

**Interreg**



Co-funded by  
the European Union

**Central Baltic Programme**

# Audit report for audits of operations

## Central Baltic Interreg VI-A 2021-2027 programme

CCI No. 2021TC16RFCB013

### Identification of the audit

Project ID and acronym	CB0100014 "BALTIC2HAND"
Audited organization	Tallinn Business Incubators Foundation

# 1. Executive Summary

The result of the audit regarding the expenditure on the audit scope:

X	No findings.
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## 2. Introduction

Audit Authority responsible for the audits of operations within the Central Baltic Programme 2021-2027 (hereafter Programme) or member of the Group of Auditors responsible for the audits of operations on its territory within the Programme has performed the audit in compliance with Article 77(1) of Regulation (EU) No. 2021/1060 (hereafter CPR) and Article 48(2) of Regulation (EU) No. 2021/1059 (hereafter Interreg regulation).

The beneficiary (identified in the cover page) has been selected for audit by the European Commission in the framework of the common Interreg sample for the accounting year 1.7.2023-30.6.2024 according to Article 49 of the Interreg regulation.

The audit was carried out in compliance with internationally accepted audit standards and in accordance with the audit strategy for the Programme. The audit was conducted based on documents available in the monitoring system used by the audited Programme, as well as data requested from the audited beneficiary, as necessary.

## 3. Scope and objectives of the audit work done

The scope of the work corresponded to the expenditure declared to the Commission in the accounting year 1.7.2023-30.6.2024 in respect of the audited beneficiary within the operation. The general objective of the audit mission was to verify based on supporting documents the legality and regularity of expenditure declared to the EC and existence of the audit trail.

The audit covered the verification of the following specific aspects:

- eligibility of the operation, the beneficiary and contracting in respect of the audited beneficiary, including compliance with horizontal principles and State aid rules.
- reality of the project and regular implementation in accordance with the approval decision and fulfilment of conditions applicable at the time of the audit concerning its functionality, use, and objectives to be attained, in line with the principle of sound financial management.
- compliance of the audited partner with transparency, communication and visibility requirements.
- eligibility of the audited expenditure both for grants taking the form set out in point (a) of Article 53(1) of CPR, including respect of public procurement rules, and for grants taking the forms set out in points (b), (c) and (d) of Article 53(1) of CPR.
- reliability of data in relation to output and result indicators.
- audited expenditure's compliance with applicable EU, programme and national rules.
- existence of a separate accounting record or code for project expenditures, and an adequate audit trail that is consistent with the available supporting documentation.
- correspondence of the expenditure declared to the Commission with the accounting records in the managing authority's electronic system.
- absence of double funding of expenditure.
- absence of fraud and conflict of interest.
- if relevant, examination of whether errors, deficiencies and irregularities revealed by the audit are of systemic nature.

## 4. General information related to the audit

Identification of the project	
Full project name	As good as new: Enhancing the behavioral and business change of the second-hand textile industry in the Central Baltic region
Project number and acronym	CB0100014 - BALTIC2HAND
Priority	2 - Improved environment and resource use
Call no.	Call 1 regular projects
Dates of signing the subsidy contract (first version)	28.03.2023
Implementation period of the project according to subsidy contract (or its latest amendment)	01.04.2023 - 31.03.2026
Identification of the auditee	
Organization	Tallinn Business Incubators Foundation
Legal status	Foundation
Contact person	Name: Margaret Aidla Task on the project: Marketing manager Email: margaret@inkubaator.ee Phone: +37259052098
Role of the beneficiary in the project	<input type="checkbox"/> Lead partner <input checked="" type="checkbox"/> Project partner
Date when auditee signed the Partnership agreement	26.08.2023
Identification of the SLA auditors	
Organization carrying out the audit	The Financial Control Department of The Ministry of Finance of Estonia
Information of the auditor	Name: Henry Kibin Title: Advisor
Confirmation of the impartiality (Yes/No)	I have no conflict of interest in relation to the auditee: Yes
Information of the audit supervisor	Name: Mart Pechter Title: Head of the II Audit Unit
Confirmation of the impartiality (Yes/No)	I have no conflict of interest in relation to the auditee: Yes
Audit scope	
Audited reporting periods (No. and dd.mm.yyyy-dd.mm.yyyy)	01.04.2023 - 30.09.2023
Approved expenditure by the Managing Authority	8 545,30 €
Audited expenditure	8 545,30 €
Audit coverage ratio	100 %
If less than 100% is audited, please describe the sampling method	N/A
Information on the audit process	
Audit was launched on	19.11.2024
Type of the audit	<input checked="" type="checkbox"/> Only desk-based check <input type="checkbox"/> Includes on-the-spot check
Date(s) and place of on-the-spot check	Due to the principles of risk-based control, the nature of the project, the amount of simplified costs and the work already performed by the national control, it was not necessary to conduct an on-the-spot check or online meeting.
Date of online meeting	
Contradictory procedure	As no observations were made, the contradictory procedure is not relevant.
Date of the final version	10.12.2024

## 5. Summary of the audit scope, audited costs and ineligible amount

Cost category	Audit scope (approved costs by the Managing Authority)			Total amount of audited costs	Total ineligible amount detected in the audit*
	Fast track lump sum (Preparation cost)	Partner report No. 1	Total approved costs by the MA		
Staff costs		6090,00	6090,00	6090,00	0,00
Office and administration		913,50	913,50	913,50	0,00
Travel and accommodation		913,50	913,50	913,50	0,00
External expertise and services		0,00	0,00	0,00	0,00
Equipment		48,30	48,30	48,30	0,00
Preparation cost (lump sum)	580,00	0,00	580,00	580,00	0,00
<b>Total</b>	<b>580,00</b>	<b>7 965,3</b>	<b>8 545,30</b>	<b>8 545,30</b>	<b>0,00</b>

\* Note that if ineligible expenditure is detected in the cost category staff costs, it causes 15 % flat rate correction also in the cost categories office and administration and travel and accommodation. If the reason for ineligibility in staff costs is the incorrect amount of project working hours, also costs of project management equipment need to be corrected in the cost category equipment (amount of ineligible working hours x 0,23 €).

Auditor: Henry Kibin

Date: 10.12.2024

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*Signed digitally*

Audit supervisor: Mart Pechter

Date: 10.12.2024

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*Signed digitally*