



REPUBLIC OF ESTONIA  
MINISTRY OF FINANCE



**Interreg**  
Estonia-Latvia  
European Regional Development Fund



EUROPEAN UNION



# Submission of Annual Accounts for the Estonia-Latvia Programme 2017

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# Our programme

- Interreg V-A – Estonia-Latvia
- Size: €35.3 million from the ERDF
- Resources for the Audit Authority:  
equivalent amount of one full-time Lead Auditor position
- Part of the audit work in some capacity:  
Head of Department, Head of Unit, Lead Auditor and Auditor

# Legal basis

- Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 - Article 29(1)
- The audits of accounts referred to in Article 137(1) of Regulation (EU) No 1303/2013 shall be carried out by the audit authority in respect of each accounting year

# Other agreements

- Description of Management and Control Systems of Estonia-Latvia Programme
- Chief Specialist of the MA, who carries out the certification functions, submits first version of the draft accounts by October 31 and final version of the draft accounts by December 31 each year

# Coordination between authorities

- Other than the deadlines mentioned, no formal process exists for coordination
- Since the programme is small and our authorities work in the same organization, we benefit from long-established informal connections
- Communication is the key

# Information received

- We received the draft version of Annual Accounts from the MA on 27 October 2017
- Total eligible costs in the accounts: €25000 (lump-sum payments to five projects)
- The accounts did not change from draft version to the final version

# Work planning

- We decided in advance that no audits of operations would be done
- We also decided that the systems audit of the Certifying Authority should be done
- The easiest way to accomplish this was to merge the systems audit of the Certifying Authority and the Audit of Accounts

# Reasons

- Assurance for the €25000 could be obtained without full audits
- But assurance for the accounts could not be obtained without having an opinion on the Certifying Authority
- This was an exceptional situation that will probably not be repeated



# Audit work

- The systems audit for the Certifying Authority was opened in December 2017
- The work connected to the accounts was finished quickly
- Other work connected to the Certifying Authority took more time
- In the end, the accounts were published before the systems audit

# Certified costs

- The costs totaling €25000 were lump-sum costs so there was not much to verify
- Instead, we looked at other aspects that are usually verified, such as the granting of funding, the amount, the state aid aspect and publicity
- We were able to conduct our testing in the electronic system of the programme.

# Other work

- Based on Guidance for Member States on Audit of Accounts
- Covered the base requirements from the Points 2-5 of the Guidance
- Went through the testing procedures from the Annex of the Guidance
- No issues for certified costs or other topics were discovered

# Monitoring Committee

- The accounts were circulated to the Monitoring Committee for comments
- The process took two weeks and no comments were received
- As a parallel process, the Annual Control Report and Opinion were compiled
- Everything was finalized by the beginning of February

# SFC2014

- We started uploading the information to the SFC2014 system on the 13/02/18
- The process took a little more time than we anticipated
- The system itself was not complicated, but the sequence by the audit and managing authority users was unfamiliar
- Everything was uploaded by the 15/02/18

# Good experience

- The guidance materials are fairly clear and easy to use
- The ability to test specific costs in the electronic system saves a lot of time
- The cooperation with the other programme bodies was motivated and any questions were solved quickly

# Learning experience

- Adding the Audit of Accounts to the workings of a systems audit is probably not the best idea
- Extra time should be planned for circulating the accounts to the Monitoring Committee
- The sequences of the SFC2014 processes take time if not coordinated

# Next year

- This year was exceptional in a lot of ways
- We assume that the next Audit of Accounts will be more challenging
- However, our work has highlighted some challenges that can be avoided and given us general confidence in the process