

Second level audit report

Covering the accounting year

from to

According to Article 127 of Common Provision Regulation (EC) No 1303/2013
and Article 25 Regulation (EC) No 1299/2013

Name of auditee

Project partner no.



CCI No 2014TC16M5TN001

**European Regional Development Fund
European Neighbourhood Instrument**

This second level report is prepared by:

INTRODUCTION

This Audit Report from the second level auditor (SLA) is a basis for the compilation of the Annual Control Report (ACR) which the Audit Authority (AA) has to transfer to the European Commission until the 15th of February of each year.

This report consists out of three parts: The report and the attached checklist as Annex 1 and additionally a list with types of findings as Annex 2.

The procedures between AA and SLA are stipulated in the Rules of Procedures of the Group of Auditors of the Interreg Baltic Sea Region Programme 2014–2020 (CCI No 2014TC16M5TN001). The content of the SLA-Report is within the responsibility of the respective national SLA. After finalizing the respective audit, the SLA are asked to send the report with signature and stamp and with the attached Annexes 1 and 2 as a scanned pdf-file via email to the Audit Authority with a copy to the MA/JS. The signed original paper-version has to be stored at the auditors place.

1. Identification of the operation

Lead Partner/ organisation	Free and Hanseatic City of Hamburg	
Department	Borough of Altona	
Country	Germany	
Project No.	#R096	
Project acronym	LUCIA	
Priority	2	
Number of all partners	13	
Max. amount ERDF co-financing (A) (€)		2,165,305.78
Max. amount NOR co-financing (B) (€)		0.00
Max. amount of ENI co-financing (C) (€)		140,761.10
Max. amount of Russian co-financing (D) (€)		140,761.11
Max. amount of all partner's own contribution (E) (€)		665,655.50
Total operation budget (= A+B+C+D+E) (€)		3,112,483.49

1.1 Identification of the audited partner (PP or LP)

	Lead partner <input type="checkbox"/>	Project partner <input checked="" type="checkbox"/>
Contact person	Maia-Liisa Anton / Alvar Kurrel	

Organisation	Tallinn University of Technology		
Department	Thomas Johann Seebeck Department of Electronics		
Address	Ehitajate tee 5 / 19086 Tallinn		
Country	Estonia	Co-financing rate	85 %
Telephone	+372 6 203 514 / +372 6 202 159		
Email	maia-liisa.anton@taltech.ee / alvar.kurrel@ttu.ee		
Legal status	Public		
Max. amount of Programme co-financing (ERDF, NOR, ENI/RU) (A) (€)		197,056.06	
Max. amount of all partner's own contribution (B) (€)		34,774.61	
Total Partner (LP or PP) budget (A+B) (€)		231,830.67	

1.2 Identification of the second level auditor (SLA)

Name	Laura Väikemaa
Job title	Auditor
Organisation	Ministry of Finance of the Republic of Estonia
Department	Financial Control Department
Address	Suur-Ameerika 1, Tallinn
Country	Estonia
Telephone	+372 611 3558
Email	laura.vaikemaa@fin.ee

2. Audit process and audit scope

Please describe how was the second level audit organised, its procedure, on-the-spot visit, drafting of the audit report and contradictory procedure, involvement of the first level controller etc.

How was the second level audit carried out? 100% control sample of: %

Was the second level audit (or parts of it) outsourced? If yes, to which authority/company. Who is responsible for which part?

No parts of this second level audit were outsourced.

2.1 Audit objectives

The objectives of the audit were to:

- complete and deliver to the Audit Authority the audit report and checklist;
- verify the delivery of products and services co-financed from the Programme;
- verify the soundness of expenditure declared by the project partner(s);
- verify the compliance of such expenditure and project activities with Programme rules
- assist in reducing the risk of ineligible expenditure;
- contribute to the Annual Control Reports and eventually to the closure declaration;
- support the Audit Authority in carrying out its duties.

The Audit Authority will compile a final Audit Report and an Audit Opinion by the 15th of February of the year following the respective accounting year

2.2 Audit timetable

Audit was launched on	<input type="text" value="12.07.2024"/>		
Date(s) of on-the-spot-check(s):	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text" value="+"/>
Contradictory procedure	from <input type="text" value="N/A"/>	to <input type="text" value="N/A"/>	
Date of final version	<input type="text" value="10.09.2024"/>		

2.3 Expenditure covered by this audit report and checklist (in EURO)

Progress report(s) No(s):

(A) Expenditures by budget-lines covered by this audit report and checklist		Total (€)
BL 1	Staff-costs	<input type="text" value="48,465.38"/>
BL 2	Office and administration	<input type="text" value="7,269.81"/>
BL 3	Travel and accommodation	<input type="text" value="935.81"/>
BL 4	External expertise/services	<input type="text" value="10,591.60"/>
BL 5	Equipment costs	<input type="text" value="0.00"/>
BL 6	Infrastructure and works	<input type="text" value="0.00"/>
BL 7	Expenditure for specific project activities	<input type="text" value="0.00"/>
Total (A)		<input type="text" value="67,262.60"/>

(B) Funding source	Total (€)
Amount of Programme co-financing (ERDF, NOR, ENI/RU)	57,173.21
Amount partner's own contribution	10,089.39
Total expenditure (= Total A)	67,262.60

2.4 Total expenditure reported by the partner (Cumulating ALL REPORTS up to this audit)

(A) Expenditures by budget lines cumulated	Total (€)
BL 1 Staff costs	185,788.97
BL 2 Office and administration	27,868.34
BL 3 Travel and accommodation	6,581.07
BL 4 External expertise/services	11,592.28
BL 5 Equipment costs	0.00
BL 6 Infrastructure and works	0.00
BL 7 Expenditure for specific project activities	0.00
Total (A)	231,830.66

(B) Funding source	Total (€)
Amount of Programme co-financing (ERDF, NOR, ENI/RU) (B1)	197,056.05
Amount of partner's own contribution (B2)	34,774.61
Total expenditure (= B1+B2 =Total A)	231,830.66

2.5 Audit methodology used by the auditor

Audit Strategy and supporting audit documents developed by the Audit Authority of Interreg Baltic Sea Region. Additional supporting audit documents developed by the Financial Control Department.

The auditor decided not to carry out an on-the-spot check. The auditor finds the risk of not conducting an on-the-spot check low in this case, since the costs included one relatively small physical purchases and no investments. Instead, online meetings (e-mails) were used to discuss the project with the auditee.

3. Audit findings: General comments on findings (please comment financial findings)

No findings.

3.1 Ineligible expenditure detected (in Euro)

Did the second level audit detect any ineligible State aid relevant expenditure? yes no

3.1.2 Not State aid relevant ineligible expenditure detected (in Euro)

Budget line	Description of ineligible item	legal basis	Total (€)
BL1	N/A		
<input type="button" value="Add lines"/> <input type="button" value="Delete lines"/>			
BL2	automatically calculated flatrate (15%) based on the Programme Manual		0.00
	N/A		
<input type="button" value="Add lines"/> <input type="button" value="Delete lines"/>			
Amount of Programme co-financing (ERDF, NOR, ENI/RU) (A)		Co-financing rate 85 %	0.00
Amount of partner's own contribution (B)			0.00
Total of ineligible expenditure (A+B)			0.00

3.2 Management and other findings (please comment findings e.g. without financial impact)

No findings.

3.3 Auditee's comments

Not applicable.

4. Notification to OLAF (> EUR 10.000 ERDF)

Not applicable.

5. Conclusion and key recommendations from the SLA

(on financial and non-financial findings)

The auditor has obtained reasonable assurance that the expenditure declared under the audited operation #R096 "LUCIA" in the reference year 2021 is, in all material aspects, legal and regular. There are no findings or recommendations.

6. Signature(s) and stamp(s) of the SLA

Place and date:

Tallinn 10.09.2024

Name of the SLA(s):

Laura Väikemaa / Audit Manager (signed electronically)
Mart Pechter / Audit Supervisor (signed electronically)

(Electronic) Signature and stamp