

AUDIT REPORT

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

DATE (e.g. 31.12.12)	
Audit number (as in the audit file)	CB-4/2016
Accounting period	01/07/2015 - 30/06/2016
Audit scope	Progress report No 1 (01/05/2015 - 31/10/2015) EUR 4062.45
Auditor(s)	<p>Liina Sild Auditor Financial Control Department Republic of Estonia Ministry of Finance Endla 13, 10122 Tallinn Phone: +372 611 3154 e-mail: liina.sild@fin.ee</p> <p>Kadi Peets Audit Supervisor Financial Control Department Republic of Estonia Ministry of Finance Endla 13, 10122 Tallinn Phone: +372 611 3054 e-mail: kadi.peets@fin.ee</p>
Place of audit	<i>Republic of Estonia Ministry of Finance</i>
Project name	<i>Social inclusion of older people through volunteering in Estonia, Latvia and Finland</i>
Project Acronym	<i>Let us be active</i>
Project Number	CB85
Priority Axis:	4. Skilled and socially inclusive region
Project Priority Specific Objectives:	SO 4.1 More people benefiting from stronger Central Baltic communities
Audited organisation and contact information	<p>Pärnu City Government Suur-Sepa 16 Pärnu 80098 Katrin Alliku +372 444 8362 katrin.alliku@lv.parnu.ee</p>



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 on: 12/12/2016 - 27/12/2016

Audited progress report No 1 EUR 4062.45 for the period 01/05/2015 - 31/10/2015



PART 1.1 - Limitation of scope

There were no scope limitations by carrying out the audit procedures.

PART 1.2 - AUDIT METHODOLOGY

The audit was carried out in compliance with the internationally accepted auditing standards¹ and audit strategy, approved by the audit authority and group of auditors representing each Central Baltic INTERREG VA Programme Member State.

The audit process comprises three stages:

a) Preparation and planning of the audit

At this stage the auditors got to know the audited operation, project partner and the costs included in the audited report (audit sample). Also the legal framework was mapped to be able to give an opinion on the audited operation and costs. As a result of the preparatory procedures a detailed programme of the audit procedures to be carried out during the audit on operation was composed.

b) Fieldwork

At this stage an interview with the responsible staff was conducted, testing of the cost documents and the relevant supporting documents was performed and the verification of the actual implementation of the project was carried out. In order to attain the audit objectives, a corresponding audit checklists was used which enabled verification of the requirements laid down in the European and national legislation.

The on-the-spot audit procedures were carried out on 20/12/2016.

c) Reporting

This stage encompassed activities related to the preparation of the audit report. Since there were no findings, there was no need for contradictory procedures and the final report was completed on 27/12/2016.

¹ International Professional Practices Framework (IPPF) of the Institute of Internal Auditors



PART 2 - FINANCIAL DATA OF OPERATION

Financial data of audited partner must be listed

Partner abbrev. v. PP	Reported in the payment claim in the reporting period								
	Staff costs	Office and administration	Travel and accommodation	External expertise and services	Equipmen t	Infrastruc ture and works	Total expenditu re	(net revenue)	Total
PP - Pärnu LV	1153.61	173.04	500.00	2235.80			4062.45		4062.45
Total	1153.61	173.04	500.00	2235.80			4062.45		4062.45

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

Audited amounts (audit scope)

Expenditure declared in the following Work packages and Budget lines (EUR):							
	BL1	BL2	BL3	BL4	BL5	BL6	Total
WP M	873.82	131.07	500.00	36.00			1 040.89
WP T1	279.79	0.00	0.00	2 199.80			2 479.59
WP T2	0.00	41.97	0.00	0.00			41.97
Total	1 153.61	173.04	500.00	2 235.80			4062.45

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

Audited amounts outside the audit scope - No expenditure was audited outside the audit scope

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

PART 3 - FINDINGS AND RECOMMENDATIONS

PART 3.1 GENERAL

During the audit, audit findings are identified and documented. These findings are categorised by reference to the level of importance. The categories used to classify audit findings are as follows:

Major	Findings which have 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 AUDIT AREA

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

Choose one

Finding: There were no audit findings.

PART 4 - AUDIT CONCLUSION

Based on the audit work performed we have obtained reasonable assurance that the expenditure declared under the audited operation “Let us be active”, CB85 within Priority Axis 4 - “Skilled and socially inclusive region” in the reference year 2016 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.

Parties responsible of audit finding follow-up:

1. Findings with Financial impact - The Audit Authority (AA) will inform the Managing Authority (MA) to take necessary actions to correct shortcomings in the system;
 - a. Deductions will be made by the MA;
 - b. Confirmation of deductions will be made by the AA;
 - c. If needed follow-up audit will be done by GoA member.
2. Findings without the Financial impact
 - a. The MA will be informed and evaluation will be done if further actions are needed;
 - b. Confirmation of actions will be followed-up by the AA and if needed by the GoA member.

Upon request from the MA the Auditee is responsible to implement the recommendations and deliver the proof to the MA.

Auditor: Liina Sild

Signature (signed digitally)

Audit supervisor: Kadi Peets

Signature (signed digitally)

