



Estonia-Latvia Cross-Border Co-operation Programme 2014-2020

Project No:	Est-Lat 55
Project name:	ESTLAT harbours
Project Partners Name (LP/PP):	Lõunaranna Investeeringud OÜ (PP)
Fund:	European Regional Development Fund
Target objective:	SO 3.1 An improved network of small harbours with good levels of service
Audit No:	ELP-8/2019
Audit organisation:	Ministry of Finance

Final audit report

17.09.2019



REPUBLIC OF ESTONIA
MINISTRY OF FINANCE

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 opinion¹:

- no audit 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 auditee for the assistance and cooperation provided during the audit.

We confirm that the final audit report consists of **6** pages.

¹ **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:	ESTLAT harbours
Project number:	Est-Lat 55
Priority and target objective:	SO 3.1 An improved network of small harbours with good levels of service
Beneficiary (LP/PP):	Lõunaranna Investeeringud OÜ (PP)
Contact person:	Olaf Orgse
Date of subsidy contract:	13/10/2017
Audit scope and period:	Period 2: 01.10.2017 - 31.01.2018; €39,900.00 Period 3: 01.02.2018 - 31.05.2018; €42,540.79
1.2 INFORMATION ABOUT THE AUDIT	
Basis:	<ul style="list-style-type: none"> - Article 127(1) of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2103 - Audit Authority's work plan for 2019.
Objective:	<p>To provide an audit opinion that:</p> <ul style="list-style-type: none"> - the operation was selected in accordance with the selection criteria for the operational programme; - the expenditure declared to the Commission corresponds to the accounting records and that the required supporting documentation demonstrates an adequate audit trail; - for expenditure declared to the Commission, outputs and results underpinning payments to the beneficiary have been delivered.
Person(s) carrying out the audit:	Elis Kõrvek, Financial Control Department, Audit Unit I, auditor
Audit duration:	14/05/2019 – 17/09/2019
Methodology:	Audit manual of the Estonia-Latvia Programme
Audit procedures performed at the beneficiary:	<p>During the on-the-spot check, interviews were conducted with the persons involved in project implementation and analysis/evaluation was made of the following:</p> <ul style="list-style-type: none"> - project's actual implementation, - documentation related to project implementation, - eligibility of costs, - arrangement of book-keeping related to the project, - existence of co-financing, - use of the logos.
Sampling methodology (if applicable, then information shall be provided by the AA):	Not applicable

1.3 AUDITED EXPENSES				
Total amount of certified expenses subject to auditors' opinion on the basis of cost documents:	Period 2: 01.10.2017 - 31.01.2018; €39,900.00 Period 3: 01.02.2018 - 31.05.2018; €42,540.79			
Size of the sample (EUR; %) ² :	€82,440.79, 100%			
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 (%) ³ :	0.00%			

2. Limitations

The audit procedures were carried out in compliance with internationally accepted auditing standards⁴ and the audit report was prepared using the principles of independence and objectivity.

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 project. In case of additional information that was not provided or was not known to auditors, the conclusions reached by auditors might have been different.

² 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%.

³ 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.

⁴ The International Professional Practices Framework (IPPF) of the Institute of Internal Auditors.

PART B

AUDIT FINDINGS

1. Use of funding as intended

The funding has generally been used in material aspects in the intended manner, in a reasonable and efficient way and in accordance with the objectives and requirements laid down in the subsidy contract and the programme manual.

2. Accuracy of book-keeping records

The book-keeping records for the project are in all material aspects in compliance with the current 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

According to the programme manual project partners, who are not contracting authorities of public sector may award a contract for the purchase of works that are above the threshold of a simplified procurement procedure. The project partner has carried out two simplified procurement procedures with a reference numbers 191018 and 193728 electronically in the e-procurement register, although the estimated and actual contract amounts were below the threshold of a simplified procedure for works. The project partner has fulfilled the obligation to take competitive price offers to purchases above 5000 euros.

5. Granting of state aid

The state aid has been granted to the project and used by the beneficiary in correct manner, in accordance with the state aid rules.

6. Communication and publicity

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

We confirm that the final audit report has 6 pages.

Audit manager:

Elis Kõrvek
Auditor

Audit supervisor:

Kadi Peets
Head of Unit

Tallinn, 17/09/2019