

ANNEX 1

Terminology for control in the SEE programme

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Application for reimbursement	Document submitted by the Lead Partner to Joint Technical Secretariat in order to claim ERDF contribution for the project on the basis of validated expenditure.
Audit	The term "Audit" is used to the second level audit performed by the Audit Authority (Group of Auditors) or by external auditors on behalf of the Audit Authority. Second level audit covers the verification of already validated project expenditure on a sample basis.
Control	Verifications carried out at national level, covering administrative, financial, technical and physical aspects of operations. Verifications shall ensure that the expenditure declared is real, that the products and services have been delivered, and that the operations and expenditures comply with relevant Community and national rules.
Control system	System established to validate the expenditure of the Project Partners at national level. It is the responsibility of the Member State to set up the control system (Article 16 of Regulation (EC) No. 1080/2006)
Controller	Body or individual in charge of performing verifications in accordance with the control system set by each Member State
Designated Controller	Responsible body for the control activities at national level, formally designated by the Member State. In case of decentralised systems, this formally designated body at Member State level is responsible for the supervision and coordination of control activities and for the proper selection of the individual controllers to each project partners. In this meaning, the Designated Controller fulfils itself "coordinating control body" and "designation body" functions as well.
Verification	Process of control
Validation	Result of the verifications carried out in order to verifying the legality and regularity of the expenditure declared by the project partner
Declaration on validation of expenditure	Document issued by the Controller to the Project Partner containing the amount of validated expenditure for the reporting period concerned. By signing this document, the Controller declares the legality and regularity of the expenditure according to Community and national rules.
Partner Report	Tool to be used by the (ERDF) project partners to provide adequate information for the Lead Partner concerning the activity and financial progress of their project part, based on which the Lead Partner will prepare the regular progress report of the project. The partner report should be forwarded together with the related declaration on validation of expenditure of the partner to the LP.
Progress Report	Monitoring tool of the programme that the Lead Partner should submit regularly in order to provide up-to-date information about the progress of the project implementation as well as justify those expenditures that are claimed in the application for reimbursement submitted together with the report.
State contribution	Public contribution provided by the Member State (by automatic or by specific calls) at state level to the project partner. The amount covered by state contribution will be reimbursed to the project partner.
Verification Report	Member States are responsible for drawing up a Verification Report covering information on the compliance of the national control system, information and data on the payment of state contribution to partners and information on irregularities and recoveries in form of the copy of the reports sent to the Commission (OLAF) and in form of a Summary Report. The verification report shall be submitted to the Joint Technical Secretariat.