

Dear Russian project beneficiaries of the Latvia-Russia cross-border cooperation programme 2014-2020,

Dear Lead beneficiaries,

Taking into account that for many contracted projects the first reporting period is approaching, we would like to remind all of our Russian beneficiaries, including Russian lead beneficiaries, about their responsibility according to the Article 32 of the Implementing regulation¹ to select an auditor **being independent** from the beneficiary who will perform expenditure and revenue verification for their individual interim and final reports.

In light of this, we would also like to remind you key requirements to be ensured while selecting an auditor:

- 1) Chapter 5.2.1. of the *Practical Guidelines for project implementation* (hereinafter – *Practical Guidelines*) gives overall information about requirements for the auditor, standards and procedures to be ensured by the auditor as well as task and scope of the expenditure verification. Please pay attention that the *Practical Guidelines* foresee that the task of the auditor covers verification of 100% of project expenditure, with exceptions as stated in the *Practical Guidelines* and in addition, on-spot checks in locations of project activities will be required.

In addition, the following shall be taken into account:

- terms of reference by Russian beneficiaries for the selection of an auditor must therefore comply with all the requirements and provisions of the Programme legal framework;
- the auditor shall have the necessary knowledge, English language skills, competence and expertise in order to carry out its tasks, including, in fields of public procurement, implementation of construction works, tax policy, employment policy etc;
- contract with the auditor shall include clause that the auditor must perform expenditure and revenue verification in line with Programme legal framework, including Programme provided expenditure and revenue verification guidelines and any amendments in the applicable Programme legal framework;
- the deadlines for expenditure and revenue verification shall be respected as stated in the chapter 5.1.1. of the *Practical Guidelines*;

¹ Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument

- beneficiary shall be responsible for ensuring that all of the documentation and access to the accounting system, databases, project activity locations, premises, etc. necessary for project expenditure and revenue verification is available to the selected auditor;
- auditor shall be responsible for performing the agreed-upon procedures according to the Article 32 of the Implementing regulation and in line with the requirements of the Programme legal framework, including Programme provided expenditure and revenue verification guidelines and any amendments in the applicable Programme legal framework, and as a result of these procedures the auditor shall provide factual findings.
- please note that detailed guidelines for the use of auditors on how to perform expenditure and revenue verification, what form to use for issuing auditor's factual findings will be available on the Programme website at a later stage.
- beneficiary shall be responsible for ensuring that beneficiary's individual report and expenditure and revenue verification report must be submitted in English.

2) Selection of an auditor should be done in accordance with the appropriate procurement procedure. Information about procurement for Russian beneficiaries you can find in Chapter 9 of the *Practical Guidelines*

Once the auditor has been selected, Russian beneficiaries have to:

- inform Lead beneficiary which shall forward this information (including contact details of the auditor) to the Joint Technical Secretariat by sending an email to the official e-mail of the Programme lat-rus.cbc@varam.gov.lv.
- provide to the Lead beneficiary original of *Notification of compliance of an auditor* (available on our Programme website here: <http://latruscbc.eu/implementation/guidelines/>) which in turn Lead beneficiary shall submit to the official address of the Managing Authority and Joint Technical Secretariat.

This information is also published on the Programme website here: <http://latruscbc.eu/implementation/guidelines/>

Best regards,

Joint Technical Secretariat



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the Republic of Latvia
and the Russian Federation