



Procedures Manual

Version 3 – December 2006 (Amendments in relation to SAUL 2 EXT highlighted)



This project has received
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CONTENTS

1. INTRODUCTION	5
1.1 Status of Manual.....	5
1.2 Other Sources of Information.....	5
Table 1 Sources of Information.....	5
2. SAUL – THE PROJECT.....	9
2.1 Introduction.....	9
2.2 What is INTERREG IIIB North West Europe?.....	9
Table 2: Benefits To Be Gained From Involvement In An NWE Project.....	10
2.3 What is SAUL?	10
2.4 Transnational Issues, Objectives and Activities	11
Figure 1: Issues, Objectives and Activities of the SAUL project.....	11
Table 3: SAUL Strategy, Action and Investment Projects per Partner Region.....	13
3. ROLES AND RESPONSIBILITIES	17
3.1 Introduction.....	17
3.2 Interreg IIIB	17
3.3 SAUL Project Management Structure	18
Figure 2: SAUL organisation and management structure	18
3.4 Responsibilities of Groundwork London (the Lead Partner)	19
3.5 Responsibilities of the Project Partners	20
4. JOINT PLANNING GROUPS	21
4.1 Introduction.....	21
5. PUBLICITY AND COMMUNICATION.....	23
5.1 Introduction.....	23
5.2 Interreg IIIB Communication Aims.....	23
5.3 SAUL Communication Aims	23
5.4 SAUL Target Groups.....	24
5.5 SAUL Responsibilities	25
5.6 SAUL logo	25
5.7 SAUL Publicity Materials	26
5.8 Website	26
5.9 Joint Planning Groups.....	28
5.11 Conferences and Symposia	28
5.14 Final Report	28
5.16 SAUL Communications Timetable	28
6. ‘FEASIBILITY STUDY AND PRE-APPRAISAL’ FORM.....	31
6.1 Introduction.....	31
6.2 The Purpose of the Form	31
6.3 Completing the form.....	31
6.4 Use Of The Form During The Progress Of The SAUL Project	31
7. FINANCIAL MANAGEMENT AND REGULATIONS	33
7.1 Introduction.....	33
7.2 EU Rules Governing Finance and Management	33
7.3 SAUL Financial Management	33
7.4 SAUL Budget	34
7.5 Partner Budgets.....	36
7.6 Eligible And Ineligible Expenditure	37
7.7 Transnational Costs	39
Figure 3: The Transnational Costs Claim Process.....	40
7.8 Exchange Rates.....	42

SAUL Procedures Manual

7.9 Competition Policy.....	42
7.10 Public Procurement.....	43
7.11 Match Funding.....	43
7.12 Value Added Tax (Vat).....	44
7.13 Assets.....	44
8. REPORTING.....	45
8.1 Introduction.....	45
8.2 General Principles Of Reporting.....	45
Figure 4: The Reporting/Claiming Process.....	46
8.3 The Reporting/Claiming Process.....	47
8.4 Interim Partner Activity Report Forms.....	52
8.5 Lead Partner Site Visits.....	53
8.6 Closure of the SAUL Project.....	53
9 AUDIT REGULATIONS AND REQUIREMENTS.....	55
9.1 Introduction.....	55
9.2 Responsibilities Of All Partners.....	55
9.3 Additional Responsibilities of the Lead Partner.....	55
9.4 Responsibilities of All Partners Auditors - General.....	56
9.5 Types of Audit.....	57
Table 7: Audits and Requirements.....	57
9.6 Management and Control Systems Audit.....	57
9.7 Partner Payment Claim Forms - Responsibilities of All Partners Auditors.....	59
9.8 The Final Claim.....	61
9.9 Irregularities.....	62
9.10 Member State Sample Checks.....	62
9.11 European Commission and Member State Checks.....	63
10. SAUL – CONFERENCES AND SYMPOSIA.....	64
10.1 Introduction.....	64
10.2 Thematic Focus for Conferences and Symposia.....	64
10.3 Logistics for Conferences and Symposia.....	64
10.4 Transnational Costs Expense Claims.....	66

1. INTRODUCTION

1.1 Status of Manual

This Procedures Manual covers all aspects of the SAUL project and it should be used as the first source of information on the project for all organisations involved with the SAUL project. Additional information is available on the SAUL website (www.SAULproject.net), and the Manual itself is posted on the 'Download' page of the SAUL website.

All additions and changes to the Manual as a result of the extension to the original project (SAUL 2 EXT) awarded in November 2006 are highlighted in yellow.

1.2 Other Sources of Information

The following information is also available (information posted on the website is available on the 'Download' page):

Table 1 Sources of Information

Relevance:	Information Available	Available From:
Key documents	SAUL Final Submission, Part A, February 2003	Website
	SAUL Final Submission, Part B, February 2003	Website
	SAUL Plus Final Submission, Part A, June 2005	Website
	SAUL Plus Final Submission, Part B, June 2005	Website
	SAUL 2 EXT Final Submission, Part A, Nov 2006	Website
	SAUL 2 EXT Final Submission, Part B, Nov 2006	Website
	SAUL Partnership Agreement, February 2003	Website
	SAUL Procedures Manual, Version 3, Dec 2006	Website
	SAUL Timetable	Website
	SAUL 2 EXT Timetable	Website
	SAUL 2 EXT timetable	Website
	New Urban Landscapes Brochure	Website
	New Urban Landscapes Final Report	Website
	New Urban Landscapes Summary	Website
	SAUL Final Report (Summary, Final Report, Regional Report sections, in English/German/Dutch)	Website and in hard copy from the Lead Partner
SAUL film	Website and in DVD form from the Lead Partner	
Newsletters	Newsletters – produced quarterly	Website
Application Guidance	Interreg IIIB Programme Complement, June 2003	Lead Partner or <i>Interreg IIIB NWE ENO Secretariat www.nweurope.org</i>
	Interreg IIIB Guidelines for Project Promoters, July 2003	Lead Partner or <i>Interreg IIIB NWE ENO Secretariat www.nweurope.org</i>

SAUL Procedures Manual

Joint Planning Groups	SAUL JPG Toolkit, Dec 2006	Website
	SAUL JPG Members	Website
	JPG Learning Log	Website
Standard Forms	SAUL 'Feasibility Study and Pre-Appraisal' Form, Dec 2006	Website
	SAUL 2 EXT Transnational Costs Expenses Claim Form, Dec 2006	Website
	SAUL Timesheet - November 2003	Website
Audit	Interreg IIIB Project Audit Guidelines, November 2003	Lead Partner or Interreg IIIB NWE ENO Secretariat www.nweurope.org
	Interreg IIIB Management & Control Systems Audit Terms of Reference, April 2003	Lead Partner or Interreg IIIB NWE ENO Secretariat www.nweurope.org
	SAUL Management & Control Systems Audit Checklist proforma	Lead Partner
Financial	Groundwork UK Financial Regulations	Lead Partner
	Interreg IIIB Activity Report & Payment Claim Manual, November 2003	Lead Partner or <i>Interreg IIIB NWE ENO Secretariat</i> www.nweurope.org
Communication	Most Communications materials listed in Key Documents above	
	SAUL Brochure, Feb 2005 (does not cover SAUL 2 EXT)	Website
	SAUL and European logo's are available on CD-ROM	Lead Partner
Press & Media	The 'Press & Media' page of the website contains media releases and background information	Website
Other	The 'Downloads' page contains other background information, in particular proceedings and papers from SAUL Conferences and Symposia	Website

1.3 SAUL 2 EXT Steering Group

Groundwork London (Lead Partner)

18-21 Morley Street
London SE1 7QZ
Tel: +44 (0) 20 7922 1230
Fax: +44 (0) 20 7922 1219
Clive Fox

cfox@groundwork.org.uk

Anita Konrad

anita.konrad@groundwork.org.uk

Rhiannon Lewis

Rhiannon.Lewis@groundwork.org.uk

Martin Jones

MartinR.jones@groundwork.org.uk

Owain Williams

Owain.Williams@groundwork.org.uk

Greater London Authority (GLA)

Jane Carlsen

John O'Neil

City Hall

Queen's Walk

London SE1 2AA

Tel: +44 (0) 20 7983 4287

jane.carlsen@london.gov.uk

john.oneil@london.gov.uk

Ministry of the Environment Saarland

Brigitte Jülch-Schumann

Keplerstraße 18

66117 Saarbrücken

Germany

Tel: +49 (0) 681 501 4604

Fax: +49 (0) 681 501 4601

Represented by agl

Andrea Hartz

Großherzog-Friedrich-Straße 47

66111 Saarbrücken

Germany

Tel: +49 (0) 681 61766

Fax: +49 (0) 681 63029

b.juelch@umwelt.saarland.de

andreaartz@agl-online.de

Planungsverband Ballungsraum Frankfurt/Rhein-Main

Reinhard Henke

Susanna Caliendo

Poststrasse 16

60329 Frankfurt am Main, Germany

Tel: +49 (0) 69 2577-1611

Fax: +49 (0) 69 2577-1610

reinhard.henke@planungsverband.de

susanna.caliendo@planungsverband.de

Ministère de l'Intérieur - Direction de l'Aménagement du Territoire et de l'Urbanisme

Le Gouvernement du Grand-Duché de Luxembourg

Philippe Peters

Carmen Wagener

1, rue due Plébiscite

Luxembourg L-2341

Tel: +352 478 69 24

Fax: +352 40 89 70

philippe.peters@mat.etat.lu

carmen.wagener@mat.etat.lu

City of Amsterdam

Physical Planning Department

Jos Gadet

P.O. 2758, 1000 CT Amsterdam

The Netherlands

Tel: +31 (0) 20 5527862

Fax: +31 (0) 20 5527787

J.Gadet@dro.amsterdam.nl

Staatsbosbeheer Regio Oost

Femke Vergeest

Postbus 6

7400 AA

Deventer

The Netherlands

Tel: +31 (0) 570747 100

Fax:

f.vergeest@staatsbosbeheer.nl

Note: Rhein-Ruhr partners are not listed here as they are not formally involved in SAUL 2 EXT (as their focus in the future will be on 'water' projects).

2. SAUL – THE PROJECT

2.1 Introduction

- This chapter summarises Interreg IIIB and the SAUL Project. It is of interest to anyone who requires basic information on the SAUL project.
- The principal reference sources for this chapter are (see Table 1 for availability):
 - SAUL Final Submission.
 - Interreg IIIB Programme Complement.
 - Interreg IIIB Guidelines for Project Promoters.

2.2 What is INTERREG IIIB North West Europe?

The INTERREG III Community Initiative was established on 28 April 2000 following the positive experiences of its predecessors INTERREG I, INTERREG II and REGEN. The objective of the INTERREG III Community Initiative is:

To strengthen economic and social cohesion in the Community by promoting cross-border, transnational and inter-regional co-operation and balanced development of Community territory.

The INTERREG III Community Initiative receives co-financing from the Commission and the Member States. EU financing comes from the **European Regional Development Fund (ERDF)**, one of the four EU Structural Funds, in the form of non-reimbursable grants. In total, INTERREG III has an ERDF budget of €4,875 million at 1999 prices. As a general rule, the ERDF contribution does not exceed 75% of the total eligible costs in Objective 1 regions and 50% elsewhere.

The INTERREG III Community Initiative is divided into **three strands** :

- INTERREG IIIA: Cross-border co-operation (67% of the INTERREG budget)
- INTERREG IIIB: Transnational co-operation (27% of the INTERREG budget)
- INTERREG IIIC: Inter-regional co-operation (6% of the INTERREG budget).

The NWE Programme falls within Strand B. INTERREG IIIB fosters transnational co-operation between national, regional and local authorities “*to promote a higher degree of territorial integration across large groupings of European regions, with a view to achieving sustainable, harmonious and balanced development in the EU and better territorial integration with candidate and other neighbouring countries*”.

2.2.1 Key Objectives of the INTERREG IIIB NWE Programme

The INTERREG IIIB NWE Programme has the following objective:

To contribute, through an innovative and integrated approach of transnational co-operation on territorial issues, to a more cohesive, balanced and sustainable development of the European territory and of the NWE area in particular

According to the Interreg IIIB programme guidelines, transnational working provides the following benefits.

SAUL Procedures Manual

- Transnationality is at the heart of the EU Interreg IIIB Community Initiative. It allows countries to co-operate on mutually beneficial or shared projects and to tackle issues that go beyond national borders. It produces models that are transferable across different countries, and speeds up the process of innovation through the sharing of expertise and development costs. Participating organisations benefit through accessing new skills and ways of working, and increasing their connections to European networks and markets.
- Transnational working is rewarding to organisations that are well prepared. Besides the financial support provided by the EU Structural Funds, Table 2 below shows the benefits to be gained from involvement in a NWE project:

Table 2: Benefits To Be Gained From Involvement In An NWE Project

Wider benefits	<ul style="list-style-type: none">▪ Spatial development investment decisions based on sound and deeper European analysis▪ Better international positioning for spatial development investment▪ Contribution to the implementation of regional and national spatial planning agendas
Benefits to the project	<ul style="list-style-type: none">▪ Reduction of development costs and speeding up of the innovation process▪ Maximum use of available expertise through spreading of best practice▪ Development of a model which is transferable across different countries
Benefits to the organisation	<ul style="list-style-type: none">▪ Capacity building, both for the organisation and for the staff▪ Access to European networks and markets▪ Keeping up-to-date with policy developments around Europe▪ Giving a European dimension and profile to a local and regional project

2.3 What is SAUL?

Sustainable & Accessible Urban Landscapes (SAUL) is a transnational action, research and development project. The project was approved with a total budget of €16,348,150 of which 50% or €8,174,075 is to be funded by ERDF through the European Union's Interreg IIIB programme for North West Europe (NWE). Under SAUL Plus this was increased to €21,916,264 (€9,979,949 ERDF) and under SAUL 2 EXT to €23,433,602 (€10,738,618).

Six Metropolitan regions of North West Europe are represented in the SAUL Partnership: London (with two partners); Saarland; Frankfurt/Rhein-Main; Nordrhein-Westfalen (the Rhein-Ruhr region, with two partners); the Grand Duchy of Luxembourg; and the Municipality of Amsterdam. This partnership has evolved from an earlier project under INTERREG IIC 'New Urban Landscapes'. Under SAUL 2 EXT the region of Arnhem-Nijmegen in the Netherlands became a partner in the project.

SAUL Procedures Manual

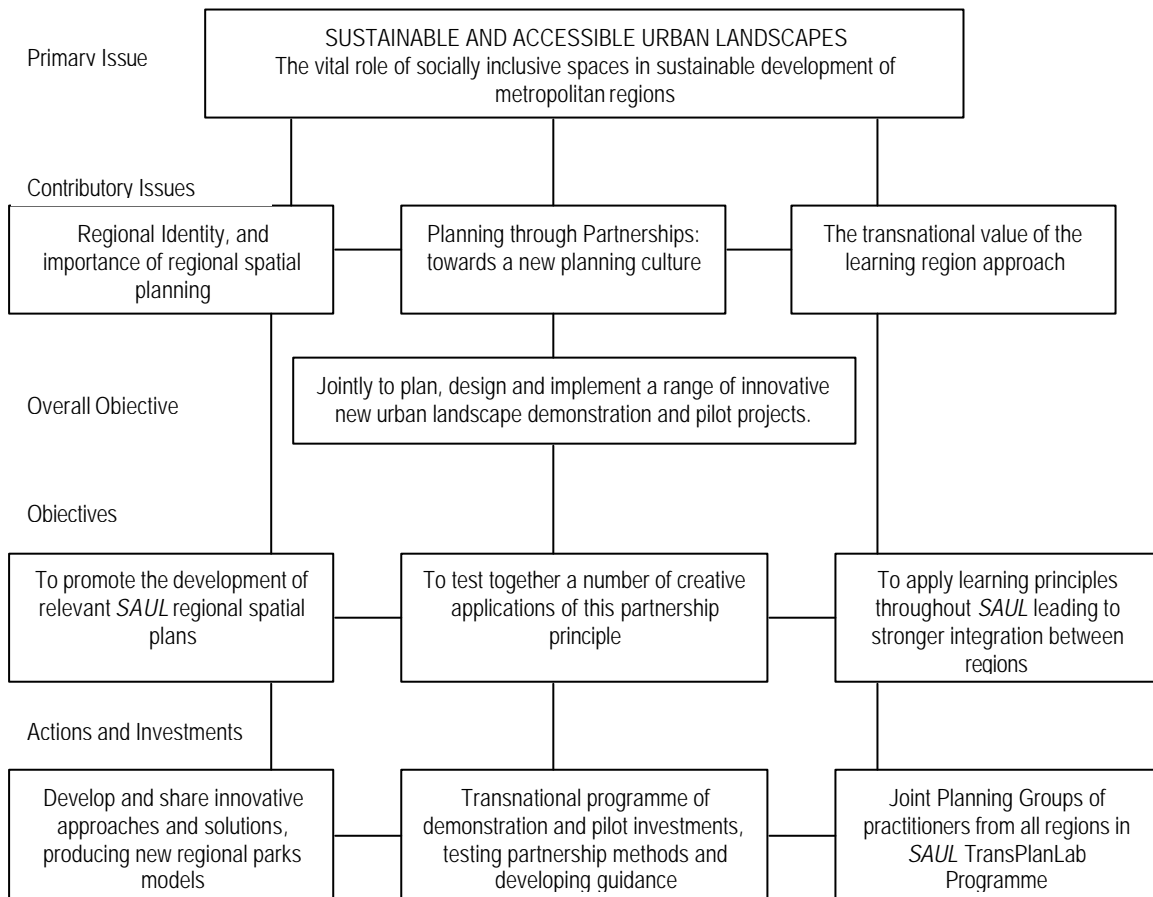
The SAUL project addresses Priority 1 of INTERREG IIIB (an attractive and coherent system of cities, towns and regions), measure 1.1 (more attractive metropolitan areas in the global and European context).

See 2.5 below for a description of SAUL 2 EXT.

2.4 Transnational Issues, Objectives and Activities

The issues, objectives and activities of the SAUL Project are summarised in Figure 1 below:

Figure 1: Issues, Objectives and Activities of the SAUL project



2.4.1 SAUL Issues and Objectives

The SAUL objectives are to develop and test practical solutions to the challenges in the four key issues, by carrying out joint transnational projects.

1. To recognise and demonstrate the vital role of socially inclusive spaces in the sustainable development of metropolitan regions

This is the primary and over-arching common issue uniting the partners, which our IIC experience has shown cannot adequately be tackled only at local, regional or national levels without strong transnational co-operation between metropolitan regions. Our strategy is jointly to plan, design and implement a range of innovative new urban landscape

SAUL Procedures Manual

demonstration projects in which all partner regions will be actively involved, sharing knowledge and experience in ways which will bring lasting benefit for all regions.

2. To promote regional identity, and the importance of the regional dimension within spatial planning in NWE

In the earlier IIC project, each partner identified the significance of regional planning to tackle this primary issue. With cities and landscapes going through dramatic spatial changes as a consequence of economic restructuring and globalisation, resulting in equally far-reaching social and cultural change, regional identity is an important issue for all the partner regions, affecting competitiveness and quality of life. Our strategy is to promote the development of relevant regional SAUL spatial plans which take these issues into account, and to share innovative approaches and solutions, leading to new models for achieving regional identity through new urban landscapes.

3. To establish planning through transnational partnerships as one tool towards a new planning culture in NWE

We found in our Interreg IIC project that metropolitan regions within the SAUL partnership have widely different experiences of planning systems, both statutory and informal. Drawing on our IIC experience, we share the belief that new and different approaches to engaging civil society in the process of planning, at both strategic and practical levels, hold the key to sustainable development opportunities for our regions, and for North West Europe. Our strategy is to test together a number of creative applications of this partnership principle, through each of the actions and investments, producing a range of tangible outcomes in practical projects on the ground, and formulating good practice guidance, which can be disseminated more widely throughout NWE.

4. To develop a transnational and regional process of learning (the ‘learning region’ approach)

These new and more democratic approaches to spatial planning require an open attitude to change and innovation, and a willingness to learn from one another. From our IIC experience we believe this approach can make an innovative contribution, both to achieving the SAUL objectives at regional cross-sector levels, and to building effective transnational partnerships. The common definition of a ‘learning region’ underlines the important role of innovation, understood as contextualised social processes of interactive learning, which highlights the significance of building effective networks and social capital in order to foster co-operation and to promote equity, employment and social inclusion.

The concept of the learning region has become popular with several international organisations, such as the OECD, as a strategy for institutional learning in order to promote regional development, as it potentially promises growth and employment alongside social cohesion. The concept also underlines the integration of regional innovation in social structures and processes; innovation processes are seen as organisational learning. Learning can be fostered at the individual and the group levels, as well as at the institutional level of formal organisations and spatial planning, thus stressing the importance of learning for innovation well beyond economic development.

Our strategy is to apply these learning principles throughout the SAUL project leading to stronger integration between metropolitan regions in the process of transnational, regional and local project planning and development; not just at the level of the main partner agencies, but

SAUL Procedures Manual

by involving regional practitioners and local players in inter-regional and transnational work, using the tangible urban landscape projects as the learning tools.

At the heart of the SAUL project is transnational exchange and learning. All SAUL project activity will contribute to this and is collectively known as TransPlanLab (Transnational Urban Space Planning Laboratory Programme). It will provide the essential laboratory ‘space’ or ‘environment’ for transnational learning, knowledge transfer and experience exchange to occur between regional partners and practitioners about the processes and results of transforming urban landscapes into more sustainable and accessible public spaces.

2.4.2 SAUL Activities

1. Project Delivery.

SAUL will test practical solutions to the objectives stated above through joint transnational projects. We will develop jointly planned and implemented projects that apply the principles of co-operative spatial planning, by testing and demonstrating methods and processes for involving local people in the planning and realisation of improving urban landscapes. Table 3 below provides the overall regional strategy project (to meet the SAUL objective of regional identity), action projects, and in some cases investment projects, for each SAUL partner region.

Investment project involve physical improvements while **Action** projects consist mainly of ‘soft actions’ which do however achieve tangible results.

Table 3: SAUL Strategy, Action and Investment Projects per Partner Region

Region	Projects		
	Strategies	Actions	Investments
London	The London Parks and Green Spaces Forum.	<ul style="list-style-type: none"> - Lee Valley Regional Park, Leamouth and Bow Creek community access. - Virtual Reality Landscape Design and Visioning Pilot Project, Heathrow Airport Corridor. 	<ul style="list-style-type: none"> - Burgess Park, London South Central inner-city open space. - Inner Thames Marshes, Thames Gateway economic development area. - Wandle Valley new country park, Beddington Farmlands landfill site.
Frankfurt/Rhein-Main	The Regional Park Rhein-Main, Frankfurt.	<ul style="list-style-type: none"> - The Route of Industrial Culture Rhein-Main. 	<ul style="list-style-type: none"> - The Hohe Strasse partnership project. - Bringing places back into the public realm (former closed military airfield -Bonames; Waterworks Park, Dietzenbach.)

SAUL Procedures Manual

Rhein-Ruhr	The Nordrhein-Westfalen planning system.	- Emscher Urban Landscape 2020.	
Saarland	The Regional Park Saar, Saarland.	- Saarkohlenwald: from green peripheries to new urban parks.	
Luxembourg	The South Luxembourg regional planning strategy.	- South Luxembourg Partnership Building.	----
Amsterdam	The Amsterdam regional planning strategy.	- Amsterdam Central Park North, social change project. - Amstel River Wedge multi-recreational environment demonstration project.	
Transnational Action Project	Training, Employment, Maintenance and Sustainability (TEMS) pilot project.	----	

2. Joint Planning Groups (JPGs)

Eleven Joint Planning Groups will run throughout the course of the SAUL project. The purpose of a JPG is to bring together practitioners from SAUL partner regions in a transnational working and learning environment in order to develop more socially-inclusive, sustainable and accessible urban landscapes in North West Europe. To accomplish this each JPG will jointly agree and carry out a regional strategy approach and a set of transnational and community involvement processes to incorporate in the planning, design and implementation of each region's actions and investments.

More detail on Joint Planning Groups can be found in Chapter 4 'Joint Planning Groups' and the JPG Toolkit.

3. Community & Public Involvement in SAUL Actions & Investments

The people who live, work, play and invest in a community have a stake in what that community looks like, how it feels, and what its prospects are for the future. It is appropriate for these stakeholders not only to be consulted and involved in planning for the future of the community, but to also be engaged in sharing responsibility for the improvement of the area. In European countries, the notion that community stakeholders must be included in planning and decision-making has been incorporated into public policy including statutory requirements for public consultation procedures, but what isn't always easy is engaging community stakeholders in a *meaningful* way.

4. Communications Strategy

Incorporating a new, interactive website; targeting of key figures at European, national and regional levels for inclusion in launch and final conferences; identifying targets for a media

SAUL Procedures Manual

network; and symposia focussing on regional projects. All intended as the tools for communicating the SAUL key issues, strategies and outcomes.

See Chapter 5 'Publicity and Communication' for more detail.

2.5 SAUL 2 EXT

The application for Extension funding (*SAUL 2 EXT*) is to:

- enable the SAUL Partnership to take forward the key policy outcomes of the past 5 years work
- build on aspects of them through practical actions in the specific context of the Lisbon and Gothenburg agendas
- develop the Partnership's future projects under Objective 3, preparing for expansion in North West Europe and new partnerships in Eastern Europe.

These will be achieved through innovative transnational actions involving six existing and one new partner in NWE.

The NWE III B projects *SAUL* (Sustainable & Accessible Urban Landscapes) and *SAUL Plus*, with combined eligible costs of €2 million, were successfully completed in July 2006 (for audit in November). The JTS and 180 politicians, policy-makers and practitioners attended the Final Conference in Amsterdam in June 2006.

The projects have delivered in full all that we promised to achieve in the original applications. Their outcomes have gone much farther, exceeding expectations. Not only has the range of investments and actions expanded, with greater public impact; but the innovative transnational approaches to shared European learning, clearly demonstrating the value of those processes, has already had a visible influence on spatial planning policy and practice in partner regions. This has also begun to influence spatial planning ideas in a new associate city region from Eastern Europe.

The published *SAUL Report* (also available in three languages as a download from the website www.saulproject.net) captures that experience and sets out our *Messages to Europe*, with our key *Recommendations to politicians and practitioners*. Its Annex, *Regional Reports* provides the practical evidence for those conclusions; while the SAUL film (on DVD) conveys the messages in a very immediate and easily assimilated form. These are the Report's five *Messages*:

- ***In Europe's economic heartland, new urban landscapes are now a reality with a vital impact on people's quality of life in city regions. Their unique challenges and opportunities need innovative approaches by drawing transnationally on examples of good practice.***
- ***Sustainable regions are ones where people want to live, now and in the future. Regional spatial strategies, based on visions widely shared, give people a stronger sense of belonging, locally and regionally.***
- ***The impacts of globalisation and social change mean that Europe's citizens increasingly demand to be in the driving seat of shaping their future environment. Partnerships with the people offer a new approach to planning and governance for Europe's urban landscapes.***

SAUL Procedures Manual

- *Transnational partnerships can unlock learning, transferable knowledge and greater understanding. A strong transnational partnership is greater than the sum of its parts and can deliver shared objectives in Europe.*
- *Competitive city regions are ones that can attract and retain viable businesses and their employees by offering a good quality of life. New urban landscapes are an essential element in building Europe's future economic structures and social well-being.*

New urban landscapes is a definition of a new city region phenomenon, identifying new kinds of spaces that are neither countryside nor urban parks, but which need new approaches to accessibility and management, in order to play a positive and vital role in city region development. From these outcomes, we now propose to focus in this extension specifically on the last message. This looks forward and addresses the relationship between the issues of *new urban landscapes* and the future competitiveness of Europe. To do so, we shall draw on the experience and evidence underpinning the four previous messages. We propose to take forward the following achievable objectives in this short transitional phase, leading us into the new Objective 3 programming period:

- To develop the evidence base for demonstrating the assumptions in the last, forward looking chapter of the SAUL Report, by illustrating the significance of new urban landscapes to the economic vitality of city regions, engaging businesses in partnerships with public authorities, employees and citizens to recognise the potential impact of current and planned projects.
- To demonstrate the potential value of new urban landscape projects in building social cohesion in city regions, promoting well-being by empowering citizens of all age groups to take responsibility for their future environment.

We shall use transnational practical action projects that combine these objectives. Some will include small investments. These will be led in each case by one partner, with all partners participating through the tested SAUL mechanisms of Joint Planning Groups (JPGs), project pre-appraisals, website exchange of wider evidence on relevant policy and good practice, and continuous learning. JPGs will be selected and organised around the specific issues of these objectives, bringing together appropriate specialist expertise from all regions.

3. ROLES AND RESPONSIBILITIES

3.1 Introduction

- This chapter gives a general summary of the roles and responsibilities within the SAUL project at European and Partner level (more detailed descriptions are given in later chapters). It is of interest to all of those involved in the management, delivery and auditing of the SAUL project.
- The principal reference sources for this chapter are (see Table 1 for availability):
 - SAUL Final Submission.
 - Interreg IIIB Programme Complement.
 - Interreg IIIB Guidelines for Project Promoters.
- More detail on the specific roles and responsibilities of those involved in the SAUL project is given in later chapters.

3.2 Interreg IIIB

A joint management structure has been set up to manage, co-ordinate and monitor the implementation of the INTERREG IIIB NWE Programme. This comprises:

- A Monitoring Committee and a Supervisory Group
- A Steering Committee
- A Managing Authority
- A Paying Authority
- A Joint Technical Secretariat
- A Network of Contact Points in the Member States.

The SAUL Lead Partner has direct contact only with the Joint Technical Secretariat and the Paying Authority.

3.2.1 The Paying Authority

The Caisse des Dépôts et Consignations (France) has been appointed Paying Authority and is responsible for drawing up and submitting ERDF payment applications to the Commission, certifying the accuracy of declarations of expenditure presented to the Commission, receiving ERDF payments from the Commission, making payments to Final Beneficiaries, and ensuring that the Managing Authority exercises its financial responsibilities in a legal and regular way.

3.2.2 The NWE Joint Technical Secretariat (JTS)

The NWE Joint Technical Secretariat, also known as the Secretariat and JTS, assists the Managing Authority, the Monitoring Committee and the Steering Committee in the implementation of their tasks and responsibilities and carries out the functions delegated by the Managing Authority. The Secretariat undertakes the day-to-day implementation of the Programme and is responsible for:

- implementing and following up all decisions made by the Monitoring and Steering Committees;
- preparing and providing the information needed by the Paying Authority in meeting its responsibilities;

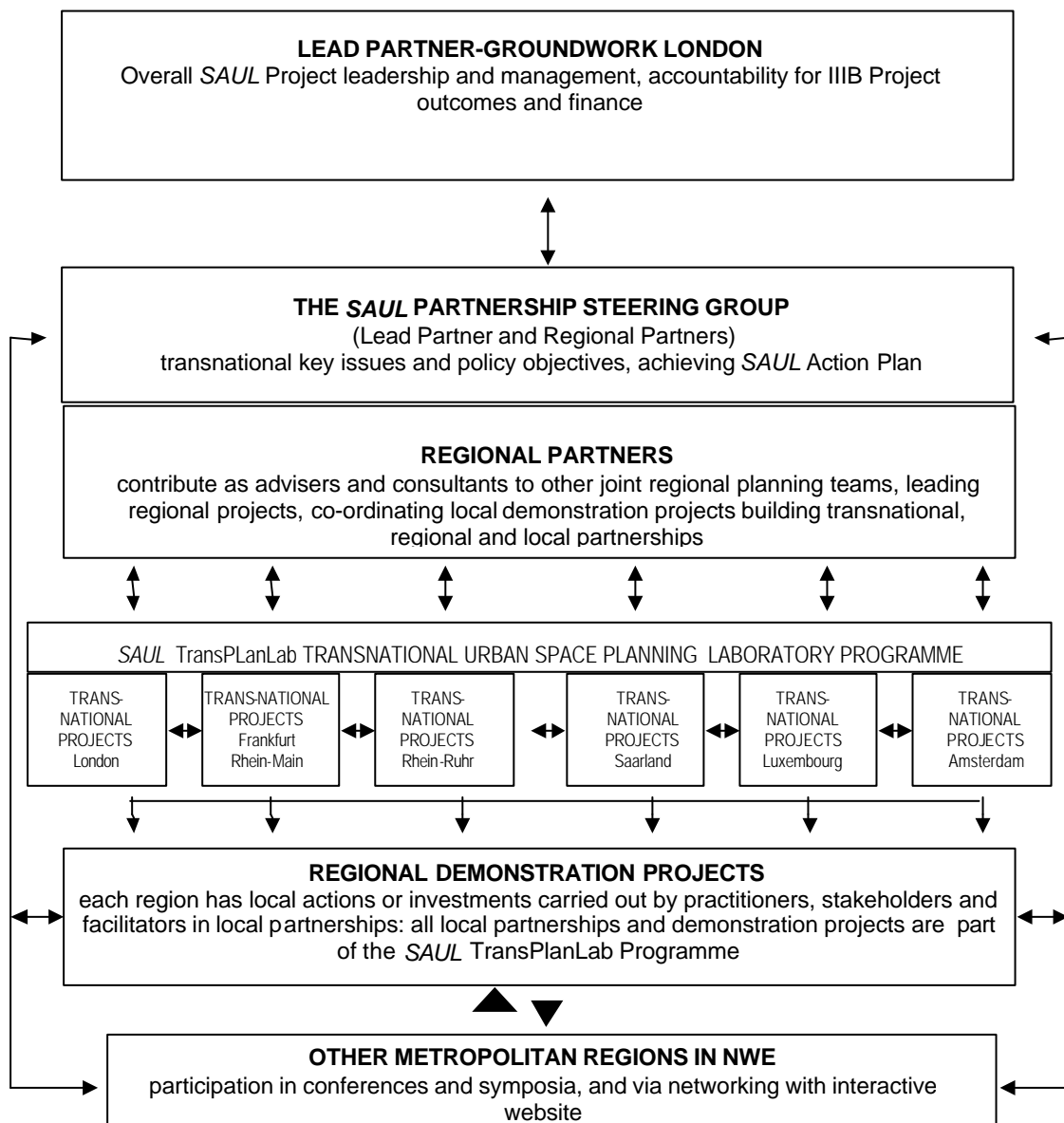
SAUL Procedures Manual

- facilitating and initiating the overall development of IIIB projects in a proactive way in close co-operation with the Contact Points;
- creating application and guidance documents for project partners;
- assisting applicants in the project development process, including guidance on technical and financial matters;
- assisting Lead Partners, Project Managers, Financial Managers and Project Co-ordinators during project implementation;
- implementing the publicity strategy approved by the Monitoring Committee.

3.3 SAUL Project Management Structure

The SAUL organisation and management structure is illustrated in Figure 2 below.

Figure 2: SAUL organisation and management structure



SAUL Procedures Manual

The same organization and management structure exists for the SAUL 2 EXT project, however the Rhein-Ruhr transnational project will be replaced by Arnhem-Nijmegen transnational project. Arnhem-Nijmegen are a new partner region in SAUL 2 EXT, whilst Rhein-Ruhr are not formally involved in SAUL 2 EXT (as their focus in the future will be on 'water' projects).

3.3.1 Lead Partner – Groundwork UK (Groundwork London)

Groundwork London is part of Groundwork UK – the national arm of the UK-wide Federation of Groundwork Trusts. It is an environmental regeneration charity working in areas of social deprivation and environmental degradation across the country, in partnership with local communities and with the private and public sectors. Although it works closely with Government and government agencies to develop policy and practical action, Groundwork UK is a non-governmental organisation, and a charitable company. Groundwork London aims to enhance the quality of Londoners' lives by improving the environment, developing skills and community spirit, and helping to unlock economic potential. SAUL is led by Groundwork's Regional Office in London, and delivers SAUL action and investment projects through its seven London Trusts.

3.3.2 The SAUL Partnership Steering Group

The SAUL Partnership Steering Group is made of the contacts from each Partner as stated in Chapter 1 'Introduction'. The Steering Group will work with the Lead Partner to shape the transnational direction and strategy of the project; to monitor its progress; and to ensure that the Lead Partner is able to meet the Interreg IIIB obligations to the Secretariat. The Steering Group members have entered into a Partnership Agreement (Annex VI of the SAUL Final Submission), based on the Joint Convention model provided by the Secretariat.

3.3.3 Transnational Urban Space Planning Laboratory Programme (TransPlanLab)

This involves all Partners, local practitioners and project workers and others outside the SAUL project. It will promote learning and the transfer of knowledge and experience transnationally through the following activities:

- Joint Planning Groups for each regional demonstration project, involving transnational and local partners engaged in project development at regional levels, including experts and practitioners.
- Regional demonstration projects carried out by practitioners, stakeholders and facilitators in local partnerships.
- All regions will also organise and host either a symposium or conference during the lifetime of the project, at which the Key Issues will be debated with a national and international audience, beginning with a Launch Conference in London.

3.4 Responsibilities of Groundwork London (the Lead Partner)

The Lead Partner has contractual responsibility for the SAUL project as a whole, in terms of obligations to the Secretariat under ERDF funding commitments, and is the accountable body for ERDF funding. It exercises ultimate executive authority over the SAUL project, in the event of any disagreement between the Partners on the application and use of those funds, so that there will be a single line of direct accountability from the Lead Partner to the Secretariat. The responsibilities of the Lead Partner are stated in the Partnership Agreement:

SAUL Procedures Manual

- Appoint a Project Manager who shall accept the operational responsibility for the implementation of the overall Project, a Co-ordinator, a Financial Manager and such other professional staff as may be necessary for the efficient management of the Project;
- Define a Communications Plan to promote the Programme at regional and local levels, approved by the Joint Technical Secretariat, in partnership with other regional partners;
- Implement the information and publicity measures as set out in the approved Communications Plan;
- Start up the Project according to the Action Plan approved by the INTERREG IIIB Steering Committee;
- Implement the Project as a whole within the time schedule stated in the approved Action Plan and fulfil the obligations and conditions attached to the Grant Offer Letter;
- Establish the division of mutual responsibilities between the partners;
- Receive the NWE Programme grant, and transfer allocations as agreed to the other Partners;
- Manage, monitor and verify appropriate spending of the NWE Programme grant;
- Carry out the Project's overall accounting, and produce all documents required for the final audit;
- Prepare and submit periodic progress reports, intermediate activity reports, final reports, follow up budget documents, payment claims, financial reports and applications for budgetary or term amendments, to the Programme Secretariat.

3.5 Responsibilities of the Project Partners

The responsibilities of the Project Partners are as stated in the Partnership Agreement:

- Appoint a Project Leader for the parts of the Project for which they are responsible and, confirm that the Project Leader will be entitled to represent the local project partners participating in the Project;
- Together with other Regional Partners, play a full part in the *SAUL* Steering Group, helping to develop the policy, shape the strategy, and achieve the transnational objectives of the Project;
- Together with other Regional Partners, share in the development of the *SAUL* learning and knowledge transfer opportunities of the Project, using regional and local action and investment projects for the purpose;
- Implement the regional parts of the Project for which they are responsible, and fulfil the obligations arising from the approval of the NWE Programme grant;
- Facilitate the participation and commitment of stakeholder groups in their region, and the engagement of local people in the planning, design and implementation of the regional project and local projects, including their co-operation in the celebration and dissemination of the Project results
- Encourage and facilitate the development of local partnerships and co-operative arrangements to achieve the *SAUL* Project objectives through regional and local projects;
- Prepare pre-project Appraisals for each regional project, with a detailed project plan, in the format agreed with the Lead Partner, for formal approval by the Lead Partner;
- Prepare the activity, communications, budgetary and financial reports required to be submitted to the Lead Partner, in the formats and within the timescales agreed with the Lead Partner;
- Notify the Lead Partner immediately of any event that could lead to a temporary or final discontinuation, or any other deviation, of the Project.

4. JOINT PLANNING GROUPS

4.1 Introduction

The SAUL Joint Planning Group Toolkit available on the 'Download' page of the SAUL website contains all information on Joint Planning Groups (JPG's).

5. PUBLICITY AND COMMUNICATION

5.1 Introduction

- This chapter details the aims, methods, responsibilities and target groups of the SAUL Communications Plan. It is of interest to all of those involved in the management, delivery and auditing of the SAUL project.
- The principal reference sources for this chapter are (see Table 1 for availability):
 - SAUL Final Submission (in particular Section 2.6 *Promotion and Publicity* and Annex 1 *Action Plan* which contains the Communications Plan).
 - Interreg IIB Programme Complement.
 - Interreg IIB Guidelines for Project Promoters.
 - SAUL Media Materials

5.2 Interreg IIB Communication Aims

The overall aims of the communication strategy for INTERREG IIB are:

- To market the Programme towards relevant target groups in the different fields of priority so as to attract maximum number of potential project partners.
- To help support the Programme's development by publicising ongoing projects both to make the Programme's objectives more tangible and to illustrate its scope and diversity
- To raise awareness of the Programme at local level amongst the general public.

5.2.1 Interreg IIB Target Groups

- Potential and final beneficiaries;
- Regional and local authorities and other competent public authorities;
- Trade organisations and business circles;
- Economic and social partners;
- NGOs and especially bodies working to protect and improve the environment; and
- Project operators and promoters.

5.2.2 Interreg IIB Methods

- Publications
- Newsletters
- Events
- Web-site
- Media relations
- Advertising

5.3 SAUL Communication Aims

- To raise awareness of the primary key issue of the vital role played by socially inclusive spaces in sustainable development of metropolitan regions;
- To raise awareness of the three contributory issues of regional identity and competitiveness, planning through partnerships and planning culture, and the learning region approach leading to stronger integration between regions;
- To influence the content and methods of spatial planning in our partner regions;

SAUL Procedures Manual

- To bring about change in planning culture more widely in North West Europe, contributing to a stronger Spatial Vision and the development of the European Spatial Development Perspective (ESDP);
- Effective communication of the concepts, ideas for practical action, and the results of pilot projects, is essential across a wide spectrum of targeted audiences.

5.4 SAUL Target Groups

- All of these sectors overlap, both in terms of the people involved, and in the messages and information relevant to their potential interests, but our communications strategy will focus on specific actions and tools in each case.

5.4.1 Target Group A

- Regeneration practitioners and policymakers in our partner regions (including regional and municipal agencies).
- Within the six metropolitan partner regions, the SAUL partners themselves have already developed effective communications skills based on the successful IIC project *New...Urban Landscapes*, and on the SAUL preparation phase.
- Some work has been done through the follow-up to the IIC project to extend this level of communication to a broader range of experts and practitioners in the regions.
- Through their own professional roles, the partners have well-developed networks of relevant contacts and influence, through which they can publicise SAUL.

5.4.2 Target Group B

- Regeneration practitioners and policymakers in all metropolitan regions in NWE and wider European interests.
- Due to the constraints of time, finance and human resources, this Group will be targeted through two kinds of action:
 - Specific, invited, targeted participation in certain parts of the SAUL project,
 - General, through the media and by virtual networking open to all.

5.4.3 Target Group C

- Government at State and national levels.
- Key players at the level of politicians and officials will be briefed specifically and individually.
- They will be invited to participate in structured ways through appropriate conferences and learning processes, and the partnership will provide them with a targeted information service geared to their needs.

5.4.4 Target Group D

- The general public (including the wider academic sector).
- On a much wider and less specifically targeted basis, we will invite participation in SAUL from all who become interested through the web-site, publicity materials or other means.
- This target group may evolve to include many sectors, including the academic sector.

5.5 SAUL Responsibilities

5.5.1 Secretariat:

- Provides practical assistance to the Lead Partner to help meet publicity requirements;
- Monitors SAUL's compliance with Structural Fund publicity regulations;
- Approves any changes or adjustments to the initial Communications Plan (after request by the Lead Partner following agreement between all partners).

5.5.2 Lead Partner:

- Publicising the support provided by Structural Funds is one of the basic requirements established by the Commission;
- Co-ordinating the communications action plan and ensuring that the project is sufficiently promoted towards the various decision-makers, local media and general public;
- Manages the communications and press relations at trans-national level;
- Manages website;
- Arranges launch and final conferences;
- Tracks international interest from media and academic networks;
- Attaches samples of information material (brochures, newsletters, website pages) produced through SAUL to the Activity Reports sent to the Secretariat as supporting documents;
- Manages production of the final report.

5.5.3 All partners:

- Develop communications and press relations nationally, regionally and locally, including symposia;
- Continuous monitoring of regional and local response and reaction to SAUL, from both specific target groups and the general public through press and media coverage;
- Report regularly on communications strategy and media coverage through their quarterly reports to the Lead Partner;
- Most regional and local interest is likely to be stimulated by tangible demonstration and pilot projects, particularly by the involvement of local citizens and young people in urban landscape projects;
- Monitor reactions to the key issues and messages of the SAUL project from politicians, agencies and planners at national/State levels, and these are likely to be linked to SAUL's key milestone events of conferences, symposia, publications and demonstration projects;
- Attaches samples of information material (brochures, newsletters, website pages) produced through SAUL to the Partner Activity Report Forms sent to the Lead Partner as supporting documents;
- Implement the measures set out in the Communications Plan (Final Submission, Appendix 1 (Action Plan) and Section 2.6);
- Agree any changes to the Communications Plan.

5.6 SAUL logo

- A 'brand' which can be used on all of the materials produced and supplied to all partners for use in the production of local materials.
- The logo is available in various formats from the Lead Partner.

5.7 SAUL Publicity Materials

5.7.1 Folder

- A branded folder to be used at events and conferences to carry information about the partnership and specific projects.
- Copies are available from the Lead Partner (full colour A4 with 5mm pocket, provided flat).

5.7.2 Brochure

- A ‘glossy’ 12 page A4 brochure (in English and German) providing a detailed explanation about the SAUL partnership and key findings.

5.7.3 Exhibition display

- A set of exhibition pop-up display boards with carry case, onto which posters etc can be attached.
- For use at conferences, symposia and other events and available from the Lead Partner.

5.7.4 Quarterly Newsletter

- The Newsletter is distributed via email to interested parties and posted on the SAUL website.

5.8 Website

- The SAUL website is available at www.SAULproject.net.
- The site is very simple to use and forms a key part of the aim of transnational learning and exchange of knowledge, particularly through the ‘Discussion Forum’ of the website.

5.8.1 Username and Password

- Anyone can register a username and password by following the instructions on the website.
- The Lead Partner holds username and passwords for Steering Group Members and Groundwork Trust Lead Contacts.
- The Lead Partner has username and passwords for the following:
 - Groundwork – accesses the amalgamated budgets and forms covering all of the Groundwork Trusts.
 - Transnational – accesses the Transnational Cost budgets and forms.
 - Super – gives access to EU forms and can view budgets/claims for the whole SAUL project (see Section 5.8.6).

5.8.2 Main Menu

- Any user who accesses the site is free to register on the site and access the following pages:
 - What is SAUL? – gives the basic details of the SAUL project; objectives and strategies; activities; and details of SAUL Partner regional projects.
 - Press and Media – contains downloadable versions of media briefings and press releases.
 - Contacts – gives full contact details for all Partners.
 - Feedback – allows users to give feedback on the site and SAUL.

5.8.3 Registered Users

- Only registered users can access the following pages (anyone is free to register but we wish to record who is accessing this more in-depth information in order to judge the impact of the website):
 - Downloads – all useful documents relevant to the SAUL project are posted here in downloadable format.
 - Discussion – a Discussion Forum for each Joint Planning Group and for SAUL in general (with detailed help notes).

5.8.4 Steering Group Members

- Only SAUL Steering Group Members can access the following page:
 - Steering Group Information – contains information sent to Steering Group Members of interest to them only.

5.8.5 Steering Group Members and Groundwork Trust Lead Contacts

- Only SAUL Steering Group Members and Groundwork Trust Lead Contacts can access the following pages.
- Under the heading **Partner Reporting** :
 - Partner Payment Claim Form – enables Partners to enter information onto their half yearly claim forms.
 - Partner Activity Report Form – enables Partners to enter information onto their quarterly report forms.
 - Partner Forecast Report Form - enables Partners to enter information onto their half yearly report forms.
- Under the heading **Partner Budgeting** :
 - Partner Budget and Actual Costs (per year) – enables Partners to view their Annual Budget and Annual Actual Expenditure for any selected year.
 - Partner Cumulative Budget and Actual Costs (all years) - enables Partners to view their Cumulative Budget and Cumulative Actual Expenditure up to and including the selected year.

5.8.6 Lead Partner

- Only the Lead Partner can access the following pages under the ‘Lead Partner’ heading (accessed using the ‘super’ username and password):

SAUL Procedures Manual

- EU Payment Claim Form – allows previous claim forms to be viewed and the current claim form to be completed. If Partners have completed their Partner Payment Claim Forms on the website then most data should be completed automatically. Only sections in white need to be added by the Lead Partner before submission to EU.
- EU Activity Report Form – allows previous report forms to be viewed and the current report form to be completed. Only sections in white need to be added by the Lead Partner before submission to EU.
- Lock Status of Partner Forms – gives the current status (locked or unlocked) of each Partner's Forms for each reporting period. Lead Partner may lock or unlock all forms from this page.

5.9 Joint Planning Groups

JPG's will publicise SAUL through the inclusion of a range of cross-sector specialists and practitioners. See 'SAUL Joint Planning Group Toolkit' for further details.

5.10 Conferences and Symposia

A launch and final conferences will target groups A, B and C. Symposia will target groups A and B. The Amsterdam conference will be planned as a high profile celebration of the SAUL outcomes, for politicians and media as well as planners. The focus in presentations and debate will be on the future development of planning culture and its significance to NWE Spatial Vision.

5.11 Final Report

The Final Report is available on the SAUL website.

5.12 SAUL Communications Timetable

The communications plan (incorporated within the Action Plan) includes the following actions:

Phase 1

- Establishing joint transnational planning teams for each region's projects (*target group A*)
- Series of Joint Planning Group workshops (*target group A*)
- Launch conference, London (*target groups A, B, C*)
- Establishing Transnational Urban Space Planning Laboratory Programme (TransPlanLab) as the framework for the *learning region* objective, including knowledge transfer and exchange, monitoring and impact evaluation (*target groups A and B*)
- Planning the SAUL NWE Award Scheme (*target group B*)
- Launching the SAUL website (*target group D*)
- Identifying an international circle of national/state level key players (*target group C*)
- Identifying a relevant media network transnationally and establishing a press relations strategy and mechanism (*for target groups B and D*)
- Planning Symposium, Rhein-Ruhr (*target groups A and B*)

SAUL Procedures Manual

Phase 2

- Develop SAUL website as an interactive learning and virtual exchange tool for inclusion of wider NWE and Accession Countries (*target groups B and D*)
- Series of Joint Planning Group Workshops (*target group A*)
- Planning Symposium, Luxembourg (*target groups A and B*)
- Planning Symposium, Saarland (*target groups A and B*)
- Continuing TransPlanLab programme of project development, exchange and learning, monitoring and evaluation (*target groups A and B*)
- Planning Symposium, Frankfurt (*target groups A and B*)

Phase 3

- SAUL NWE Awards Scheme assessments and outcomes (*target group B*)
- TransplanLab focus on forward strategies, including continuity of urban space planning network among metropolitan regions (*target groups A and B*)
- Preparation of Joint Good Practice Guidance on planning through partnerships for publication on website and CD (*target groups A, B, C, D*)
- Preparation of impact assessment and final report for publication (*target groups A, B, C, D*)
- Final Conference Amsterdam, on future trends in planning culture and development of NWE Spatial Vision (*target groups A, B, C*)

Phase 4

- Establishing Joint Planning Groups for each region's project (*target group A*)
- Series of Joint Planning Group workshops (*target group A*)
- Transnational Planning Symposium (*target groups A and B*)
- Press activity will be focussed around the announcement of the extension, the Transnational Planning Symposium, and the completion of the project in mid-2008.
- The SAUL website will be redesigned to reflect the extended project,
- The SAUL quarterly newsletter will be re-launched.
- A concise final report will be produced on completion of the project in mid-2008

6. 'FEASIBILITY STUDY AND PRE-APPRAISAL' FORM

6.1 Introduction

- This chapter details the procedure for completing the SAUL 'Feasibility Study and Pre-Appraisal' Form. It is of interest to all of those involved in the management, delivery and auditing of the SAUL project.
- The principal reference sources for this chapter are (see Table 1 for availability):
 - SAUL Final Submission.
 - SAUL 'Feasibility Study and Pre-Appraisal' Form

6.2 The Purpose of the Form

When complete, the 'Feasibility Study and Pre-Appraisal' form details the basic information of the project; how it addresses the key issues and fits the SAUL objectives; outputs and impacts; delivery and maintenance arrangements. It also covers the additional information on Investment projects required by the EU Secretariat that was not available at the time of the SAUL Final Submission (Annex VII of the Final Submission).

The form should be seen as a helpful planning tool that assists with the project's development; informs all interested parties (including the JPG members) of the project's basic details; and is used by the Partner and the Lead Partner to monitor the project during delivery.

6.3 Completing the form

- The 'Feasibility Study and Pre-Appraisal' form is prepared by Partners for each project undertaken as part of SAUL. The form contains notes on how to complete each question.

6.3.1 Procedure

JPG leader:

- Completes and 'authorises' (enters name and date – no signatures are needed as the form is circulated via the website) a copy of the first draft of the form.
- Posts the form, with attachments, on the Discussion Forum of the SAULproject.net website, and notifies all members of the relevant Joint Planning Group (JPG).
- Large attachments may need to be sent by disc or hard copy.

ALL Members of JPG:

- Discuss the form at the next JPG meeting **OR** raise any issues via the Discussion Forum on the website if no meeting is due.
- Give feedback/queries/clarifications.

JPG leader:

- 'Authorises' (enters name and date) the form after all members of the JPG have commented.

6.4 Use Of The Form During The Progress Of The SAUL Project

After the form has been agreed:

SAUL Procedures Manual

- The form provides a framework for both the project deliverer, and the SAUL Steering Group through the Lead Partner, against which to monitor and evaluate the project.
- Each Partner will report against the information in the form in their quarterly Activity Reports.
- The form is a key document and should be revisited regularly by the project deliverer and the JPG.
- The form should be updated over time and any amendments to the form need to be advised to the JPG, and the SAUL Steering Group through the Lead Partner.

7. FINANCIAL MANAGEMENT AND REGULATIONS

7.1 Introduction

- This sections deals with financial monitoring requirements. It has been provided for the sake of clarity and to establish a uniform way of dealing with financial monitoring requirements across the SAUL Partners. It is of interest to all of those involved in the management, delivery and auditing of the SAUL project.
- The principal reference sources for this chapter are (see Table 1 for availability):
 - Interreg IIIB Project Audit Guidelines
 - Interreg IIIB Activity Report & Payment Claim Manual
 - Interreg IIIB Management & Control Systems Audit Terms of Reference
- This section should be read alongside supporting chapters – Chapter 8 ‘Reporting’ and Chapter 9 ‘Audit Regulations and Requirements’.

7.2 EU Rules Governing Finance and Management

- The most important documents relating to the financial management of INTERREG IIIB projects are the following:
 - Council Regulation 1260/1999 - Co-ordination and Regulation
 - Commission Regulation 1685/2000 - Eligibility Rules
 - Commission Regulation 438/2001 - Management and Control Systems
 - Commission Regulation 448/2001 - Financial Corrections

7.2.1 The N+2 Rule and Automatic Decommitment by the Commission

- Community budget commitments to the NWE Programme are made on a yearly basis. If a tranche (or part of it) is not spent by the end of the second year following the year of commitment (N+2), it is automatically ‘decommitted’ (i.e. withdrawn) by the Commission.
- The Secretariat has stated that they will enforce tight control mechanisms in order to manage the spending of the overall NWE budget. This means that the SAUL project (and projects within it) must progress as planned if at all possible, both in terms of expenditure and achievements.
- The Secretariat will be monitoring the performance of the SAUL project via half yearly activity reports and payment claims. The Lead Partner will be informing the Secretariat if the SAUL project is behind schedule.
- It is the responsibility of all partners to ensure that SAUL does not deviate significantly from the spending plan. There is a danger that if the spending targets are not met, that ERDF funding may be lost.

7.3 SAUL Financial Management

- All partners have agreed to a **decentralised** financial management structure. This relies on **devolved responsibility**. Whilst the Lead Partner has a complete overview of all incurred expenditure by means of reporting, each partner pays its own invoices, keeps its own books for its part of the project and has its own part audited. The Lead Partner’s auditor verifies the Lead Partner’s part of the project and confirms that the other partners have been professionally audited in line with the relevant rules and regulations.

SAUL Procedures Manual

- This means that whilst the Lead Partner will have a complete overview of all incurred expenditure by means of reporting, each partner will pay its own invoices; keep its own books; and audit its own claims and accounts.
- Each partner will accept responsibility for the development and delivery of the agreed projects within their own region. This is the basis of the SAUL Partnership Agreement.
- The audit requirements are set out in more detail below and in the supporting Chapter 9 'Audit Regulations and Requirements'.

7.4 SAUL Budget

- The SAUL project total budget has been agreed by the Secretariat as set out in the SAUL Final Submission, and is fixed.
- SAUL has a grant rate of 50%. This means that 50% of the total eligible costs are funded by the INTERREG IIIB Programme. The remaining costs must be funded by match-funding from SAUL Partners at the agreed levels as stated in the Letters of Intent from each Partner.
- The maximum amount of ERDF funding stated in the Grant Offer Letter issued by the Secretariat cannot be exceeded.
- The overall SAUL budget is divided into the following Budget Headings (see Sections 7.4.1 to 7.4.9 below, for a fuller explanation of Budget Headings):
 - Preparation Costs
 - Partner Staff
 - External Experts
 - Travel & Accommodation
 - Meetings, Seminars & Publicity
 - Equipment
 - Investment
 - General Costs
- Changes between Budget Headings of the SAUL project budget exceeding 20% cannot be made without prior approval by the Secretariat. It will be the responsibility of the Lead Partner to agree any changes with the Secretariat.
- Budget Headings are split into Budget Sub-Headings, as stated in the SAUL budgets.

7.4.1 Preparation Costs

Costs incurred in putting the SAUL application together. The budget is under the control of the Lead Partner only.

7.4.2 Partner Staff

- Partner staff costs include salary, tax and employer's contributions to national social security schemes according to the national regulations for staff from the partner country.
- Costs for staff who do not work full-time on the project must be calculated on a pro-rata basis.
- The budget sub-headings given under Partner Staff do not have to match the description of those that are actually claimed. The most appropriate budget sub heading given should be used.
- Costs incurred by public administrations, including salaries of Member States' civil servants are subject to the following rules:
 - Costs incurred by public administration, including salaries of national and local (statutory) civil servants employed on day-to-day management, monitoring and

SAUL Procedures Manual

control tasks on part-financed projects meeting regulation requirements are ineligible for part-financing.

- Only additional expenditure, meaning expenditure over and above normal patterns that is linked to specific and supplementary regulatory requirements may be eligible.
- In addition, it has to be checked whether financing is warranted by the objectives of the programme and of the SAUL project. Expenditure must be able to be directly chargeable to the SAUL project.
- Costs of public administrations, including salaries of national civil servants as operational costs pertaining to a project, incurred otherwise than on day-to-day management, monitoring and control tasks, are eligible expenditure if they are:
 - 1) project implementation fees incurred by way of professional services rendered by public servants or a public service and invoiced either to a final beneficiary or certified on the basis of documents of probative value which permit the identification of real costs incurred by the public service concerned to the benefit of the individual project.
 - 2) Project implementation fees including provision of services borne by a public authority that is itself the final beneficiary undertaking the realisation of the works on its own account without recourse to outside engineers or firms, provided the costs relate to expenditure actually and directly incurred on the part-financed project.
- Staff costs are normally considered eligible for personnel directly engaged on the project where it can be clearly shown that the personnel concerned are working with additional tasks.
- The calculation of Partner Staff costs must be based on payslips and SAUL timesheets (for those working part-time on the project), which permit the identification of real costs in relation to the project. Staff costs not supported by such documentation must be declared ineligible by the auditor.
- For further information, please see Rule 11 of Commission Regulation 1685/2000.

7.4.4 External Experts And Consultants

- External experts or consultants may be appointed for specific tasks such as research, study, co-ordination of a pilot project or the organisation of workshops. Costs for external experts and consultants also include the cost of the project's external financial audits.
- The budget sub-headings given under External Experts and Consultants do not have to match those that are actually claimed.
- Partners and auditors must ensure that the appointment of external experts and consultants complies with all Commission regulations, including public procurement.
- Costs for work done by an independent consultant or expert (i.e. sub-contractor) are only eligible if the work is essential to the project and the costs are reasonable.
- Although rates charged by consultants vary from one country to another, rates charged to a project should correspond to the standard rates in the consultant's country of origin although the recommended maximum rate for a senior consultant is €700 per day (excluding VAT). This equates to approximately £475 per day.
- If required by the Secretariat, daily expenditure on consultancy above these limits must be met in full by the project and is not considered eligible for ERDF support.
- The part of the costs exceeding these ceilings may not be entered in the accounts as eligible expenditure.
- All Groundwork Trust staff are classified as External Experts and Consultants due to EU rules and should be claimed under this heading using normal daily chargeout rates within

SAUL Procedures Manual

the EU limit (equating to £475 per day), subject to the approval of the SAUL Finance Manager.

7.4.5 Travel And Accommodation

- All tickets, invoices and receipts must be kept by partners so that their eligibility can be checked and audited.
- Travel costs must be directly related to, and essential for, the effective delivery of the project and cover economy class travel on public transport.
- The most economic means of travel and accommodation costs should be used at all times.
- These costs are included mainly in the transnational budget and should be claimed from the Lead Partner (see section 7.7 'Transnational Costs').

7.4.6 Meetings, Seminars And Publicity

- These costs relate to all aspects of promotion and publications specific to the SAUL project.
- They also cover costs related to organising and participating in meetings and seminars (including rent of premises and catering).

7.4.7 Equipment

- Any expenditure for small scale office and other equipment, **if agreed as part of the SAUL budget**, must relate to the project.
- Only equipment that is essential for the delivery of the project, which will be used solely for that purpose and has been purchased from third parties within the eligible time period, is considered eligible for ERDF funding.
- If second hand equipment has been purchased, Rule 4 of Commission Regulation 1685/2000 must be adhered to for the cost to be eligible.

7.4.8 Investments

- Investment Costs are only part of the Investments as defined in Annex VII of the SAUL Final submission.
- This may include any costs associated with the Investment, such as professional fees, surveys, etc.
- Costs related to all Investments implemented by the project must be audited.

7.4.9 General Costs

These costs cover management costs and overheads and are exclusively under the control of the Lead Partner.

7.5 Partner Budgets

- Individual Partner budgets have been distributed to all Partners.
- Each Partner is able to view their own budget on the SAUL website (under the 'Partner Budgeting' heading) on a yearly and a cumulative basis.
- Partner Budgets are split into the same Budget Headings and Budget Sub-Headings as given above.

SAUL Procedures Manual

- Partners should attempt to adhere as closely as possible to their given budgets.
- Partners Actual Expenditure compared to Budget Sub-Headings can be varied without the prior agreement of the Lead Partner, however variations to Budget Headings of greater than 10% must be justified in the Partners Payment Claim Form. **Variations of greater than 20% are NOT permitted under any circumstances.**
- After the end of each year (during January) Partners will be required to re-profile their budgets taking account of any under/overspends in the previous year(s), in consultation with the Lead Partner. When agreed the Lead Partner will adjust Partner budgets on the SAUL website. **However Partners should adhere to their annual budgets if at all possible.**
- The total Partner Budget in Euro's is fixed.
- All payment claims submitted to the Lead Partner must claim for 50% of total eligible expenditure for the claim period. The SAUL website will calculate this automatically.
- The actual grant rate subsequently paid to Partners by the Lead Partner will be less than the amount claimed as the sum billed to Partners to cover transnational costs will be retained by the Lead Partner (see Section 7.7 'Transnational Costs').

7.5.1 Partner Budgets – Groundwork Trusts and Greater London Authority

- The SAUL budget is determined in Euro's and the Euro budgets are fixed.
- Sterling budgets are subject to exchange rate fluctuations and the budgeted Sterling figures stated on the SAUL website will be recalculated **every six months** using the latest average monthly exchange rate.
- Groundwork Trusts and the Greater London Authority will be notified of the exchange rate recalculations when they occur.

7.6 Eligible And Ineligible Expenditure

- Each Partners payment claim must only include expenditure that is eligible for funding under the INTERREG IIIB Programme (see Commission Regulation 1685/2000).
- Each Partners payment claim must only include expenditure that is eligible for funding under the SAUL project:
 - All expenditure by partners must be linked and related to the agreed partner budget.
 - An invoice can only be included when it has actually been paid.
 - All expenditure must be supported by evidence – **copies of receipted invoices in the Partner's name or accounting documents of equivalent probative value. Expenditure will not be paid without supporting evidence.**
 - Expenditure incurred by local partners may be included in Partner claims but only if a Partnership Agreement is in place. The Agreement should at least state the name and value of the project; the nature of the partnership; and the names of the Partners.
 - Eligible expenditure must be incurred and paid within the dates specified in the Grant Offer Letter – 3 May 2001 to 30 June 2006.
- Each Partner must implement tight controls on the eligibility of expenditure. It will be the responsibility of each Partner's auditor to certify the eligibility of the incurred expenditure (see Chapter 9 'Audit Regulations and Requirements').
- The following list of **ineligible expenditure** is not exhaustive but gives a broad guide (if in doubt, please contact the Lead Partner):
 - Loan charges – the nature and amounts of any loan charges included in the overall project costs should be brought to the attention of the Secretariat and the auditor.

SAUL Procedures Manual

- VAT which is legally recoverable.
- Any costs paid outside the eligible project period.
- Costs prior to the official project start date.
- Service charges arising on finance leases and hire purchase agreements and interest costs included in the amount of the lease contract.
- Legal costs in respect of litigation.
- Costs involved in winding up a company.
- Redundancy payments.
- Payments into private pension schemes.
- Bad debts.
- Gifts.
- Payments for unfunded pensions.
- Compensation for loss of office.
- Payments for unfair dismissal.
- Costs of works being carried out as a statutory requirement.
- Costs of public administration staff engaged in their usual duties of monitoring and inspection as commissioners of projects undertaken by other bodies.
- Daily allowances for those benefiting from certain measures taken under the project (e.g. participation in seminars, training, publicity visits, study trips).
- Exchange rate losses whether they are related to sums received as NWE assistance, movements of funds between project partners, payment of suppliers and service providers.
- Expenditure which is already supported by a European grant.
- Works with a domestic end-use.
- Housing.
- Expenditure on certain types of infrastructure (roads, railways, ports, airports, water supply and water treatment infrastructure, energy infrastructure, telecommunications).
- Public administration buildings, hospital and medical facilities, primary and secondary education facilities.
- Social welfare facilities.
- Mobile infrastructure.
- Retail development and other local consumer services, unless part of a larger eligible project.
- Car parks (unless part of a wider tourism or industrial scheme).
- Works which merely replace existing facilities.
- Routine or essential maintenance of a capital facility.
- Staff costs and overheads which are not essential to the project.
- Overheads which are allocated or apportioned at rates materially in excess of those used for any similar work carried out by the partner.
- Payments for activity of a political nature.
- Depreciation, amortisation and impairment of assets purchased with the help of Government or European Community grants.
- Contingencies and contingent liabilities.
- Profit (i.e. excess of income over costs) made by the partner in carrying out the project.

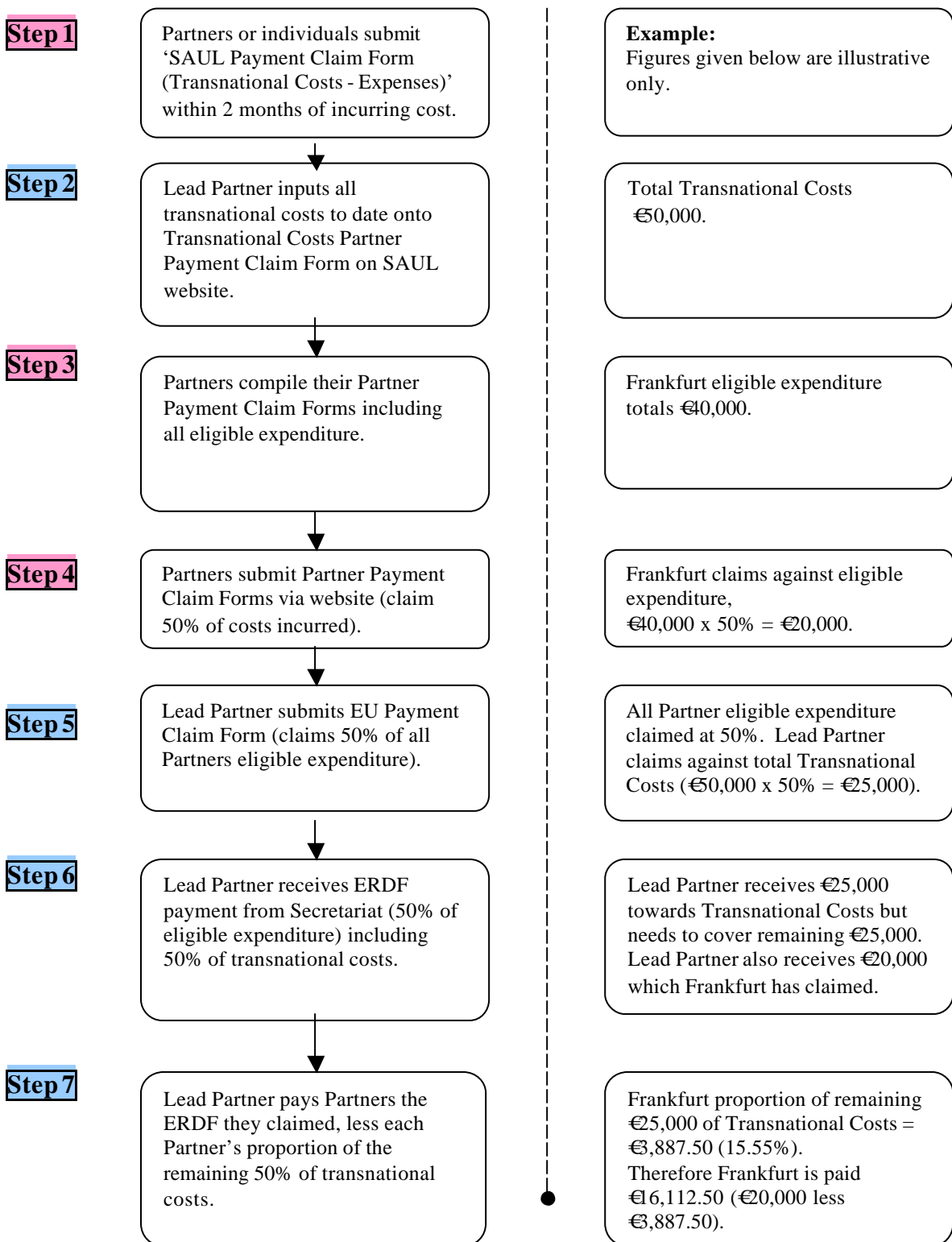
7.7 Transnational Costs

- Transnational Costs are those costs which are not attributable to a single Partner but relate to costs which are shared between the Partners, such as costs for conferences and events which all Partners will attend, and the co-ordination costs of the Lead Partner.
- Transnational costs make up approximately 10% of the total SAUL budget.
- As Transnational Costs are paid for exclusively by ERDF funds, they therefore account for approximately 20% of the ERDF funding that has been awarded to the SAUL project.
- Consequently, although Partners will claim 50% funding from ERDF, they will receive a lesser amount as the Lead Partner will retain a proportion to cover transnational costs.
- The Transnational Costs budget is under the control of the Lead Partner, however all Partners and some individuals involved in SAUL will incur expenditure from the budget.
- The Transnational Costs Claim Process is shown, with a numerical example, in Figure 3 below. This Figure is intended only to demonstrate the way in which Transnational Costs are calculated by the Lead Partner. Section 8.3 gives full details on the reporting procedures.
- In order to distinguish the activities of the Lead Partner and those of the other SAUL Partners, the following colour coding is used:

Lead Partner Activities

Other Partner Activities

Figure 3: The Transnational Costs Claim Process



SAUL Procedures Manual

Step 1 - Partners or individuals submit 'SAUL Payment Claim Form (Transnational Costs - Expenses)' within 2 months of incurring expenditure.

- Partners or individuals may submit the 'SAUL Payment Claim Form (Transnational Costs - Expenses)' (available on the 'Download' page of the SAUL website) at any time, however forms must be submitted within 2 months of incurring expenditure.
- **Original** invoices, receipts, tickets, etc should be supplied with the form.
- Forms should be completed in English wherever possible.
- If Partner's are claiming a number of expenses for a single event, one form should be used as this keep bank charges to a minimum.
- These claims will normally be paid to claimants within 1 month of receipt

Step 2 - Lead Partner inputs all transnational costs to date onto Transnational Costs Partner Payment Claim Form on SAUL website.

- The Lead Partner includes all of the Partners claims submitted using the 'SAUL Payment Claim Form (Transnational Costs - Expenses)', and all Lead Partner costs incurred.
- When input, this information feeds through directly into the EU Payment Claim Form.
- See Section 8.3 for full details of this procedure.

Step 3 - Partners compile their Partner Payment Claim Forms including all eligible expenditure.

- Partners only claim against eligible expenditure they have incurred, so they do **not** claim against transnational costs, which they have claimed from the Lead Partner.
- See Section 8.3 for full details of this procedure.

Step 4 - Partners submit Partner Payment Claim Forms via website (claim 50% of costs incurred).

- The SAUL website will automatically calculate 50% of the eligible expenditure they have incurred.
- When input, this information feeds through directly into the EU Payment Claim Form.
- See Section 8.3 for full details of this procedure.

Step 5 - Lead Partner submits EU Payment Claim Form (claims 50% of all costs incurred). All transnational costs claimed under Lead Partner.

- **All** transnational costs are claimed under the Lead Partner heading (as they have been incurred by the Lead Partner).
- Partner eligible expenditure incurred is claimed under the heading of each Partner.
- See Section 8.3 for full details of this procedure.

Step 6 - Lead Partner receives ERDF payment from Secretariat (50% of all costs incurred) including 50 % of Transnational Costs.

- ERDF is paid at 50% of eligible expenditure claimed.

SAUL Procedures Manual

- The Lead Partner therefore receives 50% of the Transnational Costs but needs to recover the remaining 50% from Partners.
- See Section 8.3 for full details of this procedure.

Step 7 - Lead Partner pays Partners the ERDF they claimed, less each Partner's proportion of the remaining 50% of transnational costs

- The Lead Partner recovers the remaining 50% of Transnational Costs by dividing this amount between the Partners according to the proportions they are liable for. These proportions are the same as the proportion of each Partner's budget compared to the total SAUL budget.
- This amount is then deducted from the payment made to each Partner.
- A remittance advice is issued to each Partner to explain the calculation.
- See Section 8.3 for full details of this procedure.

7.8 Exchange Rates

- All payment claims submitted to the Lead Partner must be in Euros, except in the case of the Greater London Authority and the Groundwork Trusts who will submit their claims in Sterling. The SAUL website will calculate the amount in Euro's automatically using the average monthly exchange rate given by the Commission of the month the payment claim is submitted to the Secretariat (http://www.europa.eu.int/cgi-bin/make_inforeuro_page/en/GBP).
- Payments to project Partners will be made in Euros, except in the case of the Greater London Authority and the Groundwork Trusts who will be paid in Sterling.

7.9 Competition Policy

- All expenditure incurred by partners must be consistent with State Aid regulations.
- It is the responsibility of each partner and the auditor to be aware of Community State Aid rules and to undertake the necessary steps to certify that paid funds are compatible with State Aid rules.
- State Aid is any form of aid that is provided directly by the State or indirectly through State resources, to an undertaking or group of undertakings.
- State Aid is regarded as incompatible with the Common Market if it distorts, or has the potential to distort, competition within the European Union.
- Community rules on State Aids limit the support which may be provided from public funding to assist projects in the commercial sector.
- State Aid issues are unlikely to arise if the assets being supported by ERDF grant remain in the public sector and where a company is only acting as a sub-contractor and complying with competitive tendering requirements and normal conditions for a sub-contractor (e.g. being paid for work done rather than a share in the profits).
- The Commission has granted exemption from State Aid rules to some funding programmes. In particular, Commission Regulations 69/2001 (*de minimis* exemption) and 70/2001 (Small & Medium Enterprise (SME) exemption) are relevant to the NWE Programme and the SAUL project:
 - **De Minimis Exemption** - private organisations are not allowed to receive more than €100,000 of State Aid over three years. Such aid must be cumulated with other *de minimis* aid (from all other local, regional and national resources) up to the €100,000 limit. However, aid received by companies from schemes which

SAUL Procedures Manual

have been notified to and approved by the Commission, does not count towards the *de minimis* ceiling. Detailed records of aid paid must be maintained for 10 years.

- **Small and Medium Enterprise (SME) Exemption** - the amount of ERDF funding an organisation can receive is limited to a percentage of its contribution to the project, as long as all the conditions specified in Commission Regulation 70/2001 are met.

7.10 Public Procurement

- The purchase of goods and of services, as well as the order for public works, by public services or other bodies is subject to Community and national procurement rules which aim at securing transparent and fair conditions for competition within the common market.
- These rules have to be considered by project partners when it comes to the implementation of the project or hiring consultants or experts for the project.
- It will be the responsibility of the project auditor's to ensure compliance with community, national and state rules.
- National rules vary from country to country and between states.
- All project partners must be familiar with the national and state rules relevant to their project(s).
- Where national standards are more demanding than Community rules, then the more stringent standards must be applied.
- If these rules are not satisfied, funding may be reclaimed.
- Contracts above €200,000 financed or part financed by Structural Funds must be advertised in the Official Journal of the European Communities (OJEC). Bids must then be assessed on an objective basis and contract awards should be published in the OJEC.
- All other calls for tender should be circulated widely enough to ensure real competition for contracts.
- Contract sums should not be artificially divided in order to meet tendering thresholds.
- All tenders should be recorded and receipts issued to the tendering organisation
- Evaluation criteria for tenders received should be set in advance of the receipt of tenders and all tenders received evaluated against those criteria.
- The assessment of each tender should be recorded and the reasons for the decision to award a contract should be documented.

7.11 Match Funding

- Each partner is expected to contribute the amount of match funding as specified in their Letter of Intent (see SAUL Final Submission).
- Evidence of match funding is not required by the Lead Partner although the final SAUL audit will need to be satisfied that match funding has been 'disbursed in accordance with the breakdown given in the Grant Offer Letter.
- Contributions in kind, as defined by Rule 1 of Commission Regulation 1685/2000, states that such contributions are eligible providing that the following conditions are met:
 - They consist of the provision of land or real estate, equipment or materials, unpaid research or professional activity or voluntary work
 - They are not made in respect of financial engineering measures mentioned in rules 8, 9 and 10 of Commission Regulation 1685/2000
 - Their value can be independently assessed and audited

SAUL Procedures Manual

- In the case of provision of land or real estate, their value is certified by an independent qualified valuer or duly authorised official body
- In the case of unpaid research or professional activity or voluntary work, the value of the work is determined taking into account the amount of time spent and the normal hourly and daily rate for the work carried out
- In the case of unpaid research or professional activity or voluntary work, the activity undertaken is outside the usual day-to-day remit of the organisation involved
- The provisions of rules 4, 5 and 6 of Commission Regulation 1685/2000 are complied with where applicable
- The Structural Funds contribution to each partner must not exceed the actual cash contribution excluding contributions in kind. In other words, the ERDF contribution to the project should not be higher than the total eligible expenditure, excluding contributions in kind.
- **Staff time actually paid for, whether within a public or a private organisation, is not defined as a contribution in kind.**
- Contributions in kind from organisations partly staffed by paid employees or involving self-employed members are not considered eligible.

7.12 Value Added Tax (VAT)

- VAT is not eligible expenditure unless it is genuinely and definitively borne by the Partner.
- VAT which is recoverable by whatever means cannot be considered eligible, **even if it is not actually recovered by the partner.**
- Costs presented in the payment claim must be **exclusive of VAT** unless the individual partner is unable to recover the VAT. In this case, costs presented in the payment claim should be **inclusive of VAT**.
- For further information, please see Rule 7 of Commission Regulation 1685/2000 or contact the Lead Partner.

7.13 Assets

- Assets purchased through the SAUL project must be properly recorded by each partner. This should show the name of each asset, the location, the cost, and the depreciation of the asset along normal accountancy lines.

8. REPORTING

8.1 Introduction

- This section deals with financial and non-financial reporting requirements. It has been provided to establish a uniform way of dealing with reporting requirements across the SAUL Partners. It is of interest to all of those involved in the management, delivery and auditing of the SAUL project.
- In order to distinguish the activities of the Lead Partner, the Secretariat, and those of the other SAUL Partners, the following colour coding is used:

Lead Partner Activities

Other Partner Activities

Secretariat Activities

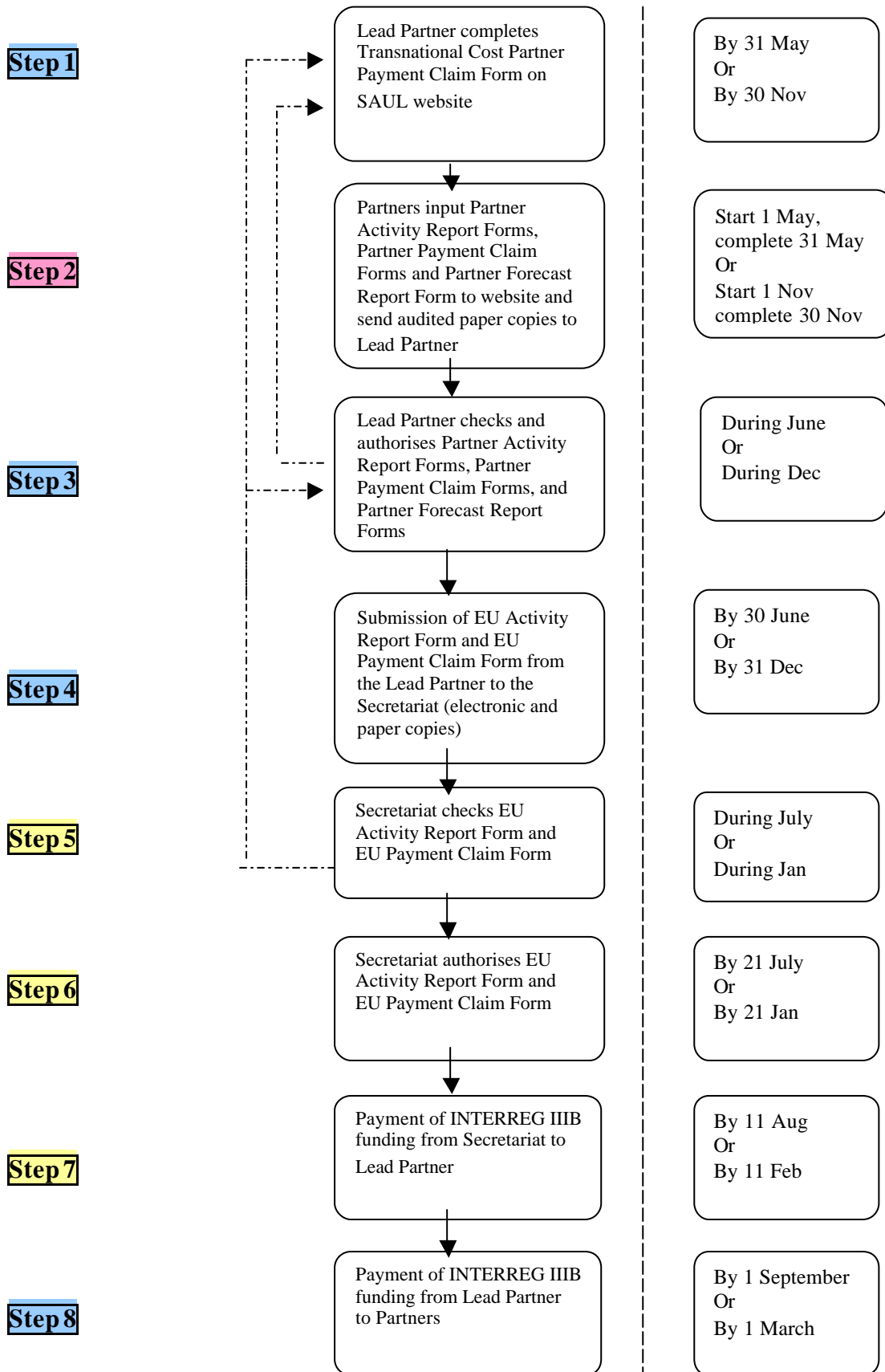
- The principal reference sources for this chapter are (see Table 1.1 for availability):
 - Interreg IIIB Project Audit Guidelines
 - Interreg IIIB Activity Report & Payment Claim Manual
 - Interreg IIIB Management & Control Systems Audit Terms of Reference
 - SAUL Final Submission
 - SAUL 'Feasibility Study and Pre-appraisal' Form
- This section should be read alongside supporting chapters – Chapter 7 'Financial Management & Reporting' and Chapter 9 'Audit Regulations and Requirements'.

8.2 General Principles Of Reporting

- Activity Report Forms, Payment Claim Forms, and Forecast Report Forms are the basis of the monitoring and assessment of SAUL's progress overall and that of regional projects within SAUL.
- The additional purpose of these documents is to foresee and overcome potential difficulties and delays in the implementation process.
- They also allow the Partners, the Lead Partner and the Secretariat to monitor expenditure and to ensure that regular payments are made.
- Partners are able to view their current budget situation at any time on the SAUL website (using their Partner username and password) under the heading **Partner Budgeting**:
 - Partner Budget and Actual Costs (per year) – enables Partners to view their Annual Budget and Annual Actual Expenditure for any selected year.
 - Partner Cumulative Budget and Actual Costs (all years) - enables Partners to view their Cumulative Budget and Cumulative Actual Expenditure up to and including the selected year.
- SAUL Partners must submit electronic copies (via the SAUL website) of the Partner Activity Report Forms, Partner Payment Claim Forms and Partner Forecast Report Forms to the Lead Partner twice each year, by **31 May and 30 November, or the last working day before these dates if a weekend or holiday intervenes. Paper copies with full supporting evidence should also be sent to the Lead Partner on this date. It is therefore important that Partners begin preparing their forms on 1 May and 1 November in order to allow enough time for their auditors to approve their forms.**
- The Lead Partner must submit an Activity Report Form and Payment Claim Form (which includes a Forecast Report Form) twice per year to the Secretariat, on 30 June and 31 December (electronic and paper copy of each report).
- In addition, Interim Partner Activity Report Forms are submitted by Partners to the Lead Partner on 31 August and 28 February (see Section 8.4 below).

SAUL Procedures Manual

Figure 4: The Reporting/Claiming Process



8.3 The Reporting/Claiming Process

- The main stages of each half yearly reporting/claiming cycle are shown in Figure 8.3 above.

Step 1 – Lead Partner completes Transnational Cost Partner Payment Claim Form on SAUL website

- The ‘Interreg Programmes Officer’ at the Lead Partner will enter the SAUL website using the ‘trans’ username and password and undertake the following:
 - Input all of the Transnational Costs incurred into the Partner Payment Claim Form (all costs claimed from the Lead Partner using the ‘SAUL Payment Claim Form (Transnational Costs - Expenses)’ and the Lead Partner costs.
 - Complete the Partner Forecast Report Form for the next six months expenditure.
 - Sign the forms and hands them to the ‘SAUL Project Co-ordinator’.
- This will be done by **31 May or 30 November**.
- The Transnational Costs Claim feeds directly through to the EU Payment Claim Form.

Step 2 – Partners input Partner Activity Report Forms, Partner Payment Claim Forms and Partner Forecast Report Form to website and send audited paper copies to Lead Partner

- Before completing the Partner Activity Report Form, Partner Payment Claim Form, and Partner Forecast Report Form, SAUL Partners should consult the SAUL Final Submission, the agreed ‘Feasibility Study and Pre-Appraisal’ Form for the relevant projects, and their budget as given on the SAUL website.
- In particular, under the heading **Partner Budgeting**:
 - Partner Budget and Actual Costs (per year) – enables Partners to view their Annual Budget and Annual Actual Expenditure for any selected year.
 - Partner Cumulative Budget and Actual Costs (all years) - enables Partners to view their Cumulative Budget and Cumulative Actual Expenditure up to and including the selected year.
- The Lead Partner will use the Partner Activity Report Form, Partner Payment Claim Form, and Partner Forecast Report Form to monitor the progress of the project.
- Partners should submit electronic copies (via the SAUL website) of the Partner Activity Report Form, Partner Payment Claim Form and Partner Forecast Report Form by **31 May or 30 November or the last working day before these dates if a weekend or holiday intervenes. Paper copies with full supporting evidence should also be sent to the Lead Partner on this date.**

The Partner Activity Report Form

- Partners must submit a Partner Activity Report form for all quarters.
- In order to apply for an instalment of ERDF funding, Partners must submit a Partner Activity Report Form to the Lead Partner at the end of **Q2 and Q4**, together an audited Partner Payment Claim Form and a Partner Forecast Report Form.
- The Partner Activity Report Form provides an overview of the progress achieved for the relevant quarter.
- All sections of the form must be completed, however long reports are not required and Partners are advised to keep their report concise and straightforward.
- Access the Partner Activity Report Form on the SAUL website:

SAUL Procedures Manual

- Log in to the website using your Partner username and password (not your personal username and password as this will not allow you into the 'Partner Reporting' side of the website).
 - Select 'Partner Activity Report Form' under the 'Partner Reporting' menu to the left of the screen.
 - Select the current quarter from the list given (if you are reporting in Q2 and Q4 you will already have reported on the previous quarter which your Partner Payment Claim Form also covers).
 - Follow the instructions given on the screen.
 - The form must be locked by the due date.
- A **signed** copy of the form along with supporting attachments should be sent to the Lead Partner on the due date for **Q1 and Q3** – no Partner Payment Claim Form and no Partner Forecast Report Form are required for Q1 and Q3 (see Section 8.4).
 - A **signed** copy of the form along with supporting attachments (including press/media cuttings) should be sent to the Lead Partner on the due date for **Q2 and Q4** along with the Partner Payment Claim Form and the Partner Forecast Report Form.
 - Forms that are unsigned, or received by the Lead Partner more than two working days after the due date, may have to be deferred until the next payment claim.

The Partner Payment Claim Form

- In order to apply for an instalment of ERDF funding, Partners must submit an audited Partner Payment Claim Form to the Lead Partner at the end of **Q2 and Q4**, together with a Partner Activity Report Form covering the quarter's activity and a Partner Forecast Report Form.
- A Partner Payment Claim Form should not be submitted for **Q1 and Q3**.
- Only expenditure actually incurred and paid, i.e. expenditure relating to payments made by the SAUL Partners and supported by receipted invoices, or accounting documents of equivalent probative value, must be reported on the Partner Payment Claim Form.
- **All costs claimed must meet the regulations stated in Chapter 7 'Financial Management & Regulations'.**
- All invoices included must be billed to the Partner making the claim (unless a Partnership Agreement has been supplied to the Lead Partner – see Section 7.6).
- Photocopies of invoices or accounting documents must be sent to the Lead Partner in order to support the accuracy of the information provided in the Partner Payment Claim Form.
- Invoices that are in a language other than English must be accompanied by a brief explanation in English to explain the invoice.
- The amounts claimed in the Partner Payment Claim Form must always be new, and never be cumulative.
- The expenditure reported in the Partner Payment Claim Form does not have to include all the expenditure paid out by partners in the six months preceding the submission of the Claim. Part of the expenditure can be reported in a later Claim, however the amount of reported expenditure per Partner Payment Claim Form should be in line with the annual expenditure forecast set out in the Final Submission and on the SAUL website.
- When entering expenditure, the most appropriate budget sub-heading should be selected. The budget sub headings given, particularly under 'Partner Staff' and 'External Experts' may not always match the actual job titles.
- All expenditure must be eligible for funding. Section 7.6 details eligible expenditure.
- Each payment claim must be audited by a fully qualified and authorised auditor either internally (by an auditor from a functionally independent organisational unit within the

SAUL Procedures Manual

Partner organisation), or externally. Further details on the audit process are set out in Chapter 9 'Audit Regulations and Requirements'.

- Access the Partner Payment Claim Form on the SAUL website:
 - Log in to the website using your Partner username and password (not your personal username and password as this will not allow you into the 'Partner Reporting' side of the website).
 - Select 'Partner Payment Claim Form' under the 'Partner Reporting' menu to the left of the screen.
 - Follow the instructions given on the screen.
- A copy of the Form, **signed** by the Partner and the Partner's Auditor, should be sent with supporting evidence to the Lead Partner on the due date along with the Partner Activity Report Form and the Partner Forecast Report Form.
- Groundwork Trusts and Greater London Authority Claims do **not** need to be signed by an auditor as the audits for these claims are arranged by the Lead Partner. However where *photocopies* of invoices (rather than originals) are supplied with the claim, the Finance Officer of the Trust/GLA should sign section VI of the form but delete all clauses except Clause 4.
- Forms that are unsigned, or received by the Lead Partner more than two working days after the due date, may have to be deferred until the next payment claim.

The Partner Forecast Report Form

- In order to apply for an instalment of ERDF funding, Partners must submit a Partner Forecast Report Form to the Lead Partner at the end of **Q2 and Q4**, together with an audited Partner Payment Claim Form and a Partner Activity Report Form covering the quarter's activity.
- A Partner Forecast Report Form should not be submitted for **Q1 and Q3**.
- This form allows Partners to forecast their expenditure under each Budget Heading in the next 6 months.
- The Form should forecast expenditure as accurately as possible.
- Access the Partner Forecast Report Form on the SAUL website:
 - Log in to the website using your Partner username and password (not your personal username and password as this will not allow you into the 'Partner Reporting' side of the website).
 - Select 'Partner Forecast Report Form' under the 'Partner Reporting' menu to the left of the screen.
 - Select the current half-year from the list given.
 - Follow the instructions given on the screen.
- A **signed** copy of the form should be sent to the Lead Partner on the due date along with the 'Partner Activity Report Form' and the 'Partner Payment Claim Form'.
- Forms that are unsigned, or received by the Lead Partner more than two working days after the due date, may mean that payment has to be deferred until the next payment claim.

Step 3 - Lead Partner checks and authorises Partner Activity Report Forms, Partner Payment Claim Forms, and Partner Forecast Report Forms

- The 'Senior Interreg Programmes Officer' at the Lead Partner will check that the paper copy of the Partner Payment Claim Form and the website copy are the same, for each Groundwork Trust, by using the username and password relevant to each.

SAUL Procedures Manual

- Each Partner Activity Report Form, Partner Payment Claim Form, and Partner Forecast Report Form from each Groundwork Trust will be checked by the ‘Senior Interreg Programmes Officer’, who will verify that:
 - The project is progressing to plan (as stated in the ‘Feasibility Study and Pre-Appraisal Form’).
 - The main activities are related to the objectives of SAUL and of each project within this.
 - All supporting evidence has been provided.
 - The forms have been completed in full and signed.
 - The expenditure is eligible.
 - The expenditure is reasonable and related to the project.
 - The Partner Activity Report Form and the accompanying Partner Payment Claim Form show that the expenditure is related to the progress of the project.
- The ‘Senior Interreg Programmes Officer’ will make any necessary alterations to the Trust forms on the website and the paper copies, in agreement with those submitting the forms.
- This will be completed by **7 June or 7 December**.
- The ‘SAUL Project Co-ordinator’ at the Lead Partner will check that the paper copy of the Partner Payment Claim Form and the website copy are the same, for each Partner, by using the username and password relevant to each.
- Each Partner Activity Report Form, Partner Payment Claim Form, and Partner Forecast Report Form will be checked and authorised by the ‘SAUL Project Co-ordinator’ at the Lead Partner, who will verify that:
 - The project is progressing to plan (as stated in the ‘Feasibility Study and Pre-Appraisal Form’).
 - The main activities are related to the objectives of SAUL and of each project within this.
 - All supporting evidence has been provided.
 - The forms have been completed in full and signed, including the necessary auditing requirements.
 - The expenditure is eligible.
 - The expenditure is reasonable and related to the project.
 - The Partner Activity Report Form and the accompanying Partner Payment Claim Form show that the expenditure is related to the progress of the project.
- SAUL Partners must respond to any requests for further information or documentation from the Lead Partner.
- The ‘SAUL Project Co-ordinator’ makes any necessary alterations to the forms on the website and the paper copies, in agreement with those submitting the forms.

Step 4 - Submission of EU Activity Report Form and EU Payment Claim Form from the Lead Partner to the Secretariat (electronic and paper copies)

- The ‘SAUL Project Co-ordinator’ then enters the website using the ‘super’ username and password and:
 - Enters the ‘Lock Status of Partner Forms’ page to make sure that all forms for the relevant period have been locked. Any unlocked forms should be locked by clicking on the relevant button - this will stop any further amendments taking place.
 - Enters the EU Payment Claim Form by clicking on the EU Payment Claim Form button to the left of the screen and selecting the appropriate period.
 - Prints the EU Payment Claim Form (the website will have automatically fed all of the Partner Payment Claim Forms into the EU Payment Claim Form).

SAUL Procedures Manual

- Enters the EU Activity Report Form by clicking on the EU Activity Report Form button to the left of the screen and completes the form using the information provided in the Partner Activity Report Forms (Q1 and Q2 information should be entered together on the Half Year 1 Form and Q3 and Q4 on the Half Year 2 Form).
- Prints the EU Activity Report Form and attaches the relevant supporting information.
- This will be done by **14 June or 14 December** and the EU Activity Report Form and EU Payment Claim Form will then be passed to the 'SAUL Project Manager' at the Lead Partner who will check the forms and verify that:
 - The SAUL project is progressing to plan.
 - The main activities are related to the objectives of SAUL.
 - All supporting evidence is attached to the EU Activity Report Form.
 - The forms have been completed in full.
 - The expenditure is reasonable and related to the project.
 - The Partner Activity Report Form and the accompanying Partner Payment Claim Form show that the expenditure is related to the progress of the project.
- The 'SAUL Project Manager' makes any necessary alterations to the forms on the website and the paper copies, in agreement with the 'SAUL Project Co-ordinator' and signs the forms.
- The 'SAUL Project Co-ordinator' can sign these forms if the 'SAUL Project Manager' is unavailable.
- The 'SAUL Project Co-ordinator' sends the following forms (with original signatures) to the Lead Partner's Auditor:
 - EU Payment Claim Form and EU Activity Report Form.
 - Partner Payment Claim Forms with supporting invoices and Partner Activity Report Form.
 - Keeps a copy of all documents sent to the auditor.
- This will be done by **16 June or 16 December**.
- The Lead Partner's Auditor will:
 - Undertake the checks detailed in Section 9.7.1.
 - Sign Part D of the EU Payment Claim Form.
 - Return all forms and all supporting information to the 'SAUL Project Co-ordinator' at the Lead Partner by **28 June or 28 December**.
- The 'SAUL Project Co-ordinator' at the Lead Partner will then:
 - Submit the EU Payment Claim Form and the EU Activity Report Form to the EU Secretariat via email by **30 June or 31 December**.
 - Send copies of the forms to each Partner via email.
 - Send paper copies to the EU Secretariat with original signatures, together with the listed supporting documents (including press/media cuttings). Copies of invoices do not need to be sent to the Secretariat.

Step 5 and 6 - Secretariat checks and authorises EU Activity Report Form and EU Payment Claim Form

- The Secretariat will confirm, to the Lead Partner, receipt of the EU Payment Claim Form and EU Activity Report Form.
- The Secretariat will use the EU Activity Report Form and EU Payment Claim Form to monitor the progress of the SAUL project.
- Within the Secretariat, the Finance Unit will assess the EU Payment Claim Form while the Project Development Unit assesses the EU Activity Report Form.
- The Secretariat may make requests for further information from the Lead Partner and other SAUL Partners as part of this exercise.

SAUL Procedures Manual

- Authorisation of the payment should be given to the Lead Partner by **21 July or 21 January**.
- At the same time, the Secretariat will send an updated spending profile for the project indicating to the Lead Partner, for example, the ERDF funds already paid out and the ERDF available for the remainder of the duration of the project.

Step 7 - Payment of INTERREG IIIB funding from Secretariat to Lead Partner

- The amount of ERDF grant approved will be paid by the NWE Programme Paying Authority, the Caisse des Dépôts et Consignations, to the Lead Partner.
- The funding will be transferred into the Lead Partner SAUL bank account by **11 August or 11 Feb**.

Step 8 - Payment of INTERREG IIIB funding from Lead Partner to Partners

- Once funding has been received from the Paying Authority, the Lead Partner will authorise the payment of funds to each Partner.
- The ‘Senior Interreg Programmes Officer’ will issue a letter to each Partner to advise how the payment has been calculated.
- The ‘Interreg Programmes Officer’ will instruct the Lead Partner Finance Officer to make payment.
- The payment will be the amount claimed by the Partner less their contribution towards the 50% of transnational costs that will not be covered by the Lead Partners Transnational Cost Claim against ERDF.
- The funding will be paid into each Partners bank account by **1 September or 1 March**.

8.4 Interim Partner Activity Report Forms

- The Partner Activity Report Forms submitted on **30 August and 28 February** are Interim Partner Activity Report Forms.
- The Interim Activity Report should be completed in the same way as the usual Partner Activity Report Form described above, however it should not be accompanied by a Partner Payment Claim Form nor a Partner Forecast Report Form.
- Each Partner Activity Report Form will be checked and authorised by the ‘SAUL Project Co-ordinator’ at the Lead Partner, who will verify that:
 - The project is progressing to plan.
 - The main activities are related to the objectives of SAUL and of each project within this.
 - All supporting evidence has been provided.
 - The forms have been completed in full and signed, including the necessary auditing requirements.
- SAUL Partners must respond to any requests for further information or documentation from the Lead Partner.
- The ‘SAUL Project Co-ordinator’ makes any necessary alterations to the forms on the website and the paper copies, in agreement with those submitting the forms.
- Each Partner’s form will be incorporated into the next half-yearly EU Activity Report Form.
- For Groundwork Trusts these checks will be made by the ‘Senior Interreg Programmes Officer’.

8.5 Lead Partner Site Visits

- The Lead Partner may periodically undertake site visits to Partners to verify the progress of projects in order to meet the monitoring requirements of the Secretariat.
- Partners will be advised of site visits as and when required.

8.6 Closure of the SAUL Project

- The SAUL project should be complete by 30 June 2008.
- A Final EU Activity Report Form and Final EU Payment Claim Form will be issued by the Secretariat before the end of the project.
- The forms must be submitted to the Secretariat within three months of the completion of the project (30 September 2008) or at the latest by 31 December 2008.
- The Final EU Payment Claim Form will require a financial follow up and overview of the project's accounts and budget, audited by an external, independent auditor (see Section 9.8).
- The Final EU Activity Report Form should give an insight into the follow-up activities that are planned once the project has been completed.
- SAUL Partners will be notified if any additional information is required for the final reporting period nearer the time

9 AUDIT REGULATIONS AND REQUIREMENTS

9.1 Introduction

- This chapter deals with auditing requirements. It has been provided for the sake of clarity and to establish a uniform way of dealing with audit requirements across the SAUL partners. It is of interest to all of those involved in the management, delivery and auditing of the SAUL project.
- The principal reference sources for this chapter are (see Table 1.1 for availability):
 - Interreg IIIB Project Audit Guidelines
 - Interreg IIIB Activity Report & Payment Claim Manual
 - Interreg IIIB Management & Control Systems Audit Terms of Reference
 - SAUL Final Submission
- This section should be read alongside supporting chapters – Chapter 7 ‘Financial Management & Reporting’ and Chapter 8 ‘Reporting’.

9.2 Responsibilities Of All Partners

- The SAUL project is subject to strict guidelines and regulations covering auditing. The European Commission wishes to ensure that all partners in receipt of ERDF grant (through INTERREG and other programmes, such as Objective 1) has the necessary systems in place for the control of Structural Fund grants in a way that ensures:
 - The propriety and regularity of all payments
 - The proper handling of public funds and
 - The identification of risk.
- All European rules and regulations must be complied with. **All partners in the SAUL project must satisfy these requirements.** All partners will ultimately bear responsibility for the successful implementation of SAUL.
- The payment of ERDF grant to partners is dependent on compliance with the conditions set out in the Grant Offer Letter and Partnership Agreement and satisfactory progress in achieving the project’s intended outputs.
- Each Partner must appoint a fully qualified (i.e. possessing an auditing qualification) and authorised auditor either internally - from a functionally independent organisational unit - or externally. A body that is functionally independent is one which is not involved in the decision-making or management and control processes relating to your project. That is, they are not subject to instructions from SAUL Project Staff or the SAUL partnership and are not involved in the implementation of the actions audited. The auditor cannot be from the same unit or department as the one delivering each project.
- Each payment claim must be audited at individual partner level.
- All irregularities must be reported to the Lead Partner (see Section 9.9 below).

9.3 Additional Responsibilities of the Lead Partner

- The Lead Partner has all of the responsibilities listed in section 9.2 above.
- The Lead Partner has the following additional responsibilities:
 - Ultimately accountable to the Secretariat for costs incurred by all SAUL partners.
 - Keeping track of all payments made and making sure that the match funding is disbursed in accordance with the budget breakdown per partner provided in the Application Form. The Final Claim audit will verify and certify that the match funding has indeed been spent on this basis.

SAUL Procedures Manual

- Ensuring that the auditor has all the necessary information at his disposal in order to complete a full and accurate audit.
- Keeping separate accounts for the project so that all expenditure (costs) and all revenue (receipts) can be posted and audited, and detailed summary reports drawn up.
- Ensuring that reports and findings of the Lead Partner auditor, or any Partner's auditor, should be fully and promptly taken into account by the SAUL Partnership

9.4 Responsibilities of All Partners Auditors - General

- The Partner's auditor, whether internal or external, is responsible for ensuring that all expenditure is incurred within the eligibility rules established by the Commission and that a suitable accounting system is in place.
- A standard auditor's declaration is included in the Partner Payment Claim Form (Part D) and must be signed by the Partner's auditor. Any additional comments should be included in a separate report.
- The Partner's auditor is responsible for the methods and techniques of his/her own audit in accordance with the national audit regulations of the Partner region.
- The Partner's auditor must ensure strict compliance with the provisions in the Grant Offer Letter and the documents it refers to. They must also carry out their duties in compliance with European Regulations and guidance as stated below:
 - **Council Regulation 1260/1999** laying down general provisions on the Structural Funds.
 - **Commission Regulation 1159/2000** on information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds.
 - **Commission Regulation 1685/2000** laying down detailed rules for the implementation of Council Regulation 1260/1999 as regards the eligibility of expenditure of operations co-financed by the Structural Funds.
 - **Commission Regulation 438/2001** laying down detailed rules for the implementation of Council Regulation 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds.
 - **Commission Regulation 448/2001** laying down detailed rules for the implementation of Council Regulation 1260/1999 as regards the procedure for making financial corrections to assistance granted under the Structural Funds.
 - **Commission Regulation 2355/2002** amending Commission Regulation 438/2001 laying down detailed rules for the implementation of Council Regulation 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds.
 - Compliance with European and national public procurement regulations
 - **Commission Regulation 1783/1999** of the European Parliament and of the Council of 12 July 1999 on the European Regional Development Fund.
 - **INTERREG III Community Initiative Guidelines** (Communication from the Commission to the Member States of 28 April 2000 laying down guidelines for a Community Initiative concerning trans-European co-operation intended to encourage harmonious and balanced development of the European territory – INTERREG III).
 - **INTERREG IIIB North West Europe Community Initiative Programme (CIP) and Programme Complement.**
- The Partner's auditor must complete the 'Management and Control systems Audit' form (see Section 9.6.2)

9.5 Types of Audit

The Types of Audit and the requirements of Partners are summarised in Table 7 below:

Table 7: Audits and Requirements

Audit	Lead Partner Requirements	All SAUL Partner Requirements
Management and Control Systems Audit	Secretariat to appoint independent auditors to carry out audit in autumn/winter 2003, focusing on Lead Partner. Further information to be provided by Secretariat.	All SAUL partners must respond to any requests for information from the independent auditors or Lead Partner.
Interim Payment Claims	Lead Partner to appoint auditor to undertake audit of Lead Partner Payment Claims to Secretariat, and to verify that SAUL partners have successfully undertaken the audit of payment claims to the Lead Partner.	SAUL partners to appoint auditor, either internally or externally, to audit Payment Claims submitted to Lead Partner. All partners must respond to any requests for information from the Lead Partner or Lead Partner auditor.
Final Payment Claim	Lead Partner to appoint external auditors to audit Final Payment Claim to the Secretariat. This will be for the whole project, including partner accounts.	All partners must respond to any requests for information from the Lead Partner or Lead Partner auditor.
Member State Sample Checks	Lead Partner to co-operate and co-ordinate requirements of Member State auditor. Further information to be advised by Member State of Lead Partner.	All partners must respond to any requests for information from the Lead Partner or Member State auditor.
European Commission and Member State Checks	Lead Partner to co-operate and co-ordinate requirements of Commission. Further information to be advised by Commission.	All partners must respond to any requests for information from the Lead Partner or Commission.

9.6 Management and Control Systems Audit

- Auditor's will be appointed by the Secretariat to undertake a management and systems audit of all INTERREG IIIB projects, including SAUL.
- A management and control systems audit of SAUL will be carried out in autumn or winter of 2003.
- This will focus on the Lead Partner, but all partners will bear responsibility for the ultimate satisfaction of the audit.

SAUL Procedures Manual

- The audit is designed to ensure that the Lead Partner has systems in place for the control of Structural Fund grants in a way that secures the propriety and regularity of all payments, the proper handling of public funds and the identification of risk.
- **All partners** must establish effective project monitoring and financial systems so that the costs of the project and the outputs expected to be generated can be clearly identified and the propriety and regularity of all payments and handling of grant ensured.
- The systems must ensure that grant is not claimed from the Lead Partner or the Secretariat until payment for eligible expenditure has been made by the partner.

9.6.1 Responsibilities of All Partners – Management and Control Systems

- All partners must have a sufficient audit trail to meet the requirements of the Commission (Commission Regulation 438/2001).
- This should allow:
 - The reconciliation of summary accounts with individual expenditure records and supporting documents at various administrative levels.
 - The reconciliation of summary accounts with individual expenditure records and supporting documents by final beneficiaries. This should include where the final beneficiaries are not the final recipients of funding, the bodies or firms carrying out the operations.
 - The verification of the allocation and transfer of the available Community and national funds.
- The audit trail should provide a clear description of the flows of Structural Funds finance and information, documentation and control, analysed to partner level.
- In particular, it should show:
 - Processes and who is responsible.
 - Which documents are created and data systems used, and who is responsible for these.
 - Which management and control systems exist for financial data flows, who audits them and how the findings are reported.
 - Who audits Structural Funds expenditure, results, efficiency and management expenditure and what is the reporting system.
- Each partner must ensure that they have the necessary systems and financial control in place to ensure that:
 - Payments are only made when due, amounts are correct and that Community funds are safeguarded.
 - Eligible expenditure is correctly reported and properly allocated.
 - Payment claims are made using the appropriate exchange rate agreed by the partnership and accurately reflect the amounts paid.
 - Receipts and payments are accurately recorded in partners accounting system, assets are correctly recorded and that these payments are correctly reflected in payment claims.
 - That services or actions funded by the Structural Funds are procured on the basis of a proper call for tenders, that there are sound controls over the opening of tenders and that all tenders are fully evaluated before a final decision is made on the supplier of the service/action.
 - That progress made is truly and fairly reflected in any reports or other information.
 - There is compliance with Community rules on publicity and information, and any other Community policies.
- All Project Partners (including Groundwork London as London Regional Partner and the Groundwork London Trusts) must have written and approved procedures setting out the audit trail and financial control systems in place for their own organisation.

SAUL Procedures Manual

- The Lead Partner must also have written procedures in place setting out the audit trail and financial control systems in place for the project as a whole.

9.6.2 Management & Control Systems Audit Checklist

- In order to meet the requirements of the Commission, all SAUL Partners must complete and sign a copy of the SAUL Management and Control Systems Audit Checklist.
- This is based on the checklist drawn up by the Secretariat to assist independent auditors undertake the Management and Control Systems Audit.

9.6.3 Management & Control Systems Audit Checklist Procedure

- The Lead Partner will complete a Checklist that will be checked by the Lead Partner's auditor. This will assist Partners in completing their own Checklist.
- The Lead Partner is required to provide details in response to **all** of the audit requirement questions in as much detail as possible.
- The Checklist will be reviewed by the Lead Partner's auditor.
- When agreed, the SAUL Project Manager and the Lead Partner auditor will approve (sign) the Checklist.
- All SAUL Partners will receive a copy of the Lead Partner's Checklist and a copy of their own to be completed.
- SAUL Partners should complete their Checklists in consultation with their auditor.
- When completed the Checklist should be signed by the SAUL Steering Group member and the Partner's auditor.
- The Checklist will be reviewed by the Lead Partner's auditor and may conduct a telephone interview with the Partner and/or the Partner's auditor. The Lead Partner and the Lead Partner auditor must be satisfied that each SAUL Partner has the necessary procedures and system in place to satisfy the audit trail requirements of the Commission.
- SAUL Partners must respond promptly to any additional requests for information or points of clarity raised by the Lead Partner.
- SAUL Partners completed Checklist must be approved (signed) by the SAUL Project Manager and the Lead Partner auditor.

9.7 Partner Payment Claim Forms - Responsibilities of All Partners Auditors

- See Chapter 8 'Reporting' for full details of the Reporting process.
- Two Payment Claim Forms and Activity Report Forms must be submitted by the Lead Partner to the Secretariat each year by 30th June and 31st December.
- The Forms to the Secretariat will be built up from the Partner Payment Claim Forms and Partner Activity Report Forms submitted to the Lead Partner by SAUL Partners, due by 31st May and 30th November.
- Each Payment Claim Form must show the expenditure incurred (i.e. expenditure actually paid), supported by receipts and invoices or accounting documents of equivalent probative value, and must relate to the progress identified in the Activity Report Form.
- **Each payment claim must be audited at individual partner level.**
- All partners auditors must respond promptly to any requests from the Secretariat or the Lead Partner for further information.

SAUL Procedures Manual

9.7.1 Partner Payment Claim Forms - Checks To Be Made By All Partners Auditors

- The main role of the Partner's auditor is to look at all the invoices and payments relating to the project, and to certify that they are correct and acceptable as a basis for a payment claim **by signing each piece of evidence**.
- The Partner's auditor should also look at the Partner Activity Report Form to ensure that the costs claimed are linked to the activity undertaken.
- In verifying each payment claim, auditors should perform substantive checks to confirm that the Financial Regulations stated in Chapter 7 'Financial Management and Regulations' have been adhered to. In particular that:
 - The expenditure claimed is eligible.
 - The relevant expenditure has actually been incurred.
 - The expenditure has not been claimed before.
 - The expenditure is supported by appropriate justifying documents.
 - The amount claimed is a true and fair view of the project's accounts.
 - The amount claimed is entirely related to the SAUL project.
- Tests to verify expenditure declarations should involve an in-depth on-site check of all aspects of the expenditure declaration back to source documents and other records held by the SAUL Partners.
- Verification that an acceptable project book-keeping system covering all expenditure has been established and this forms the basis of Payment Claim Forms.
- Verification of the audit trail for each payment claim by checking and following a representative number of invoices through the system.
- Verification that no payments have been made outside the official duration of the project - 3 May 2001 to 30 June 2006.
- Verification of the accuracy of invoices (a representative number if not all invoices should be checked) in the perspective of the Commission eligibility rules and the project budget.
- Verification of the accuracy of the figures stated in payment claims and examination of the basis for calculating these figures.
- Verification that recommendations made in previous audit reports have been taken into account by the partner.
- Verification that no other EU funds are being used to support the project costs.
- Verification that projects to be funded do not double fund any other programmes or actions funded by the EU.
- Verification that the purchase of goods and of services, as well as the order for public works, is consistent with Community and national procurement rules.
- In case of any audit findings that should make corrections necessary, the Partner's auditor, in agreement with the Partner, should make these corrections before signing the auditor's declaration (Part D).
- When the Partner's auditor is satisfied with the claim, the auditor's declaration (Part D) on the payment claim form should be signed confirming:
 - That the financial information is accurately stated in this Payment Claim and that expenditure has been incurred in accordance with the provisions in the Grant Offer Letter, the European Community Structural Funds regulations, in particular Commission Regulation 1685/2000 on eligibility rules, and the NWE Project Audit Guidelines.
 - The reality of "deliverables" (services, works, supplies, etc.) against plans, invoices, acceptance documents, experts' reports, and, where appropriate, on the spot.
 - The maintenance of an adequate and reliable accounting system and the maintenance of the audit trail (Commission Regulation (EC) 438/2001 Annex I) at all levels within the project.

SAUL Procedures Manual

- The claim has been compiled based on original invoices and evidence of expenditure. (Photocopies can be sent to the Lead Partner with the form.).

9.7.2 Partner Payment Claim Forms - Additional Checks To Be Made By The Lead Partner Auditor

- The Lead Partner's auditor will undertake all of the checks above on the Groundwork Payment Claim Forms, the GLA Payment Claim Form, and the EU Payment Claim Form to the Secretariat.
- The Lead Partner's auditor will also undertake checks, as they see fit, to the Partner Payment Claim Forms submitted by each partner.
- The Lead Partner's auditor will confirm that any formal and major changes made to the project action plan or budget (for example, a partner dropping out, over 20% increase in a budget line) have been recorded and approved by the Programme Secretariat in writing.
- The Lead Partner's auditor will check the name, status and address of the Lead Partner and all other partners.
- The Lead Partner's auditor will check the bank account number of the Lead Partner.
- The Lead Partner's auditor will check the eligibility of the Lead Partner and all Partners.
- The auditor must check the grant rate of each Payment Claim is 50%.
- The auditor must ensure that the correct methods for calculating exchange rates have been applied by all partners. Further details on exchange rates are provided in Chapter 7 'Financial Management and Regulations'.
- The auditor must ensure that all expenditure incurred by partners is consistent with State Aid regulations. Further details on competition policy is provided in Chapter 7 'Financial Management and Regulations'.
- The Payment Claim submitted to the Secretariat by the Lead Partner will be acknowledged by e-mail to the Lead Partner. The Secretariat has three weeks from the receipt of the payment claim to accept the claim or to request further information from the Lead Partner or the Lead Partner's auditor .

9.8 The Final Claim

- All of the checks undertaken for interim Payment Claims Forms/Activity Report Forms should be also undertaken for final claims.
- SAUL's final payment claim to the Secretariat must be audited by an **external**, independent, fully qualified and authorised auditor appointed by the Lead Partner.
- The external auditor will be required to examine the project as a whole and provide both an opinion and a full report on the overall project accounts and outputs. This will include viewing partner accounts.
- The external auditor must be satisfied that the ERDF grant and match funding have been disbursed by the Lead Partner in accordance with the breakdown given in the Grant Offer Letter.
- The external auditor should check accounting procedures and incurred expenditure.
- Project partners should note that additional audits or checks for the final payment claim may be required by the Member States. All partners must co-operate with any additional requests.

9.9 Irregularities

- The definition of ‘irregularity’ in Structural Funds terms is very wide and includes any administrative or financial mismanagement that comes about either by act or by omission, whether or not there is an actual loss of funds.
- Definition of Irregularity (Article 1 of Council Regulation 2988/1995) - “Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.”
- Examples of Irregularities:
 - An incorrectly calculated payment claim received by the Secretariat which is corrected before payment is made.
 - Evidence that indicates items of ineligible expenditure have been included in the calculation of ERDF previously claimed and paid.
 - Evidence that a project has failed to implement the European Community’s requirements on publicity.
 - Evidence that a project has failed to make progress in the delivery of the agreed outputs and/or results for which the ERDF grant was awarded.
 - Evidence that the partnership has not set up adequate systems to control and monitor the ERDF grant awarded to projects
- Any failure to comply with regulations and any breakdown of management and/or control systems may also be treated as an irregularity whether or not the irregularity itself involves any loss or potential loss of funds.
- Irregularities can be identified in several ways:
 - By the Lead Partner or one of the Partners
 - By internal or external auditors
 - By the Secretariat on the basis of signals from the field or from activity reports and payment claims
 - By the Member State’s National Authority whilst auditing the project
- Any suspected irregularities must be reported to the Partner/Lead Partner/Secretariat immediately when they arise.
- Where problems are identified by the Partner’s auditor, the accompanying auditor’s report should estimate the impact of those problems.
- The Lead Partner maintains a documentary record of such reports (Lead Partner reference 847-7-‘Record of Irregularities & Fraud’).
- The Lead Partner will investigate the suspected fraud in consultation with the Secretariat and other authorities, depending on the seriousness of the event, until a conclusion satisfactory to all has been reached.
- Ensuring that any irregularities in the SAUL project are dealt with appropriately is the responsibility of all Partners.

9.10 Member State Sample Checks

- In accordance with Commission Regulation 438/2001, the Member States involved in the NWE Programme are responsible for checking at least 5% of the expenditure incurred within their country.
- The sample checks will focus on the Lead Partner, although all partners will bear responsibility for the ultimate satisfaction of any audit.
- The Lead Partner will provide further details when information is available.

9.11 European Commission and Member State Checks

- The Commission, in co-operation with the EU Member State concerned, may perform on-the-spot and sample checks of projects financed under the INTERREG Programme with a minimum of **one working day's notice**.
- All SAUL partners must fully co-operate with such requests.
- Further details will be provided by the Lead Partner if this arises.

10. SAUL – CONFERENCES AND SYMPOSIA

10.1 Introduction

There are 2 Conferences and 5 Symposia held over the SAUL life span. These are hosted by SAUL Regional Partners as follows:

Launch Conference	June 2003	London
1 st Symposium	October 2003	Rhein-Ruhr
2 nd Symposium	March 2004	Luxembourg
3 rd Symposium	September 2004	Saarland
4 th Symposium	September 2005	Frankfurt/Rhein-Main
Final Conference	March 2006	Amsterdam
SAUL 2 EXT Symposium	June 2008	??

- The participants at Symposia will vary according to the thematic focus.
- There are 75 participants expected for Conferences.
- There are 50 participants expected for Symposia. These will usually consist of 8 from each Partner region and 10 from the host region.

10.2 Thematic Focus for Conferences and Symposia

- Themes should be relevant to the SAUL key issues as stated in the Final Submission. They should also be relevant to, and draw upon, the host Region's experiences and issues.
- Thematic guidance will be given through the 2 Steering Group meetings before the Symposium.
- Time (minimum 2.5 hours) should be allocated for Working Groups of up to 15 delegates to consider more specific aspects of the theme.
- Roles within the Working Groups, such as discussant, chair, plenary presenter, etc should be allocated prior to the event.
- Site Visits are recommended and these should relate to the theme of the Symposium wherever possible.
- Site visits should show practical implementation of SAUL projects in the later events.

10.3 Logistics for Conferences and Symposia

In order to relieve the burden on the host Partner the Lead Partner will assist in the logistical planning of the Symposium and offers a pre-event visit to discuss likely issues (outlined below).

Invitations

The Lead Partner will send out a call for participants to the Regional Partners who will suggest delegates to be invited. Once these are confirmed the Lead Partner will send out the official invitations 1 month before the event. Once participants have confirmed attendance the delegate list is then forwarded to the Host Partner to enable effective booking of hotels and meals.

SAUL Procedures Manual

Agenda

The Host Partner should consult with the Steering Group and the Lead Partner on the detail of the agenda. The Lead Partner will send out the agenda and any supporting papers to delegates up to one week before the event. A delegate list and a brief outline of the content of previous symposia and conferences is recommended.

Budget

The Lead Partner will supply the host Partner with a budget sheet outlining finances available for meals, refreshments, travel and accommodation, translation, buses for site visits, venue, speakers and materials. Any flexibility within this budget can be advised upon by the Lead Partner.

Translation

The official language of the project is English and it is expected that the majority of presentations will be in English. In order for all participants to understand and to cater for speakers who are not able to present in English the host, together with the Lead Partner will make arrangements for interpretation – these should include the site visits and (where possible) workshops.

Presentations and Speeches

In order to get the best results from the event the host should make arrangements for the recording of presentations, question and answer sessions and workshops (this may be in the form of minutes). Host Partners should ensure that the Lead Partner receives copies of all slide presentations and that these are copyright-free. The speaker needs to be informed of the recording and that speeches and presentations will be posted on the website.

Supporting material

The Lead Partner will supply supporting material such as folders, leaflets, posters and a display board to the Host Partner.

Travel and accommodation arrangements

Hosts are requested to make accommodation arrangements for Symposium participants (maximum costs to be outlined in budget sheet). Participants should make their own travel arrangements.

Meals and Site visits

Hosts are requested to arrange meals and any relevant site visits. The Lead Partner will provide numbers for booking

Evaluation

Evaluation Forms are given to all Symposia participants. It is the Lead Partners responsibility to ensure that these are filled in and returned. The information is used, not only for future event planning but also for the ESI.

Invoice payments

Host costs for Symposia come out of the ‘Transnational Costs’ budget (please see below). These can either be claimed using the ‘Transnational Costs Expense Claim Form’ after the event or they can be invoiced directly to Groundwork UK who will pay them directly. Please note that this payment may take up to 30 days.

10.4 Transnational Costs Expense Claims

Symposia participants can reclaim their costs by using the Transnational Costs Expense Form, available from the SAUL website or on request. This form can only be used to claim costs from the SAUL Transnational Cost budget (Conferences, Symposia, Joint Planning Groups).

- The original bill, tickets, boarding cards must be sent. Where this is not possible copies certified (signed) by an auditor must be submitted.
- Claims must be submitted within 1 month of the event.
- All travel must be by standard class public transport.
- Only one event can be claimed per form. Please use separate forms for separate events with the exception of events which combine JPGs, Symposia and other meetings.
- Except where stated elsewhere claimants will be paid by bank transfer in their local currency using a conversion rate based on the EC average monthly rate at the time of the claim.
- Fixed daily subsistence rates paid by employers cannot be reclaimed as part of Transnational Costs.
- Any bills/receipts not in English must be accompanied by an explanatory note in English.