point 3.3.4.1, after analysis of the request for reimbursement, the accountant will select a sample of expenditure documents and receipts for verification and request them from the promoter. The criteria for selecting the sample are set out in point 3.3.4.1.

The Programme Operator will establish the nature of the documents that project promoters must submit, taking account of the Management and Control System and on-site verification.

The accountant will validate the expenditure on the basis of the documentation provided. The criteria for administrative verification are set out in point 3.3.4.1.

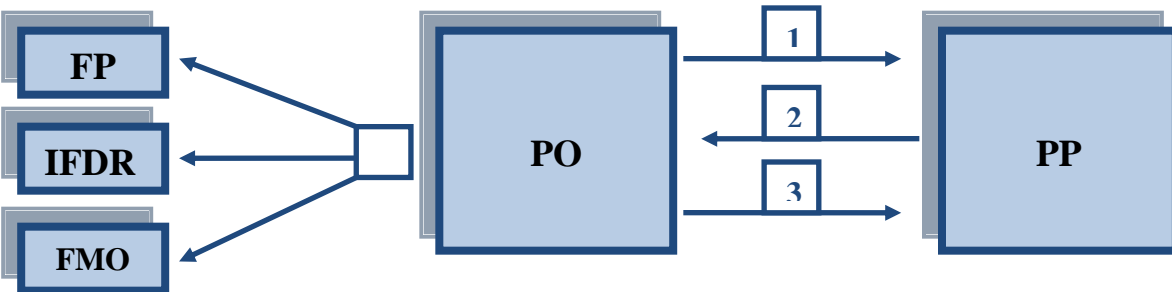
Validation of expenditure will be based on the following factors:

- All the documents have been validated in accordance with the latest version of the approved application;
- The physical execution report has been received and approved;
- All the expenditure requested in the administrative verification is supported by probative documents and receipts;
- The expenditure documents issued by Portuguese suppliers meet all the formal regularity requirements set out in Article 36 of the VAT Code and additional legislation;
- The receipts clearly mention the expenditure documents to which they refer;
- All the documents bear a duly completed project stamp;

- In documents allocating expenditure to different financial instruments, the sum of this expenditure does not exceed the total expenditure in the document;
- The documents justifying expenditure made and paid are correctly numbered, as indicated on the list;
- The identifying and descriptive elements in the expenditure documents are correctly indicated on the expenditure list;
- The amount calculated is coherent with VAT eligibility;
- The expenditure lists are coherent in terms of totalisers and in accordance with the summary table;
- The expenditure was made during the project's eligibility period;
- Public contracting:
 - Is there a legally valid decision on the opening of the procedure?
 - Is the procedure in accordance with the estimated value?
 - If the procedure was independent from the estimated value, has it been properly justified?
 - Was an appraisal report of the applicants' proposals drafted?
 - Is there a legally valid decision (ordinance/order) on the award?
 - Has an agreement been concluded?
- Evidence of employment agreements (fixed-term hires and interns) in accordance with applicable legislation
- In expenditure on studies and reports, in their final stages, a copy must be provided and compliance with advertising standards demonstrated;
- In expenditure on travel and accommodation and meetings and conferences, there is evidence of:
 - sufficient proof (summons to meeting, agenda and attendance list or similar document)
 - no superimposition of expenses and meal allowances
- Eligibility of expenditure, in accordance with:
 - the approved application
 - the reporting period of the approved application
- Classification of expenditure is by item, in accordance with the approved application;

- Division of expenditure in different activities is coherent with the detailed budget;
- Details of any restrictive clauses set out in the agreement are presented;
- There is expenditure that needs to be validated by an expert (if so, justify in remarks).
- There must also be evidence of the allocation key for indirect costs and their validation assumptions to justify expenditure allocated to the project.

Flowchart for requests for advances or reimbursements



Legend:

- 1** -The Programme Operator (PO) transfers advances to the Project Promoter (PP) at the start of the project.
 - 2**- The PP sends the Interim Financial Report (IFR) to the PO three times a year.
 - 3**- The accountant (PO) checks a sample of expenditure in the next 30 business days as of the date of receipt of the IFR, transfers the approved amount to the PP and notifies it.
- NOTE:** These reimbursements can only be made after receipt of transfers to the PO by the FMO.

Reporting period per year		Date for PPs to send Interim Financial Reports to PO	Verification of expenditure by sampling in the following 15 business days	Payment dates:
2013	1 Sep – 31 Dec	Before 15 Jan 2014		1 Feb 2014
	1 Jan- 30 April	Before 15 May 2014		1 June 2014
2014	1 May- 31 August	Before 15 Sep 2014		1 Oct 2014
	1 Sep – 31 Dec	Before 15 Jan 2015		1 Feb 2015
	1 Jan- 30 April	Before 15 May 2015		1 June 2015
	1 May- 31 August	Before 15 Sep 2015		1 Oct 2015

2015	1 Sep – 31 Dec	Before 15 Jan 2016		1 Feb 2015
2016	1 Jan- 30 April	Before 15 May 2016		1 June 2016

Administrative verifications will be conducted before the Programme Operator declares the expenditure in question to the IFDR for certification. This means that all administrative verifications of expenditure included in an expenditure declaration will be completed before the certifying authority submits this declaration to the FMC.

All administrative verifications will be properly documented. The records will cover work done, dates of any on-site verification, the frequency and results of verifications, a detailed description of any irregularities detected and corrective action taken, storage of check lists, the name and position of the person who conducted the verification, physical evidence of compliance with information and advertising requirements.

The records will be kept in computerised information and monitoring systems. Work papers must be organised in accordance with internationally accepted auditing standards. Computer records and their supporting documents must be available for consultation by the FMC, NMU, IFDR, IGF and EFTA Board of Auditors.

3.3.5.2. Units and/or bodies performing each phase of processing payment requests

Financial verification will be conducted by the accountant not belonging to the Programme Operator. Payments will be made by CIG's Administrative and Financial Division.

3.3.5.3. Applicable written procedures

The following programme documents will be created and will be completed after approval of the programme and before the issue of the open calls:

- Application Form Guide
- Manual of Procedures for Project Promoters (with check-lists)
- Specific regulation of the programme Mainstreaming Gender Equality and Promoting Work-Life Balance
- Guide to administrative and financial procedures for the programme Mainstreaming Gender Equality and Promoting Work-Life Balance

- National whistleblowing procedures
- Collection of information on calls and application periods
- Collection of detailed information on applications and operations
- Expenditure form checked by item
- List of payments made by the PO to PPs
- On-site verification form
- Audit form
- PP expenditure form
- Check lists for verification of payment requests

3.4. The information reporting process to entities involved in management and control of the European Economic Area Financial Mechanism 2009-2014

3.4.1. Reporting of information to Financial Mechanism Office

The CIG Coordinator and/or project practitioners will handle all reports to the Financial Mechanism Office, in accordance with the EEA Grants 2009-2014 Regulation, including:

Reporting	Regulation	Remarks
Changes to programme	No. 1 of Art. 5.9	Prior approval from the NFP
Submit annual programme report	No. 1 of Art. 5.11	Submit by 15 February each year
Submit final programme report	No.1 of Art. 5.12	Submit through the certification authority (IFDR)
Inform of open calls two weeks in advance	No. 4 of Art. 6.3	Also inform the NFP
Provide summary of minutes of Selection Committee meetings no more than two weeks after meetings	No. 3 of Art. 6.3	
Send prioritised list of projects after experts' assessment	No. 5 of Art. 6.5	The same list must also be sent to the Selection Committee
Request confirmation that the project agreement complies with Article 6(7) (3)	No. 6 of Art. 6.7	
Notify of decision to apply Article 7 (13)(3) to project partners from countries	No. 5 of Art. 7.13	Notification through NFP
Interim financial report (IFR)	No. 2 of Art. 8.3	Certificates from certifying authority
Report irregularities	No. 3 of Art. 11.3	Work with NFP for rapid, precise, complete whistleblowing to FMC
Submit documents or other relevant evidence for the FMC to review decision to suspend payment	No. 4 of Art.12.1	
Submit documents or other relevant evidence for the FMC to review decision to make financial corrections	No.1 of Art. 12.4	Up to 2 months after FMC sent notification

The general information procedures are as follows:

- Formal communication of acts, competences, duties, criteria and requirements between the Programme Operator and Project Promoters, Financial Mechanism Office, National Management Unit, Financial Institute for Regional Development or Inspectorate-General for Taxation is made in writing, whenever possible by email;
- The forms of correspondence used by the Programme Operator are email, the postal service and fax;
- All correspondence received and sent by post (CTT) and fax is recorded in the **CIG's correspondence despatch and receipt system**;
- All correspondence sent is registered with recorded delivery;
- Correspondence sent by email is confirmed with an electronic receipt;
- Services used for the communication plan will be acquired pursuant to Decree-Law 18/2008 of 29 January;
- The Programme Operator will use the Commission for Citizenship and Gender Equality (CIG) website for announcements and the specific Programme PT07 will be accessed from a menu on the site. As mentioned in point 3.1, an email address will be created for contacting the Programme Operator.
- All documentation on the technical monitoring of projects funded will be filed in the Project X Technical Dossier (in which X is the project number);
- All documentation on the financial monitoring of projects funded will be filed in the Operation X Financial Dossier X (in which X is the project number).

3.4.2. Reporting information to the National Management Unit

The CIG Coordinator and/or project practitioners will handle all reports to the National Management Unit in accordance with the EEA Grants 2009-2014 Regulation, including:

Reporting	Regulation	Remarks
Changes to programme	Art. 5.9.1	
Submit annual programme report	Art. 5.11	Up to 15 February each year, in accordance with MCS for EEA FM 2009-20...
Submit final programme report	Art. 5.12	Submitted via certifying authority (IFDR)
Inform of open calls two weeks in advance	Art. 6.3	
Notify of decision to apply Article 7.13.3	Art. 7.13	
Report irregularities	Art. 11.3	

The general organisational procedures are as mentioned above.

3.4.3. Reporting information to Financial Institute for Regional Development

The CIG Coordinator and/or project practitioners will handle all reports to the National Management Unit to Financial Institute for Regional Development in accordance with the EEA Grants 2009-2014 Regulation, including :

Reporting	Regulation	Remarks
Submit final programme report	Art. 5.12	Submitted via certifying authority (IFDR)
Interim financial reports	Art. 8.3	Certified by certifying authority
Every year declare interest on programme account	Art. 8.7	BY 1 March each year

The Programme Operator will inform the certifying authority of:

- all procedures and verifications of project expenditure analysed;
- all financial corrections made;
- all payments made;
- projects submitted for funding, agreements signed, partnerships formed and the detailed budget of each project.

The dates set for payment to Project Promoters are as follows for each reporting period:

reporting period each		Payment dates:
2013	1 Sept – 31 Dec	1 Feb 2014
2014	1 Jan- 30 April	1 June 2014
	1 May- 31 August	1 Oct 2014
	1 Sept – 31 Dec	1 Feb 2015
2015	1 Jan- 30 April	1 June 2015
	1 May- 31 August	1 Oct 2015
	1 Sept – 31 Dec	1 Feb 2015
2016	1 Jan- 30 April	1 June 2016

The Programme Operator will record and store all data on each project. This information will be provided on request, so that reports can be drafted, projects

monitored and the verifications, audits and assessment required in the Regulation can be performed. The database will be in Excel format, updated every three months, complemented by Word reports and placed on the DORIS platform whenever possible.

3.5. Good governance, public contracts and execution of agreements, state aid, sustainable development, the environment, equal opportunities and gender equality

3.5.1. Instructions and guidelines on applicable provisions

Good governance

When implementing the programme, the CIG team and other CIG employees are covered by a Code of Conduct.

The project agreements will include an article requiring good governance from Project Promoters.

Public contracts and execution of agreements

The Programme Operator must guarantee that the administrative and local verification of projects and operations is carried out and that they are performed by their own properly qualified and prepared human resources.

In the event that, due the size or technical complexity of projects or operations to be verified, the Programme Operator may hire a qualified external entity after an appropriate assessment attesting to the fact that there insufficient or no human resources in the organisation with technical skills required.

The acquisition of services from this external entity must comply with the legal requirements for public contracts and the technical specifications must ensure quality control of the work done by the awarding entity.

The expenditure of the EEA Grants team and on CIG-funded projects under EEA Grants must abide by the Public Contract Code.

The verifications made must be aimed at ensuring compliance with EU and national rules applicable to public contracts and with the principles of equal treatment, non-discrimination, transparency, free circulation and competition throughout the process.

Verification must be performed by qualified personnel with detailed check-lists. Management verifications must pay particular attention to the following phases of public contracts:

- a) Planning (i.e. quality of preliminary studies and project design and their costs, decision to contract and choice of public contract procedure, funding plan, analysis of dissemination and quality of tender documents);
- b) Selection and award (i.e. award criterion, bid assessment reports)
- c) Execution (i.e. analysis of any extra work, alteration of award conditions during **execution phase, contract's final report and accounts**)

State aid

Community co-funding of state aid requires prior approval by the European Commission, following prior notification submitted by the Portuguese authorities. Prior European Commission approval stems from regulatory provisions. In the rules on structural funds for the 2007-2013 programming period, Regulation 1083/2006 of 11 July sets out general provisions on the European Regional Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Fund (CF). Article 9 stipulates that operations financed by the funds must comply with the Treaty and acts approved by it. Article 54 of the regulation sets out that, regarding state aid to companies, as set forth in Article 87 of the Treaty, public subsidies granted under operational programmes must abide by the limits established for state aid.

In order to ensure free competition, the CIG will abide by the said Regulation, which lays down the conditions on exemption from the obligation by Member States to ensure that total ***de minimis*** aid to an enterprise does not exceed €200,000 over a period of three financial years. The limit is €100,000 for companies that operate in the road transport sector.

This Regulation also lays down control rules for Member States in their relations with companies, especially those that do not have a central register of ***de minimis*** aid with full information on all aid of this type granted by any authority in that Member State over a three-year period.

As an accredited body, as soon as the CIG starts the projects' component covered by the rule on ***de minimis*** aid, it must email the "***Template Minimis***" file to the IFDR (minimis@ifdr.pt) indicating aid to be granted. The Programme Operator

must consult the IFDR Central Register of *de Minimis* aid online to verify compliance with the rule on *de minimis* aid by an entity.

Management verification on state aid must cover:

a) Whether the aid scheme has been communicated to and approved by the European Commission or is covered by a category exemption or complies with the *de minimis* rules, under which the aid scheme does not require notification;

b) Whether the promoters receiving the aid comply with the aid scheme conditions approved by the European Commission or the nature of the operations covered by category exemption meet the specific conditions of that exemption;

c) Whether there is any overlapping of aid from different sources, which might constitute a violation of the *de minimis* or other rules.

The Programme Operator must pay due attention to information guides published by the European Commission on the matter and, whenever necessary, request specialised help, which may be provided by the IFDR and Ministry of Foreign Affairs.

Management verification of sustainable development and the environment

Administrative and/or on-site verifications concerning the environment must check whether the Project Promoters have complied applicable directives (e.g. on environmental impact assessment, strategic environmental assessment, bird and habitats, environmental information and water and waste).

Management verification of equality and Non-discrimination

The CIG will take account of the above principles in the programme's implementation and management and in monitoring each EEA Grants funded project.

Administrative and/or on-site verifications must ensure that promoters have taken all appropriate measures to prevent any discrimination on the basis of sex, race, ethnic origin, religion, beliefs, disability, age or sexual orientation in all the application and execution phases of projects.

3.5.2. Measures for guaranteeing compliance with applicable provisions, including verification, controls, audits and monitoring

Good governance

These matters will be analysed in administrative and/or on-site verifications and be indicated on the check-lists.

Public contracts and execution of agreements

The CIG is planning a work seminar with all promoters at the start of projects to inform them about the need to abide by public contract procedures, templates that they will have to complete to request justification of advances and money needs for the next period.

When monitoring projects, the CIG will use check-lists to verify compliance with public contract procedures.

The EC financial correction table will be used in the event of breach of public contract rules.

State aid

Whenever doubts are raised on state aid in application assessments, the CIG will notify the Ministry of Foreign Affairs of these doubts.

Sustainable development, environment, equal opportunities and gender equality

The CIG will verify compliance with these principles when monitoring projects.

3.6. Audit trail

3.6.1. How requirements on transparency and availability of documents will be met for the programme

Audit trail

The Programme Operator will ensure that there is an audit trail that will:

a) Reconcile expenditure included in interim and final requests for reimbursement to be sent to the IFDR certification with accounting records and probative documents;

- b) Verify payment of the financial mechanism contribution;
- c) Verify compliance with and correct application of the Programme Operator's selection criteria;**
- d) Obtain the technical specifications and funding plan, documents on payment of the grant and procedures for awarding public contracts, programme progress reports, management verifications and audits conducted and any other relevant documentation about each project and operation.

The Programme Operator will provide a record of the name and location of the bodies that have the probative documents for expenditure and audits and they must be made available (without prejudice to dates set by the Audit Tribunal for any financial penalties and/or reintegration), for a minimum of three years as of the date of closure of the programme, to authorised personnel at the FMC, NMU, IFDR, IGF and EFTA Board of Auditors.

If probative documents for expenditure only exist in electronic form, the information system used must comply with acceptable security standards that ensure that the documents stored meet Portuguese legal requirements and are valid for audit purposes.

When monitoring projects, the CIG will create and save records and project dossiers that will be made available to IGF inspectors, IFDR auditors or others indicated by the FMC. Audits and inspections must be accompanied by the CIG project coordinator.

External audits

Planning work

The CIG will define the scope of the work to be done to prepare the contracting of an external entity to perform audits. Projects will be selected on the basis of a risk analysis and random sampling. Audits will be conducted only of projects whose execution has already been 30% completed and sampling method **will be based on the following features: the project's execution rate, materiality and nature.** This planning phase should define general and specific goals, list key questions, determine the nature, timeframe and methodology, which will include a

risk analysis of the auditees, definition of sample characteristics, a calendar for procedures and the verification necessary to achieve objectives.

This planning phase is designed to guarantee actions that achieve expected outcomes and are performed with high quality and in an appropriate time period to guarantee the opportunity to intervene.

The importance of the controls requires planning and performance of interventions, taking account of risk assessment and materiality of controlled situations. As a result, the risk analysis of beneficiaries of funding will include the following risk factors:

- Expenditure structure (e.g. execution higher than **30%**);
- Nature of the entity (e.g. public/private, integrated service, public fund, foundation, public corporation, etc);
- Size of funding granted (in euros and at intervals to be defined);
- Size of funding granted against **entity's total revenue and earnings (in % and at intervals to be defined)**;
- Internal control (e.g. inexistence of internal financial control unit, insufficient human resources assigned to control, etc).

Risk factors will be weighted automatically on a scale of 1 to 5, in which 1 is the lowest risk and 5 is the highest.

Pursuant to Article 4.7 of the Regulation, the highest-risk beneficiaries of funds will first undergo an audit by an external entity.

When defining audit procedures, the auditor must decide on the most appropriate methods for selecting the elements to be tested in order to collect sufficient proof to achieve the goals of the audit procedures.

Reference work standards

During the audit work, standards and good practices recognised and used by international auditing bodies must be used, such as the guidelines of the International of Supreme Audit Institutions (INTOSAI) and standards of the International Internal Audit (IIA) and International Federation of Accountants (IFAC). In addition, the International Standards on Auditing (ISA) must be used.

Nature of work

The work contracted from external auditors will consist of a technical and financial audit of expenditure by the recipients of project funding. The audit must include analysis of execution reports and all supporting documentation for expenditure, including an analysis and completion of verification forms for public contract procedures.

The work must cover the following:

- **Assessment of the entity's internal control system;**
- Verification of compliance with technical, administrative and financial rules set out in the programme regulation;
- Verification of original documents in accordance with generic rules, current legislation on the public administration and financial and fiscal management rules;
- Verification of eligibility of expenditure;
- Verification of compliance of expenditure with the budget to fulfil the plan of activities submitted;
- Financial, accounting and fiscal control;
- Summary statements of expenditure;
- Comparative summary statements of expenditure and funding;
- Verification of public market procedures and completion of forms.

Presentation of work

The contractor must submit the audit results in preliminary and final reports in duplicate and in electronic form and a summary statement of the audit results.

Articulation between CIG and technical audit team

The technical team(s) of the contractor(s) must stay in contact with the CIG from the start of the work to the final reports.

The CIG reserves the right to request elements or information resulting from the work, at any time.

The conclusions and recommendations must include a summary, which must cover the efficacy, efficiency and pertinence of the work, plus any recommendations.

Award criteria

The award criteria will be the most economically advantageous bid, taking account of the following factors in decreasing order of importance:

- Technical quality (40%);
- Price (40%);
- Calendar (20%).

These factors will be broken down into sub-factors for better analysis and assessment of bids.

Elements of bids

Bidders' bids must express their wish to conclude a contract and indicate their conditions for doing so. Bids must contain the following elements:

- Audit methodology, the description of which must refer in as much detail as possible to the tasks to be performed, and procedures and techniques to be used to fully achieve the goals set out in the specifications;
- a detailed programme of the different work phases, including a chronological diagram of the main tasks;
- **Description of bidder's methods to guarantee quality of the audit or a quality certificate issued by an independent body;**
- Names of the technical team to be assigned to the audit plus brief résumés;
- List of main tasks, including assessment of policies and operations with national and community funding provided in the last three years, their amounts, dates and recipients;
- Total price of the bid, in euros, not including VAT, in figures and in writing;
- An express mention that VAT will be added to the total price and indication of the amount and applicable rate, in the understanding that failure to mention this will mean that the price submitted does not include VAT;
- Justification of the price, with a breakdown of components and reference to the assumptions on which the final price was based.

- Statement that the bidder undertakes to maintain the technical team for the duration of the work, including the coordinator, who will, among other aspects, be responsible for organising the work and relations with the CIG and **that replacement of any member will be made, with the CIG's prior agreement**, by a specialist with a similar or better curriculum vitae to the one replaced;
- Statement on their honour in which the bidder attests to the independence of the audit and confidentiality of the work as essential conditions to their performance;
- Statement on their honour in which the bidder states that there is no conflict of interest on the part of its client or any team members that jeopardises the guarantee of independent execution of the work needed to conduct the audit.

Quality control of work

The CIG will be responsible for reviewing quality control of the contractor's work, which must include an objective assessment of significant judgements made by the audit team and the conclusions reached in the report.

Verification of quality control will involve discussion with the contractor and audit team head, a revision of the financial information and the report and, in particular, consideration of whether the report is appropriate to the objectives.

It also involves verification of selected audit documentation related to significant judgements by the audit team and its conclusions. The aim is to check whether the documentation selected for verification reflects the work done in relation to the significant judgements and supports the conclusions drawn.

The extent of the verification depends on the complexity of the audit and the **risk that the auditor's report may not be appropriate in the circumstances**. These situations will be assessed case by case.

Work papers and current dossier

As the purpose of the work papers is to support the evidence gathered and serve as proof that the work was conducted as planned and in accordance with internationally accepted standards, the CIG will collect and organise them to facilitate the audit trail by any external auditor.

They will be placed in the audit's current dossier, which should preferably be in electronic form with appropriate identification of its elements and the relation between them.

3.6.2. Instructions on filing of probative documents by beneficiaries

Both the Programme Operator and Project Promoters must set up one or more independent programme/project dossiers of original documents. If this system entails unacceptable administrative changes the originals can be replaced by certified copies of the originals, with unequivocal reference to their location with the beneficiary.

These dossiers must be kept available for five years after completion of the project or another period, if this is specifically mentioned in the funding agreement.

The dossiers of each project must be well organised and contain a table of contents, distinguishing between phases in different tabs:

- Approved application including all its annexes;
- Signed funding agreement;
- **documents referring to the opening of the project's specific bank account;**
- Up-to-date declarations of no debts to the tax authority or Social Security;
- Proof of annual VAT situation;
- Tenders issued for implementation of the project;
- Expenses incurred and payments made;
- Monitoring and control
- Advertising campaigns

The specific bank account tab must include monthly bank statements, advice of transfers made by the Programme Operator and copies of receipts sent to the PO as proof of advances and reimbursements received.

The tab on annual VAT must include requests for annual statements and replies from the VAT authority. Proof of the current VAT situation must be sent to the Programme Operator every year.

The tender tab must, whenever applicable, include all procedural documents on the legal regime for public expenditure on leasing and acquisition of goods and services.

The tab for expenditure and payments made must include copies of lists and their expenditure documents sent to the Programme Operator, with express **reference to the location of the originals in the Project Promoter's accounting dossiers**. If expenditure is allocated partially to the project, the formula for calculating the amount allocated must be clearly shown. The percentages indicated require prior approval.

This tab must also include copies of forms, requests for payment and copies of the accompanying interim reports.

The monitoring and control tab must include:

- o Interim reports;
- o Copies of reports on controls;
- o Final project report.

The tab on advertising campaigns must include all documentation on **compliance with the Project Promoter's advertising plan as set out in the *Publicity Guidelines***.

3.7. Irregularities and recoveries

3.7.1. Instructions on prevention, mitigation, detection, reporting and correction of irregularities, records of debts and recovery of undue payments

Irregularities

In order to comply with Article 11.3.3 of EEA FM 2009-2014 Regulation, the Programme Operator will cooperate closely with the NMU in whistleblowing following its own or external management verification and audits. Whenever irregularities are detected, in accordance with Article 11.2 of the regulation, the CIG will refer them to the National Management Unit and the Public Prosecutor.

Regarding recovery of undue payments, in accordance with Article 11.1.2 of the regulation, the CIG will not consider valid expenditure containing irregularities, and so this expenditure will not be discounted from advances.

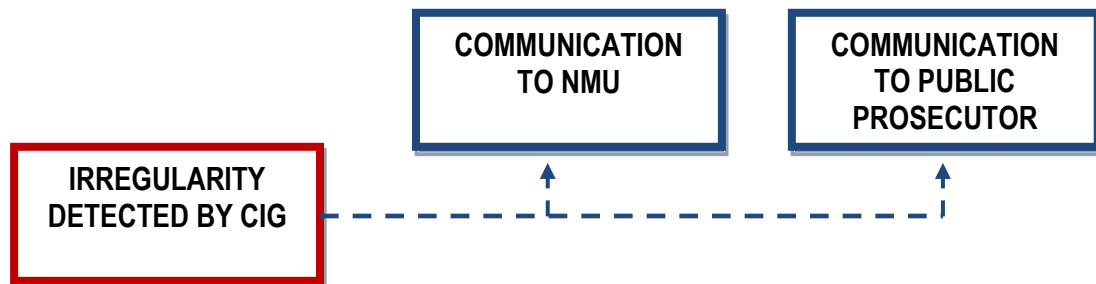
For this purpose, CIG operations will be supported by written assessments or reports, which will be sent to the National Management Unit every three months.

3.7.2. Procedure for complying with whistleblowing obligations to the national management unit

The CIG Coordinator will inform the National Management Unit and Public Prosecutor every three months of all irregularities detected during monitoring of projects funded by EEA Grants in a letter accompanied by the form (Annex 5 to the Regulation) provided by the FMC.

In accordance with Article 11.5 of the regulation, the CIG will report to the National Management Unit whether any suspected irregularities have detected. In turn, the National Management Unit will inform the FMC.

As soon as the CIG suspects an irregularity, it will immediately begin an investigation, which will produce a report. Jointly with the NMU and with FMC approval, all necessary measures will be taken to remedy the situation (e.g. financial correction, suspension of payments, cancellation of the project entailing returning the amount transferred...).



All the procedures described in Chapter 12 of the Regulation on “Suspension of payments, financial corrections and repayments” and in Document COCOF 07/0037/03-PT (final version of 29/11/2007), “*Orientações para a determinação das correcções financeiras a aplicar às despesas co-financiadas pelos Fundos Estruturais e pelo Fundo de Coesão em caso de incumprimento das regras em matéria de contratos públicos*” will be followed.

SUSPENSION OF PAYMENTS

The grounds for suspension of payments until regularisation are as follows:

- a) A serious deficiency in accounting procedures as set out in the Specific Regulation and Administrative and Financial Procedure Guide of Programme PT07;
- b) Failure to send elements requested by the Programme Operator within the time limit, unless it accepts any justification submitted;
- c) Existence of debts;
- d) A supervening unremedied situation involving taxes, repayments of community funding and social security contributions;
- e) Failure to prove status of payments to the tax authority or; social security
- f) **Change of beneficiary's premises or bank account without informing the Programme Operator;**
- g) During checks by other administrative authorities grounded on evidence of a criminal offence involving improper use of funds granted or non-compliance with application.

— A time limit of no more than 60 days will be granted to entities to regularise deficiencies and send requested elements, after which approval of the project will be revoked if the situation persists.

REDUCTION IN FUNDING

The grounds for reducing funding are as follows:

- a) Non-justification of expenditure in terms of the principles of economy, efficiency, efficacy and cost-benefit ratio;
- b) Consideration of ineligible amounts or amounts higher than those permitted by law and approved;
- c) Non-consideration of income from operations in the amount allocated to them;
- d) Failure to fully execute the project on the terms on which it was approved or to fully achieve its objectives;
- e) Expenses related to service contracts that do not comply with national rules;
- f) Expenses not justified by an invoice and receipt or equivalent documents acceptable for tax purpose or not carried in accounts as per national rules;

- g)* Non-compliance with standards on information and advertising, in which case the reduction will be based on the severity of the noncompliance;
- h)* Expenses that are not related to the execution of the project;
- i)* Expenses for which sufficient justification is not provided in terms of documentation required for the technical and pedagogical process;
- j)* Detection during verification by the Programme Operator or an audit of violation of national standards, the specific PT07 regulation or regulation on EEA GRANTS, in which case the reduction will be proportional to the severity of the violation.

REVOCATION OF APPROVAL

The grounds for revoking approval of the project are as follows:

- a)* Failure to achieve essential objectives set out in the application pursuant to the approval decision;
- b)* Failure to communicate or rejection by the Programme Operator of changes in **elements decisive to approval, jeopardising the project's merit or financial rationale;**
- c)* Failure to submit forms on execution and requests for a balance on time, unless the grounds for this failure are accepted by the Programme Operator;
- d)* Unauthorised interruption of the project for more than 90 days;
- e)* Presentation of the same costs to more than one Programme Operator;
- f)* Refusal by Project Promoters to undergo checks to which they are legally subject;
- g)* Failure to submit the bank guarantee when requested;
- h)* Inexistence of the mandatory accounting or technical and pedagogical process in accordance with the Specific Regulation and Administrative and Financial Procedure Guide of Programme PT07.

REPAYMENTS

If it is shown that beneficiaries have unduly received or not justified funds received, they must be repaid on the initiative of the entities or Programme Operator by offsetting with credits already calculated.

3.8. Accounting system for financial management of the programme

Organisation of documents and accounting

Accounting work will be done by an accountant.

The documents submitted for reimbursement will be accounted for, classified and **entered into the programme's** accounts. A specific cost centre must therefore be set up in accordance with the approved cost structure.

A stamp will be created for the programme and Project Promoters will have to create a stamp for each project so that they can stamp original documents with the **project's stamp (see below) showing the allocation rate, allocation key (method),** if necessary, and the amount allocated.

The documents will be validated after being stamped. Only copies of original documents authenticated as described and classified by the accountant will be sent to the Programme Operator.

Before being sent, all documents allocated to the programme /project must be treated in accordance with accounting standards.

Also for accounting purposes, the CIG will open a cost centre for the Programme PT07.

As set out in Article 4.7- j), **which defines the Programme Operator's** obligations, the CIG will open an interest-free treasury account to be used exclusively for receipts and payments in programme PT07.

Stamp

In order to prevent double funding and possible irregularities, all original expenditure and payment documents pertaining to the programme and projects must be authenticated with the appropriate stamp.

The stamp must indicate:

- The source of funding
- **The promoter's name**
- the name and number of the programme or project
- **The document's classification by item in the cost structure and entry number**
- The amount allocated and its rate

The stamp may be worded as follows:

PT:

(Translation EN:)

Projecto financiado pelo Mecanismo Financeiro do Espaço Económico Europeu (2009-2014) e pela Comissão para a Cidadania e Igualdade de Género

PT07: Mainstreaming Gender Equality and Promoting Work Life Balance

[Promotor]

[Nome do Projecto] [N.º do Projecto]

[Atividade _____] [Rubrica: _____]

[N.º lançamento no projeto _____]

Project funded by the European Economic Area Financial Mechanism (2009-2014) and the Commission for Citizenship and Gender Equality

PT07: Mainstreaming Gender Equality and Promoting Work Life Balance

[Promoter]

[Name of project] [No. of project]

[Activity _____] [Item: _____]

[Project entry no. _____]

The stamp must be appended to all original documents connected to the programme or project, not only invoices, but also receipts.

Copies of documents on which the original's stamp is not visible will not be accepted.

The entry no. is the document's entry number in the list of expenditure and payments sent with the respective form. The formula number/year (e.g. 0045/2008) should be used. Receipts will be given the same entry number as the invoices to which they refer. Each expenditure document will be given one and only one entry number, even if it refers to more than one activity or item.

Each expenditure document (invoice) must receive a single identification number written on the programme/project stamp. The receipt must be attached to the invoice and will have its number (copies of proof of payment, cheques or bank transfers must also be kept with the corresponding invoice and receipt).

The stamp must be correctly filled in, as the information on it is crucial to the analysis.

For smaller documents, we suggest using A4 sheets so that the stamp can be appended and all useful information on the receipt is visible (the stamp may occupy only part of the document).

The acquisition of goods and services can only be justified by an invoice and receipt or similar document acceptable for tax purposes. All invoices must bear the promoter's name and tax number.

Invoices must break down the goods purchased and name the promoter and programme/project.

No check-out stubs or travel tickets will be accepted without a receipt (except travel and expenses situations).

Copies must be made of all stamped originals, which must be initialled by the accountant. These copies must be sent with the appropriate form.

The originals must be kept in the specific programme/project accounting file and may be checked at any time during an audit in situ by Programme Operator staff, the national focal point, the certifying authority audit authority or European Economic Area Financial Mechanism.

3.9. Information system

3.9.1. Information system and its connection to the accounting system

Transfers to Project Promoters

In compliance with Portuguese legislation, no payments will be transferred to the Project Promoter before it provides probative certificates to prove that it has no debts to the tax authority or Social Security.

Payments to Project Promoters will be made via home banking to the project's specific account. They will then draft and send the Programme Operator the receipt proving receipt of advances and reimbursements.

In accordance with the requirements of Management and Control Systems for EEA Financial Mechanism 2009-2014 provided by the National Management Unit of EEA Grants 2009-2014, the CIG expects to have an information system for tenders, for applications and projects, i.e. the CIG website will have a direct link to the PT07 website. The website will provide comprehensive information about the programme, predefined projects, open calls (with an application form) and all the documentation on the programme. This link will be in place one month after signing of the Programme Agreement by the national focal point and the Programme Operator.

All the information about the programme will be placed in the DORIS system so that the National Management Unit and other Portuguese bodies involved can use their passwords to view the status of execution of the programme at any time.

The information system will be connected to the accounting system as stipulated in Annexes 3 to 6 of the Management and Control Systems for EEA Financial Mechanism 2009-2014.

Information system flowchart:

