

AUDIT REPORT - DRAFT

Central Baltic INTERREG V A Cross-border Co-operation Programme 2014 - 2020

DATE OF THE REPORT: 05.10.2017	
Audit number (as in the audit file):	CB-6/2017
Date of the final audit report:	05.10.2017
Accounting period	01.07.2016 - 30.06.2017
Audit scope	Progress report No 0.1: 1000 EUR Progress report No 1.1: 25 244,07 EUR Audited amount in total: 26 244,07 EUR (100%)
Auditor(s)	Tiia Mugu, auditor, II Audit Unit, Financial Control Department, Ministry of Finance of Estonia; Kadi Peets, Head of the II Audit Unit, Financial Control Department, Ministry of Finance of Estonia
Place of audit	Tallinn, Estonia
Project name	Safety and Hygiene - Safer Environment
Project Acronym	SAFHY
Project Number	CB79
Priority Axis:	4. Skilled and socially inclusive region
Project Priority Specific Objectives:	SO 4.2 More aligned vocational education and training (VET) programmes in the Central Baltic region
Audited organisation and contact information	OÜ Puhastusekspert



PART 1 - AUDIT SCOPE

According to Article 127(7) of Regulation (EU) No 1303/2013 the audit authority is responsible to carry out audits on operations on the basis of supporting documents constituting the audit trail and verify the legality and regularity of expenditure declared to the Commission, including the following aspects:

- a) that the operation was selected in accordance with the selection criteria for the operational programme, was not physically completed or fully implemented before the beneficiary submitted the application for funding under the operational programme, has been implemented in accordance with the approval decision and fulfilled any conditions applicable at the time of the audit concerning its functionality, use, and objectives to be attained;
- b) that the expenditure declared to the Commission corresponds to the accounting records and that the required supporting documentation demonstrates an adequate audit trail;
- c) that for expenditure declared to the Commission determined in accordance with Articles 67(1)(b) and (c) and 109 of Regulation (EU) No 1303/2013 and Article 14(1) of Regulation (EU) No 1304/2013, outputs and results underpinning payments to the beneficiary have been delivered, participant data or other records related to outputs and results are consistent with the information submitted to the Commission and that the required supporting documentation demonstrates an adequate audit trail.

Audit was conducted during the period: 04.04.2017-31.09.2017 (on-the-spot verification on 27.04.2017).

PART 1.1 - Limitation of scope

There were no limitations to the audit scope described above.

PART 1.2 - AUDIT METHODOLOGY

The audit was carried out in compliance with internationally accepted auditing standards (the International Professional Practices Framework by the Institute of the Internal Auditors) and the audit strategy, which is approved by the Audit Authority and group of auditors representing each Central Baltic INTERREG VA Programme Member State.

The audit process comprised three stages:

a) Preparation and planning of the audit

The legal regulations, programme's and project's documentation and other relevant documentation were collected and analysed. Also, interviews or checklists were prepared for carrying out the administrative checks and on-the-spot controls of the auditor.

b) Fieldwork

Interviews with responsible staff were conducted, documents checked and testing performed. In order to attain the audit objectives, the audit check-list compiled by the Audit Authority was used. The on-spot visit to the auditee was held on 27.04.2017.

c) Reporting

On the basis of audit procedures, conclusions on the implementation of the project were made.

As no findings were compiled to the beneficiary (project partner) and ineligible expenditure detected as a result of the audit procedures, no contradictory procedures were carried out and final audit report was sent to the auditee.



PART 2 - FINANCIAL DATA OF OPERATION

Financial data of audited partner must be listed

Partner abbrv. LP/PP	Certified amount in the audit scope								Total
	Staff Costs	Office And Administration	Travel And Accomodation	External Expertise And Services	Equipment	Infrastructure And Works	Total Expenditure	(netrevenue)	
PP	Prepayment as lump-sum:						1 000,00	0,00	1 000,00
PP	16 916,71	2537,5065	1013,86	223,33	4552,66	0,00	25 244,07	0,00 ¹	25 244,07
Total	16 916,71	2537,5065	1013,86	223,33	4552,66	0,00	25 244,07	0,00	26 244,07

*Data available in eMS Section: CA Certificates > (open needed certificate) > Project report tables

Audited amounts outside the audit scope

Expenditure declared in the following Work packages and Budget lines (EUR):							
	BL1	BL2	BL3	BL4	BL5	BL6	Total
WP	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹¹ The auditors are not aware of any net revenue generated during the project implementation.



PART 3 - FINDINGS AND RECOMMENDATIONS

PART 3.1 GENERAL

During the audit, the auditor may identify and document audit findings. These findings are categorised by reference to the level of importance. The categories to classify the findings are as follows:

Major	Findings with financial impact or any other high risk deficiencies.
Minor	Findings for which action should be taken to ensure full compliance but have no financial consequences.

PART 3.2 FINDINGS AND RECOMMENDATIONS PER BUDGET LINE

In this paragraph the findings and recommendations per audit area are included

No findings

PART 4 - AUDIT CONCLUSION

The conclusion of the audit is based on the audit procedures carried out during the audit, including analysis of the information and documents gathered and interviews conducted with the auditee.

Based on the audit work performed the auditors have obtained reasonable assurance that the expenditure declared under the audited operation **No CB79 “Safety and Hygiene - safer environment”** (SAFHY) within Priority Axis P4 - “Skilled and socially inclusive region” (SO 4.2) during the reference year 01.07.2016-30.06.2017 is, in all material aspects, legal and regular.

PART 4.1 FOLLOW-UP

This audit report is compiled for use of the Audit Authority of the Central Baltic INTERREG VA 2014-2020 Programme and will be used to draw conclusions about functioning of the Management and control system of the above mentioned programme. Information in the report will be disclosed to relevant parties involved of management of the EU funds, including Commission services.

No follow-up procedures are needed

Auditor: Tiia Mugu

Position: Auditor of the II Audit Unit of the Financial Control Department of the Ministry of Finance of Estonia

Audit supervisor: Kadi Peets

Position: Head of the II Audit Unit of the Financial Control Department of the Ministry of Finance of Estonia

Signature: Signed electronically

