



Cross-Border Cooperation Programme Estonia-Russia 2014-2020

Project No:	ER93, ER121, ER134, ER135
Project name:	Technical assistance
Project Partner Name (LP/PP):	Estonia-Russia Programme Managing Authority ¹ and Joint Technical Secretariat ²
Thematic objective:	Technical assistance
Audit No:	EVP-1/2019
Audit organization:	Ministry of Finance

Final audit report

13.02.2020

¹ State Shared Service Centre of Estonia

² State Shared Service Centre; JTS Branch office in Pskov, Russia; JTS Branch office in St. Petersburg, Russia

SUMMARY OF AUDIT RESULTS

Audit outcome:

Based on the audit work performed, the auditors have obtained reasonable assurance that the expenditure declared is in all material aspects legal and regular and in compliance with the programme rules.

Audit opinion³:

➤ no findings

The project audit has been carried out in compliance with the International Standards for the Professional Practice of Internal Auditing.

We wish to thank the auditees for the assistance and cooperation provided during the audit.

We confirm that the final audit report consists of 7 pages.

³ **Significant findings** are those that have or may have a financial impact (i.e. ineligible expenditure). **Non-significant findings** are those that have no financial impact but whose correction will help the beneficiary to lower risks while implementing the project.

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PART A

1. Audit object and audited expenses

1.1 GENERAL INFORMATION ABOUT THE AUDIT	
Project name:	Technical assistance
Project number:	ER93, ER121, ER134, ER135
Strategic and thematic objective:	Technical assistance
Beneficiary audited (LP/PP):	Estonia-Russia Programme Managing Authority ⁴ and Joint Technical Secretariat ⁵
Contact person of the beneficiary:	Ege Ello, Marina Suhhoterina – Managing Authority; Unda Ozolina, Riina Vaap – Joint Technical Secretariat
Date of subsidy contract:	N/A
Audit scope and period:	Projects No ER93, ER121, ER134 and ER135, in total €591 959.83 Expenditure occurred during the period: 01.03.2017 – 30.06.2018
1.2 INFORMATION ABOUT THE AUDIT	
Basis:	<ul style="list-style-type: none"> - Agreement on financing and implementation of Cross-Border Cooperation Programme “Estonia-Russia” 2014-2020 - Audit Authority’s work plan for 2019.
Objective:	<p>To provide an audit opinion that:</p> <ul style="list-style-type: none"> - the expenditure declared to the participating nations and the Commission corresponds to the accounting records and that the required supporting documentation demonstrates an adequate audit trail; - for expenditure declared to the participating nations and the Commission, outputs and results underpinning payments to the beneficiary have been delivered.
Person(s) carrying out the audit:	Kätlin Tiimus, Financial Control Department, Audit Unit II, auditor Kadi Peets, Financial Control Department, Audit Unit II, audit supervisor
Audit duration:	08.01.2020 – 13.02.2020
Methodology:	Audit manual of the Estonia-Russia Programme

⁴ State Shared Service Centre of Estonia

⁵ State Shared Service Centre; JTS Branch office in Pskov, Russia; JTS Branch office in St. Petersburg, Russia

Audit procedures performed at the beneficiary audited:	During the desk-based check auditor communicated with the persons involved with the project implementation and made analysis/evaluation of the following: <ul style="list-style-type: none"> - documentation verifying project implementation, - eligibility of costs, - arrangement of book-keeping related to the project, - correct use of the logos. 			
Sampling methodology (if applicable, then information shall be provided by the Audit Authority):	<ul style="list-style-type: none"> - The overall audit population was 1339 units in the sum of € 591 959.83; - Statistical sampling methodology Monetary Unit Sampling was used with the following parameters: confidence level 70% and accepted error rate 2%. No expansion was used; - As a result 30 units were sampled with the sampling interval 19 732.00; - Final audit sample selected 30 units, € 174 656,00. 			
1.3 AUDITED EXPENSES				
Total amount of certified expenses subject to auditors' opinion on the basis of cost documents:	ER93, ER121, ER134, ER135 (01.03.2017 – 30.06.2018), total amount € 591 959.83			
Size of the sample (EUR; %)⁶:	€ 174 656,06, audited 29,5%			
Ineligible expenditure identified (EUR): amount				
	EU contribution	National public contribution	Private sector contribution	Total
Ineligible amount (EUR):	0.00	0.00	0.00	0.00
Ineligible amount outside the audit scope (EUR):	0.00	0.00	0.00	0.00
Error rate (%)⁷:	0.00%			

2. Limitations

The audit procedures were carried out in compliance with internationally accepted auditing standards⁸ and the audit report was prepared using the principles of independence and objectivity.

As the audited expenditure involved costs from both, Estonian and Russian parties, the auditors verified the eligibility of the expenditure in compliance with the Joint Operation Programme and programme rules; the compliance to the national legislation was evaluated in regard to the expenditure made by the Estonian partners.

⁶ If a sample was not used for auditing, the size of the sample is the total population in euros and the share of audited expenses to total population is 100%.

⁷ Share of ineligible expenses to audited expenses (%). If a sample was used for auditing, the share of ineligible expenses to the sample size shall be used.

⁸ The International Professional Practices Framework (IPPF) of the Institute of Internal Auditors.

Auditors conclude that all data presented during the audit and other oral and written information made available during the audit presents a true and fair view of the activities performed during the project implementation and are sufficient to provide an opinion about the projects. In case of additional information that was not provided or not known to auditors, the conclusions reached by auditors might have been different.

PART B

AUDIT FINDINGS

1. Use of funding as intended

The technical assistance has been used in material aspects in intended manner, in a reasonable and efficient way and in accordance with the requirements laid down with the programme documents.

2. Accuracy of book-keeping records

The book-keeping records for the project are in all material aspects in compliance with respective legislation.

3. Amount and timing of funding

The granting of funding has in all material aspects been made available in the amount foreseen and on time, and the co-financing has been guaranteed.

4. Carrying out of public procurements

There were no public procurements in the audit scope.

5. Granting of state aid

The project does not involve state aid.

6. Communication and publicity

When informing and disclosing the use of funding, the beneficiary has in all material aspects followed the publicity rules.

We confirm the final audit report on 7 pages.

Audit manager:

Kätlin Tiimus
Audit Unit II
Auditor

Audit supervisor:

Kadi Peets
Audit Unit II
Head of Unit

Tallinn, 13/02/2020