

AUDIT OF OPERATION REPORT

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

AUDIT NUMBER:	
Date of final audit report	15/05/2020
Contradictory procedure	N/A
Accounting period	01/07/2019 - 30/06/2020
Audit scope	Progress reports No 3.1 and 4.1 in the amount of 151 898.36 € 100 %
Auditor(s)	Mart Pechter, Lead Auditor of II Audit Unit, Financial Control Department of Ministry of Finance of Estonia, Suur-Ameerika 1, 10129 Tallinn, Estonia
Audited organisation & contact information	National Heritage Board Pikk 2, Tallinn, Harju County Ms. Maili Roio Phone: +3725572041 Email: maili.roio@muinsuskaitseamet.ee
Place of the audit	National Heritage Board
Persons present during the audit	Ms. Maili Roio, senior inspector Ms. Marii Asmer, project manager
Date of on-the-spot checks	N/A ¹
Full project name	Baltic History Beneath Surface: Underwater Heritage Trails In Situ and Online
Project Number & Acronym	CB531 - BALTACAR
Priority Axis	2. Sustainable use of common resources
Specific Objective	SO 2.1 Natural and cultural resources developed into sustainable tourist attractions
Reporting Period	01/06/2017 - 31/05/2018
Name of the Lead Partner	National Heritage Board
Project duration (start and end dates)	01/01/2017 - 31/12/2019
AUDIT CONCLUSION	<i>Based on the audit work performed we have obtained reasonable assurance that the expenditure declared under the audited operation CB531 - BALTACAR within priority axis 2 in the reference year 2020 is, in all material aspects, legal and regular. There are no findings.</i>

¹ Due to the Covid-19 public health crisis of the year 2020, no on-the-spot checks were conducted during audit.



PART 1 - AUDIT SCOPE

According to Article 127 of Regulation (EU) No 1303/2013 the audit authority is responsible to carry out audits of 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.

PART 1.1 - LIMITATION OF SCOPE

The conclusions of the audit are based on the analysis of the procedure in place, information and documents gathered and interviews conducted in the audited bodies as well as the tests performed in the course of the audit following the checklist for the audit areas.

No on-the-spot checks were conducted during the audit due to the Covid-19 public health crisis of the year 2020. The auditor posits that based on the information obtained, no follow-up on-the-spot check is necessary, as the auditor has obtained sufficient assurance in other ways.

PART 1.2 - AUDIT METHODOLOGY

The audit is carried out in compliance with internationally accepted auditing standards 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 comprises of three stages:

a) Preparation and planning of the audit

In this stage legal regulations and other documentation, including from the management verification ex Regulation (EU) No 1299/2013, Article 23(4), needed for familiarising with the selected operations were collected and analysed. Also, interviews or checklists which were needed for the planning of the audit, familiarising with the functioning of the system, project files structure, the objectives and the status of implementation of the operations, the risk encountered during the implementation as well as those inherent to the type of operations.

b) Fieldwork

At this stage a whole range of interviews with responsible staff were conducted, documents were gathered and testing was performed. In order to attain the audit objectives during the audit we



tested all applicable audit areas. We performed the audit using the checklists for the several audit areas which enabled us to verify the requirements laid down in European and national legislation.

The assurance about the achievement of the project's objectives was attained via documentation uploaded to the programme's information system (eMS), video conference call with the project partner (held on 29.04.2020) and photos of the underwater site.

c) Reporting

This stage encompassed activities related to the preparation of the Draft Report and the contradictory procedure where auditee has been granted 10 working days to reflect on the audit report, the inclusion of their replies and comments and the submission of the Final Report.

As there were no findings, no contradictory procedure was necessary.

PART 2 - FINANCIAL DATA OF OPERATION

Financial data of audited partner must be listed

PART 2.1 - BUDGET (€)				
Audited Partners approved budget	Granted in total for the partner	%	Payments included in the payment claim	%
ERDF	€ 390 517.53	85%	€ 129 190.96	85%
Public funding (total)	€ 68 914.86	15%	€ 22 707.40	15%
Private funding	€ 0.00		€ 0.00	
Income	€ 0.00		€ 0.00	
TOTAL PARTNER BUDGET	€ 459 432.39	100%	€ 151 898.36	100%

Audited expenditure (according to the Sample)			
Budget Line		Total amount audited (combining milestones)	Ineligible detected in audit scope
1.	Staff costs	€ 79 250.25	€ 0.00
2.	Office and administration	€ 11 887.51	€ 0.00
3.	Travel and accommodation	€ 6 413.22	€ 0.00
4.	External expertise and services	€ 38 219.97	€ 0.00
5.	Equipment	€ 16 127.41	€ 0.00
6.	Infrastructure and works	€ 0.00	€ 0.00
Total amount audited		€ 151 898.36	€ 0.00

Audited expenditure (outside the Sample)			
Budget Line		Total amount audited (combining milestones)	Ineligible
1.	Staff costs	€ 0.00	€ 0.00
2.	Office and administration	€ 0.00	€ 0.00
3.	Travel and accommodation	€ 0.00	€ 0.00
4.	External expertise and services	€ 0.00	€ 0.00
5.	Equipment	€ 0.00	€ 0.00
6.	Infrastructure and works	€ 0.00	€ 0.00
Total amount audited		€ 0.00	€ 0.00



PART 3 - FINDINGS AND RECOMMENDATIONS

PART 3.1 GENERAL

During the audit we identify and document audit findings. We categorise these findings by reference to the level of importance. The categories which we use to classify our findings are as follows:

Major	Findings which have a financial impact above EUR 250 (ERDF) or any other high-risk deficiencies.
Minor	Findings for which action should be taken to ensure full compliance but have a limited financial impact (below EUR 250 (ERDF)), no financial consequences or no high-risk character.

All audit findings are reported in the final audit report, even if the Member States participating in the Programme may decide that neither the lead beneficiary nor the Programme's MA is obliged to recover an amount unduly paid which does not exceed EUR 250, per operation and accounting year, not including interest, in contribution from the Funds and the EMFF, as all the irregular amounts detected are to be taken into account for the calculation of the annual Total Error Rate of the Programme.

PART 3.2 FINDINGS AND RECOMMENDATIONS PER BUDGET LINE

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

There are no findings.

PART 4 - 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 the functioning of the Management and Control Systems 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.

As there are no findings, no follow-up is necessary.

Audit Manager: Mart Pechter

Signed electronically

Audit Supervisor: Kadi Peets

Signed electronically

