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Exception No.1 from Project Promoter and Project Partner Guide, v. 1.1

General exception from Submission of Supporting Documentation with Project Interim Reports about the Project for Donor states partners

Valid from:	30 March 2015	
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Approved date:	30. March 2015	
Type of exception:	General	

Text of the exception

The National Focal Point, in accordance with the regulation in chapter 4.2.2 of Project Promoter and Project Partner Guide, v. 1.1 (hereinafter referred to as „Guide“), grants general exception from the Guide in following wording:

Regardless of the Guide regulations, as well as of standard formular of the project interim report, partners from the Donor States, i.e. Norway, Iceland and Liechtenstein, submit to the Programme Operator only documentation required within the meaning of resolution of the Government Office of the Slovak republic, i.e.:

1. Accounting documents and supporting documents exceeding 5000 EUR.
2. Account statements for all months of certain report period, which had not been submitted yet.
3. Copies of the relevant pages of the general ledger relating to the settlement of the expenditure incurred as at the current date.

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In case, in which project partners from the Donor states should decide, that during expenditures demonstration will submit a report of independent authority/public employee (audit report) confirming correlation of expenditures with the Regulation, national legislation and accounting rules in the project partner countries, documents related to accounting documentation of such a partner, listed in three above stated points, do not have to be submitted to the Programme Operator .

Explanation of the exception

The National Focal Point registered significant problems of project partners from the Donor states related to submission of a complete documentation required by Project Promoters. These problems are partially caused by incorrect interpretation of the existing rules. The National Focal Point has eminent interest in achieving of one of the main objectives of EEA and Norway Grants, which is strengthening of bilateral relationships between Slovakia and Norway, Iceland and Liechtenstein. In accordance with this goal, The National Focal Point takes measures to create favorable conditions for removal of any formal barriers of this cooperation.

By granting the exception, The National Focal Point reacts on delivered interventions in this area and simultaneously wants to send a signal for the Project Promoters to think about the scale of documentation demanded project partners from the Donor states. In relation to this, we consider necessary to point out, that the Guide states, that *the Project Promoter is obliged to document eligibility of all expenditures and is obliged to submit accounting documents and supporting documents according to attachment no.1 to the Guide, as well as other required supporting documentation within the meaning of the Guide to controlling subjects during internal audit.*

However, this resolution does not explicitly demand of the project promoter to have supporting documentation of Partner available **permanently**. This set system is in accordance with article 8 of the Regulation on the Implementation of the European Economic Area (EEA) Financial Mechanism 2009-2014 adopted by Ministry of Foreign affairs of the Norway Kingdom (the Regulation), i.e. *Beneficiary state (the Slovak republic) secures control of interim steps for financial grants from Financial Mechanism of the EEA 2009 – 2014, which shall allow comparison of expenditures certified by Certifying Authority in Project Interim Reports and Final Project Report and original supporting documents preserved on various administration levels and/or by the Programme Operator, the Project Promoter and his Partners.* The regulation, as well as standard sample of the Partnership Agreement between a Project Promoter and a Partner, elaborated by the National Focal Point, assume that accounting documents and supporting documents are present mainly with a subject, that realized expenditures of matter.

It is a task of the competent Financial Control Authority., to select in advance, which expenditures or which Project Interim Report shall be subject of audit on place, or other audit made at the Project Promoter's place. Subsequently, it is a duty of a Project Promoter to document eligibility of expenditures during audit.

The Project Agreement states, that *internal audit is audit of eligibility of expenditures and real (actual) reception of goods, works and provision of services declared in accounting documents and*

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supporting documents of the Project Promoter and/or the Project Partner, if the Project is realized with partnership.

Simultaneously, a situation may occur, when other controlling subjects would require permit for documentation from the Project Promoter, who is obliged to submit this documentation.

Understandably, these regulations do not obstruct the right of the Project Promoter to achieve agreement with the Project Partner to submit all accounting documents and supporting documents. However, the National Focal Point in case of Beneficiary States Partners, appeals on Project Promoters to follow proportionality principles.

In conclusion, it is also important to highlight, that if the Beneficiary State Partner decides to demonstrate expenditures by submitting a report of independent authority/public employee (audit report), it has to be allowed. This report shall fulfill conditions of the Regulation, i.e. confirm, that declared expenditures had been created in accordance with this Regulation, national legislation and accounting rules in the project partner countries. However, in accordance with the proportionality principle, the Project Promoter or the Project Partner does not have to have this report available permanently, but it is possible to elaborate it after the Control Authority declares, which expenditures or Project Interim Report shall be inspected.

Delivery to:

1. Project Promoters within the framework of programmes SK02, SK04, SK05, SK07, SK08 a SK09
2. Audit Authority
3. Certifying Authority
4. The Programme Operator of programe SK06