

**MONITORING SYSTEM
OF THE SWISS-POLISH COOPERATION
PROGRAMME**

April 2009

MANAGEMENT STRUCTURE FOR THE MONITORING SYSTEM WITHIN THE FRAMEWORK OF THE SWISS - POLISH COOPERATION PROGRAMME

Within the framework of managing and implementing the Swiss-Polish Cooperation Programme, institutions were established whose task is management, coordination and monitoring of the implemented Cooperation Programme.

Monitoring is a process of systematic collection and analysis of quantitative and qualitative information about the implemented projects and block grants, as well as the entire Cooperation Programme, in a financial and material aspect, which is aimed at ensuring correctness of implementation of programmes/ grants within the framework of the Programme and compliance with the previously adopted assumptions.

The usefulness of monitoring can be perceived in several aspects as: an operating tool enabling efficient project and block grant management within the framework of the Cooperation Programme and a tool enabling the National Coordinating Unit and the Intermediate Bodies to identify any errors and problems related with the implemented projects/ grants. Thanks to this, it is possible to undertake immediate remedial activities minimising negative effects of the identified situations.

Another aspect is the use of secondary data generated by the Monitoring System to evaluate the Cooperation Programme after its completion, due to the fact that monitoring of project and block grant implementation is perceived as a basis and an initial stage in the process of evaluating the entire Cooperation Programme. In relation with that, the institutions involved in the monitoring process should display significant care for reliability and high quality of secondary data included in individual reports. Moreover, one of the major tasks of the National Coordinating Unit and the Intermediate Bodies is also interim verification of the Monitoring System on the level of projects, block grants and the entire Cooperation Programme.

The Ministry of Regional Development operating as the National Coordinating Unit (NCU) is responsible for co-ordinating the Swiss-Polish Cooperation Programme in Poland.

Among the basic instruments of ongoing project and block grant monitoring implemented within the framework of the Cooperation Programme is the reporting system and visits at the project implementation site / intermediary reviews , performed by representatives of authorised institutions. Additionally, the Cooperation Programme Monitoring System is coordinated by activities undertaken by the Monitoring Committee on the national level.

Within the framework of the Monitoring System, interim, annual and final reports on projects/ block grants implementation are generated. The reports encompass all the important information related with implementation of individual projects/ grants within the framework of the Cooperation Programme.

1. INSTITUTIONS RESPONSIBLE FOR THE CONDUCT OF MONITORING ACTIVITIES WITHIN THE FRAMEWORK OF THE SWISS-POLISH COOPERATION PROGRAMME

Institutions involved in implementing activities within the framework of the Swiss-Polish Cooperation Programme, i.e. the Executing Agencies, the Block Grant Intermediate Bodies, the Intermediate Bodies, the Paying Authority and the National Coordinating Unit, are responsible for monitoring the course of implementation of projects and block grants. Additionally, for monitoring purposes the Monitoring Committee has been established.

Executing Agency¹

The Executing Agency monitors project implementation by preparing interim, annual and final reports.

Interim Reports on project implementation and Annual Reports on project implementation provide current information to the Intermediate Bodies on the implemented projects.

In order to obtain funds for project implementation, the Executing Agency prepares payment claim (submitting them along with Interim Reports).

The Executing Agency is also required to present a Project Completion Report to the Intermediate Body, a Final Financial Report, as well as conclusions and recommendations from the Final Financial Audit, which constitute a basis for the final reimbursement along with the last Interim Report and the last payment claim.

Block Grant Intermediate Body

The Block Grant Intermediate Body monitors implementation of a block grant by preparing interim, annual and final reports.

Interim Reports on implementation of grants and Annual Reports on implementation of grants provide current information to the National Coordinating Unit about the implemented grants.

In order to obtain funds for grant implementation, the Block Grant Intermediate Body prepares payment claim (submitting them along with Interim Reports).

The Block Grant Intermediate Body is required to furnish the National Coordinating Unit with a Project Completion Report, a Final Financial Report, which, along with the last Interim Report and the last payment claim constitute a basis for the last reimbursement.

Moreover, the Block Grant shall be subject to interim financial audits, taking place every two years and as well subject to the final financial audit at the completion.

Moreover, the Block Grant Intermediate Body prepares and furnishes the National Coordinating Unit with information for the purpose of preparing the Annual Report on Implementation of the Swiss-Polish Cooperation Programme.

Intermediate Bodies

The Intermediate Bodies monitor project implementation by verifying the reports submitted by the Executing Agencies and payment claims (along with financial documents confirming the incurred expenses) with respect to correctness and compliance with the possessed data.

¹ With respect to the entire document: within the meaning of an Executing Agency for a project; it does not refer to the Executing Agencies which implement tasks within the framework of the Project Preparation Facility (PPF), as well as the institutions responsible for implementing activity 1 within the framework of thematic area "Improvement of Business Environment and Access to Capital for Small and Medium-Sized Enterprises" and the institutions responsible for implementing objective 3 within the framework of thematic area "Research and Development."

Moreover, the Intermediate Body prepares and furnishes the National Coordinating Unit with information for the purposes of preparing the Annual Report on Implementation of the Swiss-Polish Cooperation Programme.

National Coordinating Unit

The National Coordinating Unit monitors project and block grant implementation by verifying the reports and payment claims submitted by Intermediate Bodies and Block Grant Intermediate Bodies with respect to correctness and compliance with the possessed information.

Additionally, the National Coordinating Unit prepares, on the basis of data provided by the Intermediate Bodies and by the Block Grant Intermediate Body, an Annual Report on Implementation of the Swiss – Polish Cooperation Programme which is discussed at annual meetings with the donor.

Paying Authority

The Paying Authority is responsible for ensuring proper financial control with respect to the use of financial aid, in particular by preparing and providing the Swiss side with reimbursement requests in order for their processing. The Paying Authority also confirms co-financing in the reimbursement requests submitted to the Swiss side.

Moreover, the Paying Authority ensures that customary standards and procedures binding for public funds are applied in managing the financial aid funds.

Audit Institution

The Audit Institution is responsible for controlling the use of the financial funds within the framework of the Swiss-Polish Cooperation Programme.

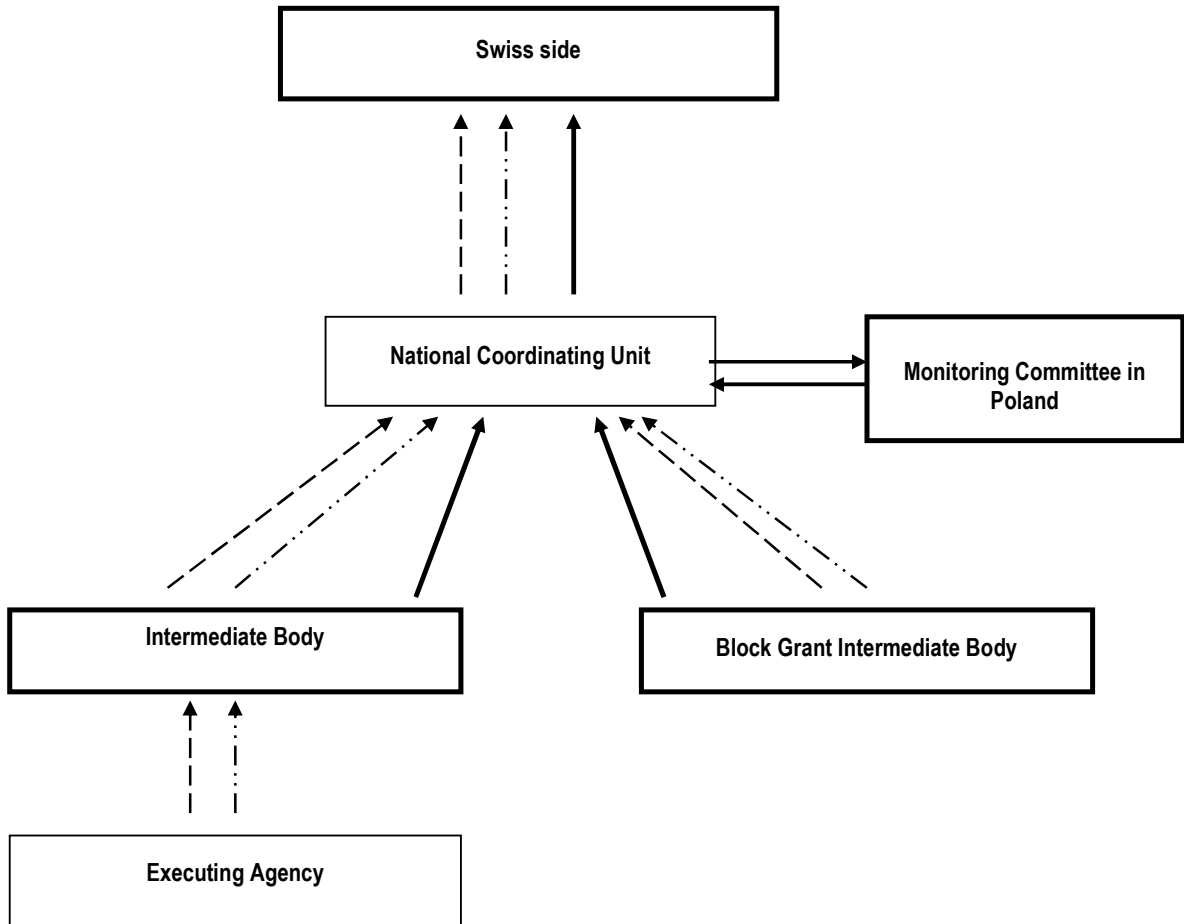
Moreover, the Audit Institution is responsible for preparing yearly audit reports and yearly summary of all audit reports for the financed projects.

Monitoring Committee

The Monitoring Committee within the framework of Monitoring System of the Swiss-Polish Cooperation Programme is responsible for monitoring the objectives' achievement at the SPCP level, as well as the Committee examines and comments on the Annual Reports on Programme implementation prepared by the National Coordination Unit.

2. REPORTING ON THE LEVEL OF PROJECTS/ BLOCK GRANTS

REPORTING SYSTEM DIAGRAM



-----> Interim Report on Implementation of Project/ Block Grant, Annual Report on Implementation of Project/ Block Grant, Report on Interim Financial Audit of Project/ Block Grant

-.-.-.-> Project/Block Grant Completion Report, Final Financial Report, conclusions and recommendations from the Final Financial Audit²

————> Annual Report on Implementation of the Cooperation Programme

² If the NCU itself recommends conduct of the final audit within a block grant, the obligation of preparing and submitting to NCU of the Final Audit Report does not apply to Block Grant Intermediate Body.

2.1 Interim Reports on Implementation of Project/ Block Grant

Interim Reports should encompass a period of at least three and not more than six months. A payment claim is submitted along with a Interim Report³.

Interim Reports include:

- information on financial and physical progress;
- comparison of actual with planned expenses;
- an update on progress status;
- confirmation of co-financing;
- any deviation has to be justified and corrective measures suggested.

Interim Reports on Implementation of Project/ Block Grant are prepared in Polish and English.

Entity	Scope of tasks	Execution deadline
Beneficiary of the Technical Assistance Fund (TAF)	Preparation and dispatch of an abbreviated Interim Report (along with an abbreviated payment claim) in electronic and paper form to the National Coordinating Unit.	Within deadlines determined for the payment claim (by the 15 th day of the second month following the completion of the period encompassed by the report).
Intermediate Body for the PPF	Preparation (on the basis of reports sent by the Executing Agencies for the PPF) and dispatch of an abbreviated Interim Report in electronic and paper form (along with abbreviated payment claim) to the National Coordinating Unit.	Within deadlines determined for the payment claim (by the 15 th day of the second month following the completion of the period encompassed by the report).
Block Grant Intermediate Body⁴	Preparation and dispatch of a Interim Report (along with payment claim) in electronic and paper form to the National Coordinating Unit.	Within deadlines determined for the payment claim (by the end of the second month following the completion of the period encompassed by the report).
Executing Agency	Preparation and dispatch of a Interim Report in electronic and paper form (along with payment claim) to the Intermediate Body.	Within deadlines determined for the payment claim (by the 20 th day of the month following the completion of the period encompassed by the report).
Intermediate Body	Analysis and verification of the Interim Report. In case there are errors, the Intermediate Body submits relevant remarks to the Executing Agency in electronic or paper form; the Agency, within 5 working days from the date of receiving the above remarks, submits corrected versions of the Interim Report or presents relevant clarifications. Corrected versions of the Interim Report are submitted in electronic and paper form.	Within deadlines determined for the payment claim (by the end of the second month following the completion of a period encompassed by the report).

³ Incurred expenses are confirmed by documents attached to the payment claim (invoices and other necessary documents of equivalent value)

⁴ This also refers to the institution responsible for implementation of activity 1 within the framework of thematic area “Improvement of Business Environment and Access to Capital for Small and Medium-Sized Enterprises” and the institution responsible for implementation of objective 3 within the framework of thematic area “Research and Development.”

	After approval of the Interim Report, the Intermediate Body submits the electronic and paper version of the report to the National Coordinating Unit and informs the Executing Agency by e-mail or letter about approval of the Report.	
National Coordinating Unit	Analysis and verification of the Interim Report.	Within deadlines determined for payment claim (by the end of the third month following the completion of a period encompassed by the report).
	In case there are errors, the NCU submits the relevant remarks in electronic or paper form to the Intermediate Body/ Block Grant Intermediate Body, TAF Beneficiary (respectively) which, within 5 working days from the date of receiving the above remarks, submits corrected versions of the Interim Report or presents relevant clarifications. Corrected versions of the Interim Report are submitted in electronic and paper form.	
	After approval of the Interim Report, the NCU ⁵ sends the English version of the Report in electronic and paper form to the Swiss side and informs (respectively): the Intermediate Body/ Block Grant Intermediate Body/ TAF Beneficiary by e-mail or letter about approval of the Report.	

Payment claim is prepared and submitted along with a Interim Report on Implementation of Project/ Block Grant. The report encompasses at least three months and not more than six months. *The* Payment claim constitutes a basis for the Paying Authority in the process of applying for payment to the donor.

2.2 Annual Reports on Implementation of Project/ Block Grant

The Annual Reports on Implementation of Project/ Block Grant include:

- description of progress in implementation of a project/ grant;
- summary data on financial progress for the reporting year as well as cumulative data to date;
- table presenting quantitative information on project indicators versus planned in logical framework;
- Comparison of actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators;
- any deviation has to be justified and corrective measures suggested.

The Annual Reports on Implementation of Project/ Block Grant are prepared in Polish and English.

Entity	Scope of tasks	Execution deadline
TAF Beneficiary	Preparation and dispatch in electronic and paper form of an abbreviated version of the Annual Report to the National Coordinating Unit.	By the 15 th of February of the subsequent reporting year.
Intermediate Body for TAF	Preparation (on the basis of reports sent by the Executing Agency for TAF) and dispatch in electronic and paper form of an abbreviated Annual Report to the National Coordinating Unit.	By the 15 th of February of the subsequent reporting year.
Block Grant Intermediate Body⁶	Preparation and dispatch in electronic and paper form of the Annual Report to the National Coordinating Unit.	By the 31 st of March of the subsequent reporting year.

⁵ In the case of the TAF and the PPF, the NCU also prepares a collective version of the Interim Report.

⁶ This also refers to the institution responsible for implementation of activity 1 within the framework of thematic area “Improvement of Business Environment and Access to Capital for Small and Medium-Sized Enterprises” and the institution responsible for implementation of objective 3 within the framework of thematic area “Research and Development.”

Executing Agency	Preparation and dispatch in electronic and paper form of the Annual Report to the Intermediate Body.	By the 15 th of February of the subsequent reporting year.
Intermediate Body	Analysis and verification of the Annual Report.	By the 31 st of March of the subsequent reporting year.
	In case there are errors, the Intermediate Body submits the relevant remarks to the Executing Agency which, within 5 working days from the date of receiving the above remarks, submits corrected versions of the Annual Report or presents relevant clarifications. Corrected versions of the Annual Report are submitted in electronic and paper form.	
	After approval of the Annual Report, the Intermediate Body submits the electronic and paper version of the Report to the National Coordinating Unit and informs the Executing Agency by e-mail or letter about approval of the Report.	
National Coordinating Unit	Analysis and verification of the Annual Report.	By the 30 th of April of the subsequent reporting year.
	In case there are errors, the NCU submits relevant remarks in electronic or paper form to the Intermediate Body/ Block Grant Intermediate Body/ TAF Beneficiary (respectively) which, within 5 working days from the date of receiving the above remarks, submits corrected versions of the Annual Report or presents relevant clarifications. Corrected versions of the Annual Report are submitted in electronic and paper form.	
	After approval of the Annual Report, the NCU ⁷ sends the English version of the Report in electronic and paper form to the Swiss side and informs (respectively): the Intermediate Body/ Block Grant Intermediate Body/ TAF Beneficiary by e-mail or letter about approval of the Report.	

2.3 Reports on the Interim Financial Audit of Project/ Block Grant

For each Project/ Block Grant which lasts longer than 2 years, a certified auditing body – an internal institution independent with respect to Project implementation (i.e. internal auditing bodies and control bodies within the framework of public administration institutions) or external institutions (i.e. an institution outside of the public finances sector holding an auditing authorisation) conducts Interim Financial Audits every two years during implementation of a project/ block grant, unless the Agreement on the Project/ Block Grant stipulates otherwise. Post-control conclusions and recommendations shall be submitted to the Swiss side.

Any information regarding the audits shall be a part of the annual summary of audit reports, submitted by the National Coordinating Unit to the Swiss-Polish Cooperation Programme.

Reports on the interim financial audit of a project/ block grant are prepared in Polish, whereas conclusions and recommendations are also prepared in English.

⁷ In the case of the TAF and the PPF, the NCU also prepares a collective version of the Annual Report.

Entity	Scope of tasks	Execution deadline	
		Project: above 2/4 years ⁸	
Executing Agency	Dispatch in paper and electronic form of a report on the interim financial audit prepared by the audit institution, including conclusions and post-control recommendations to the Intermediate Body.	By the 15 th day of the second month following the completion of a period subject to audit.	By the end of the third month following the completion of a period subject to audit.
Block Grant Intermediate Body⁹	Dispatch in paper and electronic form of a report on the interim financial audit prepared by the audit institution, including conclusions and post-control recommendations, to the National Coordinating Unit.	By the end of the second month following the completion of a period subject to audit.	By the end of the fourth month of the period subject to audit.
Intermediate Body	Analysis of the report on interim financial audit.	By the end of the second month following the completion of a period subject to audit.	By the end of the fourth month of the period subject to audit.
	In case there are doubts, the Intermediate Body submits a request for clarification in paper or electronic form to the Executing Agency which, within 5 working days from receiving the above remarks, presents relevant clarifications.		
	After approval of the report on the interim financial audit, the Intermediate Body submits electronic and paper version of the report to the National Coordinating Unit and informs the Executing Agency about it in electronic or paper form.		
National Coordinating Unit¹⁰	Analysis of the report on interim financial audit.	By the end of the third month following the completion of a period subject to	By the end of the sixth month following the completion of a period subject to
	In case there are doubts, the NCU submits a request for clarification in paper or electronic form to the Intermediate Body or the Block Grant Intermediate Body ¹¹ , which, within 5 working days from receiving the above remarks, present relevant clarifications.		

⁸ In the case of a project/ grant lasting longer than 4 years, deadlines required for projects lasting longer than 2 years are applied in the first audit. The last column determines the deadlines for the second and the final report on interim audits for projects lasting longer than 4 years.

⁹ This also refers to the institution responsible for implementation of activity 1 within the framework of thematic area “Improvement of Business Environment and Access to Capital for Small and Medium-Sized Enterprises” and the institution responsible for implementation of objective 3 within the framework of thematic area “Research and Development.” If the NCU itself recommends conduct of the final audit within a block grant, the obligation of preparing and submitting to NCU of the Final Audit Report does not apply to Block Grant Intermediate Body.

¹⁰ In the case of the PPF and the TAF, the NCU recommends conduct of interim audits. The manner of conducting interim audits shall be determined separately.

	After obtaining relevant clarifications with respect to the Report on interim financial audit, the NCU sends the English version of the conclusions and recommendations from the report on the audit to the Swiss side in electronic and paper form and informs the Intermediate Body or the Block Grant Intermediate Body ¹² about it electronic or paper form.	audit.	audit.
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2.4 Report on Completion of Project/ Block Grant and Final Financial Report and Final Financial Audit

The Report on Completion of Project/ Grant is submitted along with:

- last interim report on implementation of project/ grant and the last payment claim;
 - Final Financial Report;
 - conclusions and recommendations from the Final Financial Audit;
- and constitutes a basis for the final reimbursement.

The Report on Completion of Project/ Grant includes:

- summary data and comments the overall achievement of outputs and outcomes against the original plan;
- table presenting quantitative information on project indicators versus planned in logical framework;
- information regarding compliance with principles, such as cross cutting themes and sustainability of a project/ grant;
- summary regarding lessons learned and conclusions from project/ programme/ block grant implementation.

The Final Financial Report includes:

- financial summary regarding the entire period of implementation of a project/ grant;
- comparison of actually incurred expenses with scheduled expenses.

Final Financial Audit:

- has to be conducted and approved by an internal or external audit institution at project completion (see: guidelines for Report on Interim Financial Audit of a Project/ Grant);
- conclusions and recommendations from the Final Financial Audit on Implementation of Project/ Grant are submitted to the Swiss side.

The Report on Completion of Project/ Grant, the Final Financial Report and conclusions and recommendations from the Final Financial Audit are prepared in Polish and English.

Entity	Scope of tasks	Execution deadline*
Beneficiary of TAF	Preparation and dispatch in electronic and paper form of the Report on Completion of Project and the Final Financial Report (along with the last Interim Report and the payment claim) to the National Coordinating Unit.	By the end of the second calendar month following completion of project implementation.
Intermediate Body for PPF	Preparation (on the basis of reports submitted by the Executing Agencies for the PPF) and dispatch in electronic and paper form of a Report on Completion of Project and the Final Financial Report (along with the last Interim Report and the payment claim) to the National Coordinating Unit.	By the end of the second calendar month following completion of project implementation.

¹¹ See comment 9

¹² See comment 9

Block Grant Intermediate Body¹³	Preparation and dispatch in electronic and paper form of the Report on Completion of Block Grant, the Final Financial Report and conclusions and recommendations on the Final Financial Audit conducted by an audit institution (along with the last Interim Report and the payment claim) to the National Coordinating Unit.	By the end of the fifth calendar month following completion of project implementation.
Executing Agency	Preparation and dispatch in electronic and paper form of the Report on Completion of Project, the Final Financial Report and conclusions and recommendations on the Final Financial Audit conducted by an audit institution (along with the last Interim Report and the payment claim) to the Intermediate Body.	By the end of the second calendar month following completion of project implementation.
Intermediate Body	Analysis and verification of reports.	By the end of the fifth calendar month following completion of project implementation.
	In case there are errors, the Intermediate Body submits in electronic or paper form the relevant remarks and/ or a request for explanations to the Executing Agency which, within 5 working days from the date of receiving the above remarks, submits corrected versions of the Reports or presents relevant clarifications.	
	After approval of the Report on Completion of Project, the Final Financial Report and explanations to conclusions and recommendations from the Final Financial Audit (along with the last Interim Report and the payment claim), the Intermediate Body submits an electronic and paper version of the reports to the National Coordinating Unit and informs the Executing Agency about it in electronic or paper form.	
National Coordinating Unit	Analysis and verification of reports.	By the end of the sixth calendar month following completion of project implementation.
	In case there are errors, the NCU submits the relevant remarks in electronic or paper form to the Intermediate Body/ Block Grant Intermediate Body ¹⁴ or the TAF Beneficiary (respectively) which, within 5 working days from the date of receiving the above remarks, submits corrected versions of the Reports or presents relevant clarifications.	
	After approval of the Report on Completion of Project, the Final Financial Report and explanations for the conclusions and recommendations from the Final Financial Audit (along with the last Interim Report), the NCU ¹⁵ sends electronic and paper English version of the reports to the Swiss side and informs the Intermediate Body or the Block Grant Intermediate Body ¹⁶ about it in electronic or paper form.	

*The date of *completion of project* ought to be meant as the final date of eligibility of costs for reporting, auditing and evaluation, which according to the rules is later than date of completion of project realization.

¹³ This also refers to the institution responsible for implementation of activity 1 within the framework of thematic area “Improvement of Business Environment and Access to Capital for Small and Medium-Sized Enterprises” and the institution responsible for implementation of objective 3 within the framework of thematic area “Research and Development.” If the NCU itself recommends conduct of the final audit within a block grant, the obligation of preparing and submitting to NCU of the Final Audit Report does not apply to Block Grant Intermediate Body.

¹⁴ See comment 13

¹⁵ In the case of the TAF and PPF, the NCU also prepares a collective version of the Annual Report, the Final Financial Report as well as explanations to conclusions and recommendations from the Final Financial Audit conducted and approved by an internal or external auditing institution.

¹⁶ See comment 13

3. REPORTING ON THE COOPERATION PROGRAMME LEVEL

3.1 Annual Report on Implementation of Swiss-Polish Cooperation Programme (Annual Report).

The Annual Report on Implementation of Swiss-Polish Cooperation Programme is prepared by the National Coordinating Unit.

The Annual Report (Annual Report) should contain:

- general experiences and results achieved;
- progress made in implementation of the Swiss-Polish Cooperation Programme in comparison with premises included in Annex 1: Programme Framework of the Swiss-Polish Cooperation Programme;
- reporting on the status of the Swiss-Polish Cooperation Programme, including:
 - o statements on approved projects, progress in project identification/ preparation and foreseeable commitments;
 - o overall financial statement on past and tentative future disbursements and commitments for the entire Swiss-Polish Cooperation Programme;
 - o summary and main conclusions of the financial audits of the projects;
 - o statistics on tenders, contracts awards and successful bidders;
 - o information about important issues with regard particular projects;
- reporting on the block grants, the Project Preparation Facility, the Technical Assistance Fund and the Scholarship Fund;
- proposals for the allocation of non-committed funds;
- reporting on administrative implementation issues;
- strategy and activities to inform the general public about the Swiss-Polish Cooperation Programme and the implemented projects;
- further issues to be discussed, recommendations, next steps;
- review and, if needed, amend the annexes to the Agreement.

The Annual Report on Implementation of the Swiss-Polish Cooperation Programme should be submitted to all members of the Annual Meeting with donor not later than a month before the final meeting date.

The Annual Report on Implementation of the Swiss-Polish Cooperation Programme is prepared in Polish and English.

Entity	Scope of tasks	Execution deadline
Intermediate Body	Preparation of information, upon the request of NCU, regarding implementation of projects, for the previous reporting year and its submission to the NCU.	By the 15 th day of the first month following the lapse of the reporting year (by the 15 th of January).
Block Grant Intermediate Body¹⁷	Preparation of information, upon the request of the NCU, regarding implementation of the block grant for the period of the previous reporting year and its submission to the NCU.	
National Coordinating Unit	Review of information submitted by the Intermediate Bodies and Block Grant Intermediate Bodies.	By the end of the second month following the lapse of the reporting year (by the 28 th / 29 th of February).
	In the case of doubts, the NCU submits relevant remarks in electronic or paper form to the Intermediate Body or the Block Grant Intermediate Body, which, within 5 working days from the receipt of these data, submits the corrected information or makes relevant explanations.	

¹⁷ This also refers to the institution responsible for implementation of activity 1 within the framework of thematic area “Improvement of Business Environment and Access to Capital for Small and Medium-Sized Enterprises” and the institution responsible for implementation of objective 3 within the framework of thematic area “Research and Development.”

	On the basis of information obtained from the Intermediate Bodies and Block Grant Intermediate Bodies, the NCU prepares an Annual Report and sends it to the members of the Monitoring Committee.	
Monitoring Committee	Potential remarks and opinions with respect to the Annual Report submitted by the members of the Monitoring Committee to the NCU.	By the 15 th date of the third month following the lapse of the reporting year (by the 15 th of March).
	Issuing an opinion by the Monitoring Committee on the Annual Report prior to its submission to the Swiss side.	
National Coordinating Unit	Translation of the Annual Report into English and submission of the English version by the NCU to the Swiss side.	One month before the date of the annual meeting with donor.
Annual Meeting with benefactors	Submission of the Annual Report during the Annual Meeting with the donor.	

3.2 Final Report on the Programme and Final Financial Report

In the course of three months after settlement of the last payment within the framework of the Programme, the Polish side furnishes the Swiss Embassy with a Final Report containing evaluation of the degree of meeting the *Framework Agreement between the Republic of Poland and the Swiss Federal Council* and the Final Financial Report on the use of financial aid funds, prepared on the basis of reports on financial audits of projects and block grants.

4. ACTIVITIES OF THE MONITORING COMMITTEE FOR THE SWISS-POLISH COOPERATION PROGRAMME

The Monitoring Committee for the Swiss-Polish Cooperation Programme was established pursuant to the regulation of the Minister of Regional Development No. 22 of May 7, 2008. In line with the above regulation, the Chairman of the Monitoring Committee shall be the minister proper for regional development or its representative in the rank of a secretary or under-secretary of state, holding the function of the National Coordinating Unit.

The tasks of the Monitoring Committee encompass:

- 1) approval of project evaluation criteria within the framework of the Programme;
- 2) making a review of the project selection process within the framework of the Programme and undertaking remedial activities, in the case of obtaining notifications from the observers of the Evaluation Committees regarding infringement of transparency and correctness of the project selection process;
- 3) interim assessment of progress in Programme implementation and meeting the assumed objectives;
- 4) checking and issuing opinions on the Annual Reports on Programme implementation prepared by the National Coordinating Unit;
- 5) ensuring efficiency in the use of financial funds available within the framework of the Programme.

The representatives of the Embassy of Switzerland in Poland participate in the meetings of the Monitoring Committee as observers without a right to vote. Moreover, the Committee chairman may invite, also as observers without a right to vote, the representatives of the Programme Intermediate Bodies and, if it is proper, representatives of other institutions and organisations, whose presence may have crucial importance for the efficient implementation of aid available within the framework of the Cooperation Programme.

Organisational and technical servicing of the Committee activities is ensured by the Secretariat located in the office of the minister proper for regional development.

Detailed competencies and principles of operation of the Committee are outlined in the rules and regulations.

5. MONITORING/ CONTROL VISITS WITH RESPECT TO PROJECT AND BLOCK GRANT IMPLEMENTATION

Monitoring and control of correctness of project and block grant implementation within the framework of the Swiss-Polish Cooperation Programme and correctness of operation of the involved institutions shall be implemented with the use of various control tools, including:

- monitoring visits at the place of project implementation / intermediary reviews
- controls of Block Grant Intermediate Bodies;
- controls of the NCU, the Paying Authority and the Audit Institution conducted in Intermediate Bodies;
- ad hoc controls of implementation of projects/ block grants.

Moreover, upon the request of the NCU or the Swiss side, the Intermediate Bodies or the Executing Agencies/ Block Grant Intermediate Bodies shall be required to present explanations or documentation with respect to this issue.

5.1 Monitoring visits at the place of project implementation

Monitoring visits at the place of project implementation play an important role in the project monitoring process; their objective is verification whether the project is implemented in compliance with the provisions of an agreement on the Project or an agreement on Project Implementation. The above visits shall be conducted by institutions operating within the framework of the Swiss-Polish Cooperation Programme, both at the Polish side (by the National Coordinating Unit and by the Intermediate Bodies), as well as at the benefactor's side or its representatives.

The institutions which conduct monitoring visits are obliged to pass to the Audit Institution, and for information of NCU, information about irregularities identified during these visits. The information about significant irregularities will be urgently passed to the Swiss side.

National Coordinating Unit

In each year of implementation of the Swiss-Polish Cooperation Programme, the National Coordinating Unit shall conduct visits at the place of project implementation. The visits shall be conducted on the basis of an annual plan of monitoring visits at the place of project implementation; the plan shall be prepared by the National Coordinating Unit at the beginning of a given year and submitted to the Intermediate Bodies after its approval. The visit plan shall encompass projects selected at random or on the basis of identified problems which emerged during project implementation. Moreover, selection of projects to be included in the plan of monitoring visits shall be previously co-ordinated with the plan of Intermediate Bodies for a given year.

The National Coordinating Unit shall conduct visits at the place of project implementation in the form and within the scope of internally agreed guidelines regarding monitoring visits/ controls.

Intermediate Bodies

The Intermediate Bodies are required to perform complete control of documents submitted by the Executing Agencies and to conduct random monitoring visits of projects at the place of their implementation in compliance with internally agreed monitoring and control system and a manual of financial management audit paths and control prepared by the Intermediate Body. The Intermediate Bodies are required to notify the Audit Institution and the NCU about any discrepancies discovered during project implementation. The Intermediate Bodies shall conduct visits at the place of project implementation on the basis of internal procedures.

5.2 System controls in institutions involved in implementation of the Swiss-Polish Cooperation Programme

One of the basic elements of correctness in performance of functions by the institutions involved in implementation of the Swiss-Polish Cooperation Programme is control of the system of management and implementation of the Programme performed by the National Coordinating Unit, the Paying Authority and

the Audit Institution in institutions involved in implementation of the SPCP. The purpose of control of the management and implementation system is making sure that the system operates correctly – in compliance with the law and adopted principles and that it is efficient.

National Coordinating Unit

The National Coordinating Unit, being a managing institution for the Swiss-Polish Cooperation Programme, controls the activities of the Intermediate Bodies, the Block Grant Intermediate Bodies, the Paying Authority and the Audit Institution. The NCU also makes sure that there are audit procedures/ paths ensuring functioning of the control system in a given institution in the Intermediate Bodies, the Block Grant Intermediate Bodies and the Paying Authority.

Controls of the NCU in the Intermediate Bodies, the Block Grant Intermediate Bodies and the Paying Authority shall be conducted in the mode of scheduled controls, in compliance with the presented plan of monitoring visits/ controls for a given year and if need be, on an ad hoc basis.

The National Coordinating Unit conducts control in a form and range agreed in internally determined guidelines on monitoring visits/ controls.

Paying Authority

The Paying Authority checks the application of the provisions of the audit path manual, financial management and control within the framework of the financial management and control by the Intermediate Bodies and the National Coordinating Unit. The Paying Authority conducts controls in compliance with internally approved procedures.

Audit Institution

The Audit Institution controls the use of funds within the framework of the Swiss-Polish Cooperation Programme, on the basis of 5% of representative sample of performed payments. The audits on expending the funds are conducted by the Audit Institution in compliance with the annual audit plan, submitted to the NCU. Moreover, the Audit Institution controls the use of audit paths by the Intermediate Bodies and the NCU.