



# LATVIA-RUSSIA

CROSS-BORDER COOPERATION PROGRAMME

CO-FUNDED BY THE EUROPEAN UNION, THE REPUBLIC OF LATVIA AND THE RUSSIAN FEDERATION



## **Expenditure and Revenue Verification GUIDELINES**

**Version 2 (17 June 2020)**

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## ABBREVIATIONS

address of the MA/JTS	Latvia – Russia Programme Division, Development Instruments Department, The Ministry of Environmental Protection and Regional Development of the Republic of Latvia Peldu street 25, Riga, LV1494, Latvia
Communication and visibility guidelines	Communication and visibility guidelines for project beneficiaries
EU	European Union
ERV guidelines	Latvia-Russia Cross-Border Cooperation Programme 2014-2020 Expenditure and Revenue Verification Guidelines
ERVR	Expenditure and Revenue Verification Report
Financing Agreement	Agreement on Financing and Implementation of Cross Border Cooperation Programme “Latvia-Russia” 2014-2020
FR	Project implementation Final Report – providing information about implementation of project activities, achievements made and expenditures in the last period of reporting as well as providing information about overall achievement of planned project outputs and results and general implementation of project’s budget
IR	Project implementation Interim Report – providing information about implementation of project activities, achievements made and expenditures at least after every six month period of reporting.
Individual IR/ FR	Individual Interim Report or Final Report – prepared by each beneficiary of the project, to be verified by the public officer or auditor and submitted to the lead beneficiary for preparation of consolidated report
Consolidated IR/ FR	consolidated Interim Report or Final Report to be prepared by the lead beneficiary summing up information of all beneficiaries’ individual reports
Implementing Regulation	Commission Implementing Regulation (EU) No 897/2014 of 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 Neighborhood Instrument
JTS	Joint Technical Secretariat
MA	Managing Authority
lead beneficiary	A beneficiary designated to represent the partnership. The lead beneficiary shall inter alia sign the grant contract on behalf of the other beneficiaries and receive Programme’s co-financing from the Managing Authority

beneficiary	Each partner of the project, responsible for implementation of part of the activities, in accordance to the application form and to the Partnership Agreement signed with the lead beneficiary
Practical guidelines	Practical Guidelines for Project Implementation
Programme	Latvia-Russia Cross-Border Cooperation Programme 2014-2020

## 1. Introduction and purpose

These ERV guidelines set the obligatory requirements and procedures for verification of expenditure and revenue in the Programme projects. They must be used by auditors/public officers when performing expenditure and revenue verification. These ERV guidelines must be read together with the Practical guidelines, which contain crucial information about rules and procedures of the Programme, as well as Communication and visibility guidelines which provide crucial information about information and communication requirements to be observed by beneficiaries. In addition, the Programme provides information on matters of general management and implementation.

According to the Article 32 of the Implementing Regulation, each beneficiary is responsible for ensuring that expenditure declared by the beneficiary in support of a payment request to the MA/JTS (except for pre-financing request) is examined by an auditor or by a competent public officer **being independent** from the beneficiary. Auditors/public officers shall have all necessary knowledge, 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.

**NB!** *the auditor/public officer performing the agreed-upon procedures undertakes to follow the GDPR<sup>1</sup> rules and national legislation on data protection.*

For auditors/public officers the verification subjects are individual IRs and individual FR produced by each beneficiary accompanied by supporting financial and non-financial documents evidencing each declared cost and, as the case may be, the revenue. Also, the compliance with non-profit principle shall be checked.

**NB!** *100% of project expenditure<sup>2</sup> included in the individual IR or individual FR must be verified by auditor/public officers and the results of the verification shall be reflected in the ERVR.*

The auditor/public officer shall examine whether the costs declared by the beneficiary and the revenue of the project are:

- real (expenditure was really incurred and revenues are identified and quantified),
- accurately recorded (amounts are stated and recorded according to the supporting documents), and
- eligible (in line with eligibility criteria) in accordance with the provisions of grant contract, the latest approved project application, the Practical guidelines, Communication and visibility guidelines, Financing Agreement, national rules and EU regulations.

**In Latvia** financial control is centralized and its functions are carried out by public officers from Investments Supervision Department of Ministry of Environment Protection and Regional Development. Expenditure verification by public officer is free of charge.

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<sup>1</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC) (General Data Protection Regulation)

<sup>2</sup> Except flat rates.

**In Russia** decentralized system applies, which means that each beneficiary from Russia is responsible for procuring auditor independent from beneficiary selected using appropriate procurement procedure in compliance with the relevant provisions of the Financing Agreement. The auditor can be same for lead beneficiary and all or some of the project beneficiaries from Russia; or separate for lead beneficiary and each beneficiary from Russia. The costs for auditor shall be included in the project budget.

**NB!** *expenditure verification shall be done for each beneficiary separately!*

The auditor shall meet **at least one** of the following requirements:

- (a) be a member of a national accounting or auditing body or institution which in turn is member of IFAC;
- (b) be a member of a national accounting or auditing body or institution. Where this organisation is not a member of IFAC, the auditor shall commit to undertake the work in accordance with IFAC standards and ethics;
- (c) be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council<sup>3</sup>;
- (d) be registered as a statutory auditor in the public register of a public oversight body in a CBC partner country, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

## 2. General principles, legal basis and scope of expenditure and revenue verification

### 2.1. Legal Basis

- Financing Agreement;
- The Latvia-Russia Cross-border Cooperation Programme 2014-2020 approved by the governments of the Republic of Latvia, the Russian Federation and adopted by the EC on 18 December, 2015, decision No C(2015) 9181
- Grant contract for implementation of the project;
- Partnership agreement for the implementation of the project;
- Practical guidelines;
- Communication and visibility guidelines;
- Any amendments in the aforementioned legal basis;
- Any other guidance on the Programme website [www.latruscbc.eu](http://www.latruscbc.eu).

Regulatory framework:

- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument;

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<sup>3</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and repealing Council Directive 84/253/EEC (JO L 157, 9.6.2006, p. 87).

- 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 (Implementing Regulation);
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union;
- **Any amendments in the aforementioned regulatory framework.**

## 2.2. Roles and responsibilities

### **Each beneficiary is responsible for**

- providing project individual IR or individual FR (for corresponding reporting period) to the auditor/public officer for verification within the set deadline;
- ensuring that project individual IR or individual FR can be reconciled to accounting and bookkeeping system of each beneficiary in question and to the underlying accounts and records;
- providing sufficient and adequate financial and non-financial information, including documents in support of the project individual IR or individual FR<sup>4</sup>;
- ensuring that the work of auditor/public officer to perform the expenditure and revenue verification is done effectively and thus depends upon each beneficiary; each beneficiary should therefore provide full and free access to all documents and databases concerning the related operational and financial management of the project, its accounting and bookkeeping system, underlying accounts and records, including financial and non-financial documentation relevant to implementation of the project, as well as access to the premises, places, location, etc. where project activities are taking place.

### **The auditor/public officer is responsible for**

- performing the agreed-upon procedures with regard to the project beneficiaries' individual IR or individual FR, and for issuing an ERVR to each beneficiary;

**NB!** ERVR form to be used and issued by the auditor/public officer is included in beneficiaries' individual IR or individual FR submitted to the auditor/public officer. **Once relevant worksheets of individual IR or individual FR are filled by auditor/public officer the complete document (filled and signed both by project beneficiary and public officer/auditor) is ERVR.** Instruction for auditor/public officer on how to fill it in is also available there. Note that all of the documents indicated in these ERV guidelines shall be filled in by the auditor/public officer in English.

- undertaking the agreed-upon procedures as stated in these ERV guidelines;
- keeping any documents related to verification process for five years after the receipt of balance payment to the Programme. Provide any related documents to the MA/JTS on request.

<sup>4</sup> According but not limited to the List of required supporting documents for expenditure and revenue verification, available on the Programme website [www.latruscbc.eu](http://www.latruscbc.eu).

## 2.3. Engagement type and objective

Expenditure and revenue verification is organised on the basis of an agreed-upon procedure which is undertaken in accordance with:

1. the International Standard on Related Services 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by International Federation of Accountants (IFAC);
2. IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants<sup>5</sup>;
3. procedures described in these ERV guidelines and within the framework of the following obligatory documents, which are a part of these ERV guidelines:
  - Expenditure and revenue verification report;
  - Checklist for the expenditure and revenue verification;
  - On-the-spot Check Report;
  - Possible Irregularity Report (also to be used for cases of fraud or suspected fraud).

The objective of the expenditure and revenue verification is for the auditor/public officer to examine the factual information in the beneficiary's individual IR or individual FR and compare it with the terms and conditions of the grant contract, applicable legal framework and by completing Checklist for the expenditure and revenue verification (Annex 1). As a result of the verification, the auditor/public officer reports all factual findings and exceptions in the ERVR, including those for which the amount cannot be quantified.

Auditor/public officer indicates the amount of verified expenditure, amount of ineligible expenditure and expenditure that are accepted as eligible.

***NB!*** *The auditor/public officer does not provide an audit opinion and expresses no assurance. The MA assesses for itself the factual findings reported by the auditor/ public officer and draws its own conclusions from these factual findings.*

In case the auditor/public officer detected possible **irregularity** (by definition of the Programme and Practical guidelines), the Possible Irregularity Report (Annex 4) is drafted and submitted together with supporting documents (such as project on – the – spot check documentation, bookkeeping documents, payment orders, bills, etc.) evidencing possible irregularity case for further investigation to the MA/JTS in paper original/or electronically signed and also sent to the email lat-rus.cbc@varam.gov.lv.

Only MA is authorized to deduct amount of irregularities from the future reports if irregularity is identified in reports which have already been accepted by the MA/JTS and the related payment claim has been reimbursed to the lead beneficiary.

***NB!*** *The Possible Irregularity Report, indicating possible irregularity of fraud, needs to be sent directly to the MA/JTS, without any need of informing the concerned beneficiary.*

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<sup>5</sup> For public officers, the above procedures and standards as stated in point 1 and 2 shall be laid down at national level taking account of international standards



### 3. Overview of the expenditure and revenue verification process and deadlines

#### 3.1. Reporting process and deadlines

Project implementation period is divided into the 6-months reporting periods, resulting in IR, but at the end of the project -the FR. In exceptional and duly justified cases, the reporting period can be extended or shortened upon prior approval of the MA/JTS.

Within **2 weeks** after the end of reporting period, each beneficiary of the project prepares individual IR or individual FR in English using the report template provided by the Programme and submits it together with supporting documents for expenditure verification to its auditor/public officer.

The report is submitted to the auditor/public officer:

- always electronically in MS Excel format,
- plus, it is either already signed with electronic signature or the MS Excel form is printed out and signed in paper,
- beneficiary statement for the report is added signed either with electronic signature or in paper,
- supporting documents may be submitted either by e-mail, as paper copies or scanned copies in a data carrier.

The auditor/public officers must have **8 weeks** after the IR or FR is submitted to auditor/public officer to perform expenditure and revenue verification.

**NB!** *In cases where auditor/public officers needs additional information or clarifications from the beneficiary, the **8-week** period time stops and commences once the beneficiary has submitted to the auditor/ public officer all the explanations/documentation requested.*

**NB!** *In case no costs have been incurred by a beneficiary in a reporting period, beneficiary informs about it the relevant auditor/ public officer with an informative letter.*

Detailed procedure and conditions for submission of the IR and FR is described in Section 5.1. of Practical guidelines.

#### 3.2. Preparation for the assignment

Prior to expenditure and revenue verification process the auditor/public officer obtains understanding of:

- terms and conditions of the grant contract by reviewing the grant contract, partnership agreement, their annexes, if applicable and other relevant information, and by inquiry of the beneficiary;
- latest approved project application form (and initially approved application form(-s)) by reviewing its worksheets;
- relevant provisions of the Programme and legal basis mentioned in Section 2.1. of these ERV guidelines;
- individual IR or individual FR.

In addition to documentation listed above auditor/public officer performing expenditure and revenue verification is recommended to get acquainted and take into account following materials:

- European Commission guidelines No Ares(2017)6254403 - 20/12/2017 "Fraud in Public Procurement. A collection of Red Flags and Best Practices" ([https://ec.europa.eu/sfc/sites/sfc2014/files/sfc-files/Fraud%20in%20Public%20Procurement\\_final%2020.12.2017%20ARES%282017%296254403.pdf](https://ec.europa.eu/sfc/sites/sfc2014/files/sfc-files/Fraud%20in%20Public%20Procurement_final%2020.12.2017%20ARES%282017%296254403.pdf));
- Annex 1 "Contract and public procurement fraud" of the Information Note on Fraud Indicators for ERDF, ESF and CF, No COCOF 09/0003/00 - 18/02/2009 ([https://ec.europa.eu/regional\\_policy/sources/docoffic/cocof/2009/cocof\\_09\\_0003\\_0\\_0\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docoffic/cocof/2009/cocof_09_0003_0_0_en.pdf));
- Article 4.2 "Red flags in public procurement procedure" of the OLAF practical guide "Identifying conflicts of interests in public procurement procedures for structural actions" ([https://www.esfondi.lv/upload/02-kohezijas\\_fonds/Lielie\\_projekti/EK\\_vadl\\_par\\_interesu\\_konflikta\\_identif\\_publ\\_iepirk\\_EN.pdf](https://www.esfondi.lv/upload/02-kohezijas_fonds/Lielie_projekti/EK_vadl_par_interesu_konflikta_identif_publ_iepirk_EN.pdf)).

The latest approved application form, as well as initially approved application form (-s) of the project are available on the dedicated restricted area of the Programme website [www.latruscbc.eu](http://www.latruscbc.eu).

For auditors from Russia access to the restricted area of the website (login and password) will be assigned to the auditor by the responsible JTS employee only after original of Certificate of an auditor (Annex 2) is signed and delivered to the official address of the MA/JTS and the MA/JTS has verified that for the respective auditor notification of compliance has been submitted from the beneficiary.

***NB!*** Certificate of an auditor shall be submitted for each beneficiary whose expenditure and revenue verification auditor is performing separately.

For public officers in Latvia, access to the above-mentioned restricted area is subject to the internal procedure of the Ministry of Environmental Protection and Regional development of the Republic of Latvia.

***NB!*** in case the auditor from Russia performing expenditure and revenue verification is changed, the new auditor should submit the Certificate of an auditor as well.

As additional support, the MA/JTS will organize Programme training event(s)/seminars for auditors/public officers directly engaged with expenditure and revenue verification.

### 3.3. Expenditure and Revenue Verification process

Auditor/public officer reviews the submitted individual IR or individual FR and supporting documents ensuring effective performance of expenditure and revenue verification.

When performing the expenditure and revenue verification, the auditor/public officer may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations.

***NB!*** *The auditor/public officer is responsible for maintaining professional scepticism throughout the expenditure and revenue verification, considering the potential fraud risks, assessing and identifying risks of irregularities due to fraud, including conflict of interest.*

During the expenditure and revenue verification the auditor/public officer follows the Checklist for the expenditure and revenue verification (Annex 1). The evidence used for performing the procedures is all financial and non-financial information, which makes it possible to examine the expenditure and revenue, declared by each beneficiary in the individual IR or individual FR.

After finalization of the clarification process regarding individual IR or individual FR or if no clarifications and/or additional documentation is needed auditor/public officer issues an ERVR, which is compiled on basis of evidences obtained and detected factual findings.

Any expenditure that auditor/public officer considers ineligible must be listed in the ERVR and described in the list of factual findings. For ineligible expenditure, relevant evidences are attached to the ERVR and/or references to exact document/s are given. Auditor/public officer records observations regarding each entry of the detected factual finding and reflects opinion and comment of the audited beneficiary, in cases where the beneficiary disagrees with the conclusions of the auditor/public officer. In case of non-compliance with public procurement rules and project publicity rules, the auditor/public officer shall define amount of financial corrections to be applied, according to Section 8.2. of the Practical guidelines.

Therefore, as a result of expenditure and revenue verification the auditor/public officer shall issue to the respective beneficiary the following documents:

- 1) ERVR signed **both by auditor/public officer and authorized person of the beneficiary** with electronic signature or printed out and signed in paper,
- 2) ERVR, including other parts of beneficiary's individual IR or FR, always electronically in MS Excel format,
- 3) checklist for Expenditure and Revenue Verification (Annex 1),
- 4) for ineligible expenditure detected auditor/public officer attaches relevant evidences/supporting documents;
- 5) on-the-spot Check Report (Annex 3), if applicable.

### 3.4. Evidence and Documentation

MA/JTS, Control Contact Points of the country of the concrete beneficiary and any other competent EU body or organization duly authorized by the aforementioned structures, may have access to the working papers of the auditor/public officer to verify the quality of work carried out.

## 4. General Procedures

### 4.1. Expenditure and Revenue Verification Evidences

The requirements that relate to verification evidence are:

- beneficiary keeps accurate and regular accounts for the implementation of the project using an appropriate accounting and double-entry bookkeeping system. All project related expenditures and receipts are clearly identified and verifiable (except cases

when flat rates are applied), they are easily traced. Beneficiary maintains either one of these:

1. separate accounting system or
2. adequate accounting code

for all transactions related to project without prejudice to national accounting rules (except cases when flat rates are applied).

Moreover, supporting documents for expenditure and revenue verification, also listed in respective section of the Practical guidelines must:

- be easily accessible, sorted and filed so as to facilitate their examination. If supporting documents are scanned or sent electronically their file name should clearly identify the content of the document;
- be available in documentary form, whether paper, electronic or other medium (e.g. a written record of a meeting is more reliable than an oral presentation of the matters discussed); electronic documents can be accepted only where:
  - the documentation was first received or created (e.g. an order form or confirmation) by the beneficiary in electronically; or
  - the auditor/public officer is satisfied that the beneficiary uses electronic archiving system, which meets established standards (e.g. certified system which complies with national legislation).
- preferably be in the form of originals rather than photocopies or facsimiles. Yet, the auditor/public officer shall gain confidence that originals are available;
- preferably derive directly from goods, service, work providers, i.e. original invoice or contract is more reliable than an internally approved receipt note produced by the beneficiary;
- preferably to be obtained directly by the auditor/public officer (e.g. inspection of assets), it is more reliable than evidence obtained indirectly (e.g. inquiry about the asset).

The following rules are of especial importance for the auditor/public officer when performing expenditure and revenue verification. Further information on all these topics can be found in the Practical guidelines.

## 4.2. Use of Euro

The auditor must verify that for Russian beneficiaries, expenditure incurred in RUB is converted into EUR using the monthly accounting exchange rate set by the European Commission in the month, during which that expenditure was paid (for the reference please see: <http://ec.europa.eu/budget/infocore/index.cfm?language=en>) with an accuracy of four digits after the comma (e.g. 0.1234). **Mathematical rounding to four digits after the comma shall be applied in case the monthly accounting exchange rate set by the European Commission in the month is indicated with five or more digits after comma.**

## 4.3. Project changes

The Programme allows for certain modifications in project activities, deliverables, budget and outputs, which do not question the purpose of the project and award decisions. In

some cases minor changes may be introduced without prior approval of the MA/JTS and can be reported via IR or FR.

The procedure on project modifications is explained in Article 4 of the Practical guidelines.

If auditor/ public officer identifies that changes made in the project are not in accordance with the requirements of procedure of project changes in Practical guidelines, the auditor/public officer shall inquire the beneficiary and gain evidence that the relevant changes process has been started and the project lead beneficiary has submitted to the MA/JTS request for changes. In such case expenditure should not be marked as ineligible if no other requirements of Programme legal framework are breached.

#### 4.4. On- the- spot checks

On-the-spot check means that auditor/public officer actually visits the project and verifies that certain activities, purchases of services and products, and infrastructure works have actually taken place in accordance with the latest approved application form, requirements of audit trail are fulfilled, and that relevant Programme rules, requirements of the Financing Agreement, national rules and EU regulations have been respected.

**Auditors from Russia** during the project lifetime shall go to at least one on-the-spot check for each beneficiary of each project for which expenditure and revenue verification is performed.

**Public officers from Latvia** undertake on-the-spot checks on a sample basis, if sampling is foreseen in national legal acts for functioning of the public officers.

On-the-spot checks should take into account the progress of projects activities; therefore, it is recommended that such checks take place when the project and beneficiaries have reported around 50% of planned expenditure or on a case by case basis, depending of specific nature of the project. In addition, it is recommended to perform additional on-the-spot within verification of individual FR.

**NB!** For Direct Award Projects' it is strongly recommended to the auditor/public officer to perform on-the-spot checks at least twice for each beneficiary per project life cycle.

Following the on-the-spot check the auditor/public officer completes the On-the-spot Check Report (Annex 3). On-the spot check report should be attached to the ERVR.

As a result of on-the spot check, if respective irregularities are detected, auditor/public officer might have to prepare Possible Irregularity Report.

#### 4.5. Procurements and rules of nationality and origin

Where applicable the auditor/public officer examines the compliance of expenditures declared by the beneficiary with **procurement rules** and **rules of nationality and origin**.

Beneficiaries from Latvia must comply with national legislation and, where relevant, EU rules for procurement.

Beneficiaries, which are public entities and public equivalent bodies from the Russian Federation, must comply with national legislation. Private beneficiaries from the Russian Federation, must comply with Annex II (Award of procurement contracts by Russian private beneficiaries) of Financing agreement.

Rules of nationality and origin are regulated by Articles 8 and 9 of Regulation (EU) No 236/2014<sup>6</sup> and by Article 7 of Annex 1 (General Conditions) to the Financing Agreement.

Where the auditor/ public officer finds non-compliance with rules of nationality and origin, financial impact in terms of ineligible expenditure is stated as factual finding.

#### 4.6. Non- profit principle

Grants awarded shall not have the purpose or effect of producing a profit defined a surplus between costs and receipts at the moment of closure of the project. However, if beneficiary gets a contribution from a third party (e.g. state contribution) or revenue deriving from project implementation (e.g., interest generated by pre-financing, charges for the use of infrastructure developed in the project, fees for service provision, etc.) it does not by default mean that non-profit principle is breached.

***NB!*** Beneficiary shall provide a proof that contribution from a third party or revenue deriving from project implementation is not a profit.

#### 4.7. Flat rates and retroactive costs

- flat rate is used for BH "Office and administration costs", meaning that beneficiary does not need to document that the expenditure has been incurred and paid, or to prove that the reported amount using the flat rate would correspond to the real costs for office and administration.
- Retroactive costs – costs included under BH 7 for the development of studies and of documentation that are directly related to infrastructure development (investment project, technical project, environmental impact assessment etc.) for each infrastructure and works object, are covered as real costs up to 7% of the relevant, planned in the project infrastructure and works object's costs.
- Preparatory costs – costs for travel, translation and other costs for preparation of project full application. They are covered as a lump sum of EUR 1800 (Programme financing) per project and shall be indicated in the full application. They will be paid to lead beneficiaries that have signed grant contract.

Documents serving as evidence for eligibility of retroactive costs must be verified with the first individual IR.

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<sup>6</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action

## ANNEXES

Annex 1 Checklist for Expenditure and Revenue Verification

Annex 2 Certificate of an Auditor

Annex 3 On-the-spot Check Report

Annex 4 Possible Irregularity Report

**Checklist for expenditure and revenue verification  
Latvia-Russia Cross Border Cooperation Programme 2014-2020**

TYPE OF VERIFICATION	
<b>Type of the verification:</b>	<input type="checkbox"/> Only desk-based check <input type="checkbox"/> Includes on-the-spot check (if yes, please also fill in on-the-spot report)
<b>On-the-spot verification(s):</b>	Date: <b>DD Month YYYY</b> Place(s): <input type="checkbox"/> premises of the beneficiary <i>&lt;indicate address&gt;</i> <input type="checkbox"/> place of project outputs <i>&lt;indicate address&gt;</i> <input type="checkbox"/> other <i>&lt;please indicate&gt;</i> <i>&lt;indicate address&gt;</i>
<b>Format in which supporting documents were made available:</b>	<input type="checkbox"/> original (including electronic) <input type="checkbox"/> copies (including electronic)

**NB!** When filling in this checklist, instructions given in grey field should be deleted

1. FORMAL CHECKS			
No	Checks	Y/N/NA	Comments
1.1.	Grant Contract signed by both parties (Managing Authority and Lead Beneficiary) is available		
1.2.	Amendments to the Grant Contract are available (if applicable)		
1.3.	Latest approved application form is available		<i>&lt;if relevant, previous versions of application forms can be checked as well&gt;</i> <i>&lt;individual budget of the beneficiary is stipulated in the latest approved application form&gt;</i>
1.4.	Partnership Agreement signed by all parties is available (including amendments and/or addendum(s), if applicable)		
1.5.	Individual IR or individual FR is available		

2. GENERAL ELIGIBILITY CRITERIA		
No	Indicate findings/comments below the question	Y/N/NA
2.1.	All reported expenditures have been actually incurred (paid) by the beneficiary, and they can be verified by adequate supporting documents of probative value (except expenditures that can be reported as flat rates and lump sums).  <u>Comments:</u> <i>&lt;costs <b>incurred</b> means costs actually paid during the project implementation period with the exception to costs directly related to final report, including expenditure verification, audit and final evaluation of the project, which may be paid</i>	



	<p>after the implementation period but no later than within 1 month after project end date and those costs should be listed in the final report and in the expenditure verification report&gt;</p> <p>&lt;costs are considered to be paid out when the amount is debited from the project beneficiary organisation's bank account. The bank statements usually prove the payment. The date when the invoice was issued, recorded or booked in the accounting system does not count as a payment date&gt;</p> <p>&lt;compliance with rules concerning costs to be included in the individual IR or individual FR as stated in the Section 5.1. of Practical Guidelines shall be checked&gt;</p>	
2.2.	<p>All expenditures are necessary and directly related to the part of project activities, for which the beneficiary is responsible for, and indicated in the approved budget in the latest approved application form</p> <p><u>Comments:</u></p> <p>&lt;costs must be explicitly stated in the latest approved application form</p> <ul style="list-style-type: none"> <li>- costs must be directly related to project and necessary for its implementation, planned in the latest approved application form, in specific budget headings and budget lines;</li> <li>- note that in some cases minor changes are allowed to be reported via IR and FR according to requirements of the of Section 4.1. of Practical Guidelines&gt;</li> </ul>	
2.3.	<p>All expenditures have been incurred between implementation period of the project, with the following exceptions:</p> <ul style="list-style-type: none"> <li>- for final reports, including expenditure and revenue verification, audit and final evaluation of the project, which may be paid after the implementation period of the project but no later than within 1 month after project end date and those costs should be listed in the final report and in the expenditure and revenue verification report;</li> <li>- preparatory costs;</li> <li>- retroactive costs.</li> </ul> <p><u>Comments:</u></p> <p>&lt;verify the compliance with the Section 3.1. of the Practical Guidelines and provisions of the Article 3 of the Grant Contract of the project&gt;</p> <p>&lt;no checks with regards to preparatory costs are needed&gt;</p>	
2.4.	<p>All expenditures are correctly allocated to the relevant budget headings and are reported only once</p> <p><u>Comments:</u></p> <p>&lt;verify that</p> <ul style="list-style-type: none"> <li>- <u>direct costs are included in the appropriate budget heading according to rules set in the Section 6.8. of the Practical Guidelines;</u></li> <li>- <u>the reported costs are not included at the same time in different budget headings;</u></li> <li>- <u>costs which should be covered as a flat-rates are not included in another budget heading as direct costs;</u></li> <li>- <u>costs included in the current report are not included in the reports for previous periods&gt;</u></li> </ul>	
2.5.	<p>All expenditure has been incurred in the eligible Programme area with exceptions according to Practical Guidelines</p> <p><u>Comments:</u></p> <p>&lt;verify the compliance with the Section 6.7. of the Practical Guidelines&gt;</p>	
2.6.	<p>&lt;for Russian (lead) beneficiaries&gt; Exchange rate for converting expenditures and revenue in national currency into EUR has been properly applied, in accordance with the provisions of the Grant Contract and Practical Guidelines for project implementation</p> <p><u>Comments:</u></p> <p>&lt;verify compliance with the Section 6.2. of the Practical Guidelines&gt;</p>	
2.7.	<p>Any recoverable VAT has been deducted from the amount of declared expenditure for all relevant items</p> <p><u>Comments:</u></p>	

	<i>&lt;verify beneficiary's VAT status. In case VAT is/potentially can be recovered from the state budget, then VAT should be excluded from the individual IR or FR and treated as ineligible&gt;</i>	
2.8.	<u>Any ineligible expenditure, including contributions in kind has been excluded from the reported expenditure</u>	
	<u>Comments:</u> <i>&lt;verify that no non-eligible costs according to Section 6.6. of the Practical Guideline are reported&gt;</i>	
2.9.	Expenditure is identifiable and verifiable and accounted in accordance with accounting standards	
	<u>Comments:</u> <i>&lt;verify compliance with Section 6.3. of the Practical Guidelines&gt;</i>	
2.10.	Lead beneficiary has paid the pre-financing/further instalments to the beneficiary according to the provisions of the Grant contract and the Partnership agreement	
	<u>Comments:</u> <i>&lt; verify compliance with relevant provisions of each project Grant contract and the Partnership agreement</i> - <i>for lead beneficiary verify that lead beneficiary has made relevant payments to other beneficiaries by bank account statement;</i> - <i>for beneficiary verify that payments have been received by bank account statement&gt;</i>	
2.11.	<u>No suspicion of fraud within the meaning of definition according to the General Conditions of the Financing Agreement Article 18 has arisen</u>	
	<u>Comments:</u> <i>&lt; fraud means any intentional act or omission concerning:</i> - <i>the use or presentation of false, incorrect or incomplete statements or documents which has as its effect the misappropriation or wrongful retention of Programme co-financing parties' financial contributions;</i> - <i>non-disclosure of information on violation of a specific obligation, with the same effect;</i> - <i>the misuse of such funds for purposes other than those for which they are originally granted&gt;</i>	

### 3. ELIGIBILITY OF EXPENDITURE

3.	BH1 (Staff costs)	Y/N/NA	Comments
3.1.1.	Staff costs of each project staff member comply with <i>specific rules</i> set out in Section 6.8.1. of Practical Guidelines		<i>&lt;- check the staff costs against specific rules for this budget heading (Section 6.8.1. of Practical Guidelines);</i> - <i>check that persons for which staff costs are reported are employees of the beneficiary and that they are engaged in project activities also respecting necessary staff cost positions planned in the application form;</i> - <i>verify that type of engagement of each employee is clear, either:</i> - <i>full time;</i> - <i>part-time assignment with a fixed percentage of work dedicated on the project per month;</i> - <i>contracted on an hourly basis&gt;</i>
3.1.2.	All documents related to project staff costs are available		<i>&lt;Verify that</i> - <i>employment contracts or any similar type of document according to national rules;</i> - <i>job description for each project member;</i> - <i>orders or any relevant document confirming the staff works for the project;</i> - <i>project timesheets, if employee also fulfils tasks not related to the project implementation that are accurately filled in, and signed by employee and responsible person of beneficiary;</i> - <i>proof of payment of the social charges and taxes and payslips&gt;</i>
3.1.3.	The calculation of staff costs is based on real costs and real worked hours		<i>&lt;verify that</i> - <i>real gross salary is proved by payslips, employment taxes, social security taxes, etc.</i> - <i>For employees contracted on an hourly basis, holiday payments (if included in the report) are reported based on the actual working time for the project, i.e. that average earning is counted taking into account salary received from the project budget in relevant time period.</i>

3.1.4.	The calculation of staff costs, that is the actual time devoted for project, is correct		<verify that for each person working for the project according to its engagement type (full time; part-time assignment with a fixed percentage of work dedicated on the project per month; contracted on an hourly basis) staff costs are calculated correctly in line with Section 6.8.1. of Practical Guidelines and that method of the calculation is available as well as data can be reconciled with beneficiary working time registration system>
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3.2.	BH2 (Travel and accommodation costs)	Y/N/NA	Comments
3.2.1.	Travel and accommodation costs comply with <i>specific rules</i> set out in Section 6.8.2. of Practical Guidelines		< check the travel and accommodation costs against specific rules for this budget heading (Section 6.8.2. of Practical Guidelines); -check that travel and accommodation costs are directly related to the project activities and included in the project application form; -check that costs are definitely borne by the beneficiary and in cases where staff member makes a direct payment it is reimbursed from the employer; -check compliance with Section 6.7. of Practical Guidelines>
3.2.3.	Travel and accommodation costs are properly documented and all relevant evidences are available.		<Verify that evidences include, but not limited to: - business trip order and mission report (if applicable), - travel documents, - financial documents and proof of payments (or reimbursement, in case e.g. direct payment by the staff member is made), - supporting documents (e.g. agenda, list of participants, visual materials etc.).>
3.2.4.	In case own or company car is being used for travelling, calculation sheet is available		<verify that calculation sheet is prepared according to national or institutional rules stating at least the total distance run, the unit rate (for the fuel), the car insurance (e.g. green card, if applicable) and the total costs of the travel>
3.2.5.	Maximum rates for travel and daily allowance of project staff and other persons taking part in the project are not exceeded		<verify that costs: - comply with national legislation in force; - not exceed the costs normally paid by the rules and regulation of the beneficiary; - not exceed the rates published by the EC at the time of mission>
3.2.6.	Double financing of the travel and accommodation costs is avoided		<verify if any of the travel and accommodation costs are not already covered by the daily allowance paid>

3.3.	BH3 (External expertise and service costs)	Y/N/NA	Comments
3.3.1.	External expertise and service costs comply with <i>specific rules</i> set out in Section 6.8.3. of Practical Guidelines		<check costs against specific rules for this budget heading (Section 6.8.3. of Practical Guidelines), -check that costs are directly related to project activities and planned in the latest approved application form; -check that Communication and visibility costs are directly related to the project and in line with requirements set forth in Communication and Visibility Guidelines for Project Beneficiaries, e.g. if roll-up is made, then its attribution to project and Programme should be explicit>
3.3.2.	External expertise and service providers are not employed in the project under staff costs and are not project beneficiaries		<subcontracting other project beneficiary organisations or employees of other beneficiary organisations, who already work for the project based on an employment contract, is not allowed>
3.3.3.	External expertise and service providers are selected through the relevant procurement procedure		<verify that relevant procurement rules are applied, according to requirements of the Section 9 of the Practical Guidelines>

3.3.4.	Expenditure is properly documented and all relevant evidences are available		<p>&lt;verify that:</p> <ul style="list-style-type: none"> <li>- documents referred to in this point include, but no limited to invoices, proofs of payment, delivery acts, etc.;</li> <li>- invoices or documents of equivalent probative value are in line with contracts;</li> <li>- advance payments to the external service providers are eligible only after the partial or full delivery of the purchased goods or services. In case up to 1/3 of total contract amount is paid as advance payment, then prove of partial or full delivery of goods or services is not required&gt;</li> </ul>
3.3.5.	Deliverables or other evidence of the work carried out by external expertise and service provider is available		<p>&lt;verify that the individual IR or individual FR is accompanied by supporting documents for the outcome of contracts concluded by the external experts and / or service providers in the project, e.g.:</p> <ul style="list-style-type: none"> <li>- reports on the activities carried out in the implementation of a particular project;</li> <li>- developed documents (studies, translations, photographs, if taken photo-fixing, presentations, handouts, etc.);</li> <li>- invoices issued by service providers;</li> <li>- other documentation supporting the services received within the framework of the Project&gt;</li> </ul>
3.3.6.	Deliverables meet requirements set forth in the Communication and Visibility Guidelines for Project Beneficiaries, if applicable		<p>&lt;verify compliance with Communication and Visibility Guidelines for Project Beneficiaries&gt;</p>

3.4.	BH4 (Equipment costs)	Y/N/NA	Comments
3.4.1.	Costs related to equipment comply with <i>specific rules</i> set out in Section 6.8.4. of Practical Guidelines		<p>&lt;check the costs of purchase/rent of equipment against specific rules for this budget heading (Section 6.8.4. of Practical Guidelines)&gt;</p>
3.4.2.	Equipment purchased or rented is necessary and exclusively used for the project implementation, and foreseen in the latest approved project application		<p>&lt;check that each equipment purchased for which costs are being reported is included in the latest approved project application form&gt;</p>
3.4.3.	Relevant procedures for selection of the suppliers and purchase/rent of equipment have been applied and supporting documents are available		<p>&lt;verify that</p> <ul style="list-style-type: none"> <li>- relevant procurement rules are applied, according to requirements of the Section 9 of the Practical Guidelines;</li> <li>- procurement, documentation, contracts, acceptance certificate, payment records, inventory lists, etc. are available;</li> <li>- check that invoices or documents of probative value are in line with procurement contracts&gt;</li> </ul>
3.4.4.	Equipment complies with requirements of Communication and Visibility Guidelines for Project Beneficiaries		<p>verify that</p> <ul style="list-style-type: none"> <li>- relevant procurement rules are applied, according to requirements of the Section 9 of the Practical Guidelines;</li> <li>procurement, documentation, contracts, acceptance certificate, payment records, inventory lists, etc. are available&gt;</li> </ul>
3.4.5.	No double financing is detected regarding purchased and/or rented equipment is detected.		<p>&lt;verify that purchased/rented equipment is not paid from any EU funds or other international, national, regional or local funds&gt;</p>
3.4.6.	Ownership of the equipment is clear		<p>&lt;verify compliance with Section 10 of the Practical Guidelines&gt;</p>

<b>3.5.</b>	<b>BH5 (Infrastructure and Works)</b>	<b>Y/N/NA</b>	<b>Comments</b>
3.5.1.	Costs related to infrastructure component of the project comply with <i>specific rules</i> set out in Section 6.8.5. of Practical Guidelines		<check the costs related to infrastructure component of the project against specific rules for this budget heading (Section 6.8.5. of Practical Guidelines)>
3.5.2.	Evidence of relevant procurement process applied is available		<verify that relevant procurement rules are applied, according to requirements of the Section 9 of the Practical Guidelines>
3.5.3.	Providers of infrastructure and works are external to the project partnership		<subcontracting other project beneficiary organisations or employees of other beneficiary organisations, who already work for the project based on an employment contract, is not allowed>
3.5.4.	Works are in line with the latest approved application form		<note changes made in the technical documentation before and after public procurement. Only changes which do not affect project activities described in the latest approved application form are allowed in the technical documentation>
3.5.5.	All documents evidencing reported works are available and in line with national legislation; infrastructure and works exist or evidence of work in progress is available		<-documents referred to in this point include, but no limited to invoices, proofs of payment, delivery acts, photos of work progress, etc; -final payment for works done can be accepted only after acceptance act of works by the relevant authority is submitted with the report even if it was not task of works provider according to concluded contract>
3.5.6.	The share allocated to the project is plausible. i.e. calculated according to a fair, equitable and verifiable method.		<should be checked in case of concluded contracts that are not exclusively used for the project; -verify that only a respective share of the expenditure is allocated to the project and that this share is calculated according to a fair, equitable and verifiable method. In cases where bills issued under such a contract are paid from several financial sources, the amount eligible from the project should be indicated on the invoice>
3.5.7.	Communication and visibility requirements of the Programme are observed on the site of works and for the end product pursuant provisions of Communication and Visibility Guidelines for Project Beneficiaries		<verify compliance with Communication and Visibility Guidelines for Project Beneficiaries>
3.5.8.	Ownership of infrastructure is clear		<verify compliance with Section 10 of the Practical Guidelines>

<b>3.6.</b>	<b>BH6<sup>7</sup> (Retroactive and preparatory costs), if applicable</b>	<b>Y/N/NA</b>	<b>Comments</b>
3.6.1.	Retroactive costs for which advance payment has been received, if applicable, are eligible as outlined in Section 6.8.6. of Practical Guidelines		<this section is only relevant for the expenditure verification of the first individual IR as these costs are covered with the first advance payment, if applicable; -advance payment for retroactive was paid only if retroactive costs were included in the approved application form; -if beneficiary has retroactive costs, verify documents serving as evidence for eligibility of retroactive costs according to Section 6.8.6. of Practical Guidelines in connection with the approved application form>

<sup>7</sup> Costs under BH6 (Retroactive and preparatory costs) are verified by an auditor/public officer, and the respective section of the checklist is filled in only during initial verification of individual FR

3.6.2.	<for open call projects and for DAPs <sup>8</sup> > retroactive costs have been incurred no earlier than 18 December 2015 and one day before the approval of full application by the Joint Monitoring Committee		<1 <sup>st</sup> and 2 <sup>nd</sup> call full applications (i.e. open call projects) approval by the JMC on 7.12.2018>  <DAPs approved by the JMC on 22.12.2017>
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3.7.	BH7 (Office and administration costs)	Y/N/NA	Comments
3.7.1.	Indirect administrative costs do not exceed 7% of eligible costs of the project budget, excluding costs incurred in relation to the provision of infrastructure		<verify that percentage is not exceeded >

4. REVENUES AND NON-PROFIT		Y/N/NA	Comments
4.1.	Beneficiary reports revenue, which is real and adequately recorded		<verify reported revenue>
4.2.	Beneficiary has interest generated by pre-financing payments, which is accurately reported in the interim/final report under current verification		<indicate whether interest was generated or not>
4.3.	There is no surplus of receipts over costs (non-profit) in the final report		<during check of individual FR, it must be determined that non-profit rule is respected, e.g. in case there is a surplus of receipts over costs in the end of the project>

5. STATE AID		Y/N/NA	Comments
5.1.	<for Latvian beneficiaries> In case beneficiary has been confirmed receiving aid under de minimis rules amount granted under de minimis by Programme is not exceeded by relevant beneficiary		<verify that amount granted under de minimis by Programme is not exceeded by relevant beneficiary >
5.2.	<for Latvian beneficiaries> Project implemented activities are not considered to fall under the state aid		<verify that implemented activities still comply with the applicable Union rules on state aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union>

6. PROCUREMENT AND RULE OF NATIONALITY AND ORIGIN		Y/N/NA	Comments
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<sup>8</sup> DAP – direct award project

6.1.	Relevant procurement procedure is applied		<verify that relevant procurement rules are applied, according to requirements of the Section 9 of the Practical Guidelines>
6.2.	Public procurements are documented		<check that procurement procedure is adequately documented according to applicable rules (e.g. award criteria, requests for offers, offers, reports from evaluation committee, contracts are available)>
6.3.	The procedure for awarding the contracts by the beneficiary is free of conflict of interests.		<check that persons who conducted the activities associated with the procedure of selecting the contractor on behalf of the contracting party, including participating in the evaluation of tenders, do not have any personal or capital ties with the contractors. They are impartial and objective>
6.4.	Rules of nationality and origin are respected		<verify that in all cases the rules of nationality and origin set forth in Articles 8 and 9 of Regulation (EU) No 236/2014 and of the General conditions of the Financing agreement Article 7; -verify that no discriminatory provisions with regards to this rule is included in the terms of reference>

7. COMMUNICATION AND VISIBILITY		Y/N/NA	Comments
7.1.	The Programme communication and visibility requirements set forth in the Communication and Visibility Guidelines for Project Beneficiaries are respected		<check that respective evidences are available proving that these requirements have been respected>
7.2.	<for Russian beneficiaries> requirements of Practical Recommendations for Project Participants on the Information Coverage of the Russian Federation Participation in Cross-Border Cooperation Programmes are respected		<check that respective evidences are available proving that these requirements have been respected>

<b>Auditor/public officer who performed expenditure and revenue verification</b>	<name, surname>  _____ (signature)
<b>Place and date:</b> <Stamp of organization (if applicable)>	DD Month YYYY, <place>

**Certificate  
of the auditor  
performing expenditure and revenue verification for project co-financed by  
the Latvia-Russia Cross-Border Cooperation Programme 2014 – 2020**

<b>Project reference number and acronym</b>	
<b>&lt;Lead&gt; Beneficiary</b>	<i>&lt;indicate full name of organization&gt;</i>
<b>&lt;Lead&gt; Beneficiary contact persons details (phone number, e-mail)</b>	
<b>Auditor information</b>	
<b>Title of the auditor and address</b>	
<b>Name and surname of the auditor and contact details (phone number, e-mail)</b>	
<p><i>&lt;Name of auditor&gt;</i>, being in charge of expenditure and revenue verification related to project implemented by the above mentioned <i>&lt;lead&gt;</i> beneficiary, declare that:</p> <ol style="list-style-type: none"> <li>1. the assigned login and password for the restricted area of the Programme website <a href="http://www.latruscbc.eu">www.latruscbc.eu</a> as well as information gained from the documents of the restricted area will be kept safe and will not be distributed to the third parties;</li> <li>2. responsibility is taken for all actions done with assigned login and password.</li> </ol>	
<b>Name, surname of the auditor</b>	
<b>Signature</b>	
<b>Date</b>	



## Latvia-Russia CBC Programme 2014–2020

## On-the-spot Check Report

<b>Project title and acronym:</b>	
<b>Project reference number:</b>	
<b>Name of beneficiary:</b>	
<b>Total beneficiary's budget, EUR:</b>	
<b>Project duration:</b>	DD Month YYYY – DD Month YYYY

<b>Planned reporting periods (total number):</b>	
<b>Already implemented reporting periods (number):</b>	
<b>Total beneficiaries' reported expenditure, EUR</b>	
<b>Reported during period:</b>	DD Month YYYY – DD Month YYYY
<b>Current reporting period:</b>	DD Month YYYY – DD Month YYYY
<b>Representative(s) of beneficiary:</b>	<enter name, surname and relation to/position in the project>

## I. General on-the-spot check control objectives

No	Control questions	Y/N/NA	Comments
1.	Project documentation is available and is filed separately with clear indication of storage deadline		
2.	Separation of Project related expenditure has been ensured from other expenditure of the beneficiary's organization/institution		
3.	Adequate bookkeeping system has been established according to the Programme requirements and national legislation		
4.	In case beneficiary is VAT payer and VAT is included as eligible costs in the beneficiary's report- has not the beneficiary reclaimed VAT from state		

## II. Overall check of project implementation and results

No	Control questions	Y/N/NA	Comments
5.	Are payment documents and other supporting documents available and do they justify the expenditure?		
6.	Do copies of payment documents and other supporting documents submitted together with individual IR or individual FR comply with originals on spot?		
7.	Do implemented infrastructure/(re)construction works comply with reported expenditure?		
8.	Do material and non-material assets reported physically exist on spot?		
9.	Are purchased or established assets used for purposes defined in the project?		
10.	Are procurements done in accordance with applicable procurement rules?		
11.	Were communication and visibility requirements followed and evidence of it is available?		
12.	In case during on-the-spot check the auditor/public officer has identified revenue generated during project implementation, has it been reflected in the individual IR or individual FR of the beneficiary?		

## III. Summary of project beneficiary on- the- spot check

<b>Observations and conclusions</b>	<i>&lt;filled in by auditor/public officer&gt;</i>
<b>Feedback from the beneficiary</b>	<i>&lt;if relevant, to be filled in by auditor/public officer after discussions with beneficiary&gt;</i>
<b>Recommendations/ actions to be taken by beneficiary</b>	<i>&lt;insert recommendations for beneficiary regarding improvements in project activities it is responsible for, if any. It may as well concern the project as a whole&gt;</i>
<b>Overall evaluation of auditor/public officer for project implementation by beneficiary</b>	<i>&lt;insert short assertion: e.g. "positive", "negative", "satisfactory", "with objections". This assertion should comply with observations and comments in the report&gt;</i>

**IV. List of checked originals of supporting documents selected on risk analysis by auditor/public officer**

No	Budget heading	Budget line	Document type, number	date,	Reported amount, EUR	Comments by auditor/public officer
1.						
2.						
...						

<b>Auditor/public officer who carried out on-the-spot check:</b>	<p>&lt;name, surname&gt;</p> <hr/> <p>(signature)</p>
<b>Place and date:</b> <b>&lt;Stamp of organization (if applicable)&gt;</b>	<p>DD Month YYYY, &lt;place&gt;</p>

**Latvia – Russia Cross-border Cooperation Programme 2014-2020  
POSSIBLE IRREGULARITY REPORT**

<b>1. Project number, title, acronym</b>	
<b>2. Grant contract number</b>	
<b>3. Beneficiary for which possible irregularly carried out expenditure (hereinafter – irregularity) is identified</b>	
<b>4. Project lead beneficiary</b>	
<b>5. Amount of irregularity:</b>	
5.1. total amount	
5.2. Programme co-financing	
<b>6. Time period when irregularity was incurred</b>	
<b>7. Description of irregularity</b>	
<b>8. Violated provision:</b>	
8.1. European Union legal norm (decision, directive, regulation)	
8.2. Programme provision	
8.3. National legal norm	
8.4. Grant contract provision	
<b>9. Type of irregularity:</b>	
9.1. Irregularity	
9.2. Suspected fraud <sup>9</sup>	
9.3. Fraud <sup>10</sup>	
<b>10. Institution which detected irregularity</b>	
<b>11. Date when irregularity was detected</b>	
<b>12. Information how irregularity was detected</b>	

Prepared by: (name, surname)

(title of the institution) (signature)

<sup>9</sup> suspected fraud which is an irregularity giving rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular, fraud

<sup>10</sup> fraud which is any intentional act or omission relating to:

1. the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Union or budgets managed by, or on behalf of, the European Union;
2. non-disclosure of information in violation of a specific obligation, with the same effect;
3. the misapplication of funds for purposes other than those for which they were originally granted.