An Roinn Forbartha
Tuaithe agus Pobail
Department of Rural and
Community Development

Circular No: **05/2019**
From: **LEADER Unit**
To: **All LAGs and Implementing Partners**
Date Issued: **04/03/2019**

Subject: Site Visits Conducted by LAGs/IPs

This Circular updates the requirements in relation to site visits conducted by LAGs/IPs as previously set out in Circular 05/2018. It takes into account the fact that the Article 48 Administrative check is now being carried out by either the LAGs Lead Financial Partner or Pobal – for the purposes of this Circular they will be referred to as the Article 48 Checking Body.

In accordance with verification requirements set out in Article 60(2) of Council Regulation 1305/2013, a detailed signed and dated Site Visit Report (see Appendix 1) is required prior to signing the Contract/Letter of Offer. This report must be uploaded to the IT System on completion in response to Article 48 Claim Stage Checklist - Letter of Offer - Question 09: *Has the promoter provided a declaration that work did not commence before acceptance of the offer of grant aid and has this been confirmed by a site visit by the IP/LAG?*

Verification of the requirement is set out in Article 48(5) of Implementing Regulation 809/2014.

1. What investments require a site visit?

Investment Operations are as follows:

a. construction, acquisition or improvement of immovable property;
b. purchase of new machinery and equipment up to the market value of the asset;
c. general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies. Feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is made;
d. intangible investments such as the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

On-site verification checks on realisation of investments are limited to projects under categories (a) and (b).

Those in categories (c), should they ever arise independently of projects under (a) or (b) should be subject to a desk based review by the LAG/IP based on documentation submitted.

For those falling under (d), including mobile computer applications, a link to (or copy of) the applications, software, patents, licenses, copyrights or trademarks should be submitted to the Article 48 reviewer to prove that they have been delivered.

On-site verifications are not considered practical for other investments such as festivals or training courses. It is noted that festivals may include expenditure on tangible items such as furniture, storage space (containers), etc. but these are considered to be small in nature.

Where the capital expenditure on such projects is small (less than €5,000) and not covered by a site visit, the LAG/IP must retain documentary evidence to show that the event took place e.g. attendance sheets at training, press reports/photographs of festivals etc. These will be reviewed as part of the claim stage Article 48 check.

2. Requirement of IP/LAG in respect of site visits

The Article 48 Checking Body must at first determine if a site visit is required to be carried out by itself as required under Article 48 (5) of Implementing Regulation 809/2014; IPs or LAGs will carry out site visits to assist the Article 48 Checking Body in determining whether the site visit, as referred to in Article 48 (5) of Implementing Regulation 809/2014, is required. The following two scenarios outline the minimum required to allow the Article 48 Checking Body to determine if a site visit is not required:

i. Single claim, project completed:

For single claim projects, the IP/LAG must conduct a site visit and provide a comprehensive report, signed and dated, together with digital photographs clearly identifying all of the grant aided items on receipt of signed claim. Both the report and photographs must be uploaded to the IT System repository, thus allowing the Article 48 Checking Body to determine if a site visit is required. Appendix 2: Pre-Payment Site Visit Report must be used to document such visits.

Uploading photographs that do not clearly identify all project elements may result in repeat site visits and delays in claim processing. JPEG, PNG and similar photo format files can be directly uploaded to the repository and therefore do not need to be printed and scanned.

ii. Partial claim(s) submitted on an ongoing basis:

For claims which result in 75% or more of the total LEADER investment being claimed/paid, the IP/LAG must conduct a site visit and provide a comprehensive report, signed and dated, together with digital photographs identifying all of the grant aided items on receipt of a signed claim. Both the report and photographs must be uploaded to IT System repository, thus allowing the Article 48 Checking Body to determine if a site visit is required. Appendix 2: Pre-Payment Site Visit Report must be used to document such visits.

In addition, a final site visit, to meet Regulatory requirements, must be carried out by the IP/LAG on receipt of the final claim and must be reported on with the comprehensive signed and dated Report, together with digital photographs clearly identifying the additional grant aided items detailed in the final claim. Appendix 2: Pre-Payment Site Visit Report must be used to document such visits.

All documents and photographs must be uploaded to the IT System repository, in response to Article 48 Claim Stage Checklist - Site Visit – Question No 19 - : *(a) Do invoiced costs reflect the approved works or services as per the Letter of Offer, and match the original quotations/tenders, and*

(b) where applicable, has a site visit report and accompanying photographic and/or documentary evidence been uploaded by the IP/LAG to the repository in support of the current claim?

3. Situations where partial claim(s) submitted with no final claim submitted or the claims never reach 75% of LEADER grant award

The Department will monitor projects that have not been subject to on-site inspections by the LAGs during project delivery such as:

• where no final payment claim is submitted within the contracted project delivery timeframe or

• where less than 75% of grant aid is claimed within the contracted project delivery timeframe,

To avoid the potential for these cases not being subjected to the required site visit as part of the Administrative Check or to avoid the exclusion of these projects from the population subjected to Risk/Random Selection as part of the OTSC process, the Department will examine the IT System Database on an annual basis as heretofore with a view to identifying such cases. Any such cases will be included as a specific risk category for inclusion in the ISS risk model.

4. Rationale for not completing the On-site Inspection

Based on the above, the Article 48 Checking Body must determine if an on-site inspection is required for the purposes of Article 48(5) of Implementing Regulation 809/2014. The Article 48 Checking Body may decide not to conduct an on-site inspection where:

- Less than 75% of the LEADER amount has been claimed;
- The LEADER grant amount is less than €5,000 as the operation in question is a small investment (in line with Article 48(5) (b) –)
- The Article 48 Checking Body is satisfied that the report and photos submitted as part of the IP/LAG visits referred to in Point 2, together with the other Article 48 checks undertaken, indicate that the "risk that the conditions for receiving support are not met is low, or that the risk that the investment has not been realised is low" (in line with Article 48 (5) (c)). It is envisaged that the report and photos should be sufficient in most cases.

The rationale for not undertaking a site visit must be recorded for every claim in the Notes Section on the LEADER IT System, based on the above criteria. Suggested text: the Article 48 Checking Body (Name of the Article 48 Checking Body) is satisfied that the report and photos submitted, together with the other Article 48 checks undertaken, indicate that the "risk that the conditions for receiving support are not met is low, or that the risk that the investment has not been realised is low" (in line with Article 48 (5) (c)).

END