



REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE

BUDGET SUPERVISION OFFICE
OF THE REPUBLIC OF SLOVENIA

ANNUAL CONTROL REPORT

**COOPERATION PROGRAMME INTERREG V-A
Slovenia - Austria 2014 – 2020**

CCI No 2014TC16RFCB054

**referred to the 7th accounting year
from 1 July 2020 to 30 June 2021**

Final Version



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1. INTRODUCTION

1.1 Identification of the responsible audit authority and other bodies that have been involved in preparing the report.

Audit Authority (hereinafter AA):
Republic of Slovenia
Ministry of Finance - Budget Supervision Office (hereinafter BSO)
Other European Shared Management Funds Audit Division
Fajfarjeva 33
1000 Ljubljana – Slovenia

The AA is assisted, as envisaged under Art. 25 (2) of Regulation (EU) No. 1299/2013, by the Group of Auditors (hereinafter GoA).

The GoA is composed by representatives of AA (above) and Audit Body (hereinafter AB):

Audit Body:
Federal Ministry of Agriculture, Regions and Tourism
Referat ERDF Audit Authority
Ferdinandstrasse 4
A-1020 Vienna - Austria

1.2 Indication of the reference period.

The period from 1 July 2020 to 30 June 2021 represents the reference period in accordance with Art. 2(29) of Regulation (EU) No.1303/2013

1.3 Indication of the audit period.

The Annual Control Report is referred to the audit work performed in the (audit) period from 1 July 2020 to the date of the submission of it to the EC.

1.4 Identification of the operational programme(s) covered by the report and of its/their managing and certifying authorities.

COOPERATION PROGRAMME INTERREG V-A Slovenia Austria 2014 – 2020
CCI No 2014TC16RFCB054

Managing Authority (hereinafter MA):
Government Office for Development and European Cohesion Policy
European Territorial Cooperation Division
Cross-border Programmes Management Section
Kotnikova ulica 5
1000 Ljubljana – Slovenia

Certifying Authority (hereinafter CA):
Public Fund of the Republic of Slovenia for Regional Development and Development of Rural Areas (hereinafter SRDF)
Škrabčev trg 9a
1310 Ribnica – Slovenia

1.5 Description of the steps taken to prepare the report.

The report was drafted in accordance with Art. 63 (7) of Regulation No.1046/2018 and revised version of Guidance for Member States on ACR and Audit Opinion (Programming Period 2014-

2020) and is based on activities envisaged in the audit strategy drawn up by the AA with the support of the GoA.

2. SIGNIFICANT CHANGES IN MANAGEMENT AND CONTROL SYSTEM(S)

2.1 Details of any significant changes in the management and control systems related with managing and certifying authorities' responsibilities.

In November 2021 the MA submitted to the AA the revised version of the Description of the Management and Control System (hereinafter DMCS), which includes changes of the management and control system (hereinafter MCS) referred to the period from November 2020 to November 2021.

In the second part of 2021 some changes of management structure in the frame of the programme have been realized, as follows:

- In May 2021 Mr. Uroš Klopčič has been appointed as the new Head of the Certifying Authority.
- In May 2021 Mrs. Schneeweiss has resigned from the post as Head of Audit Body. The Audit Body is now managed by Mr. Markus Köb, as deputy Head (since May 2018).
- In October 2021 Mrs. Tanja Renner has been appointed as the new Head of the Managing Authority and Mr. Aleš Mrkela as the new Deputy Head of the Managing Authority.

The last changes related to the MA/JS are partly related to the organisational changes within the Government Office for Development and European Cohesion Policy (hereinafter GODC) and were implemented in October 2021 as follows:

- The GODC has re-organized ETC and Financial Mechanism Office into new European Territorial Cooperation and Financial Mechanisms Division.
- In the frame of the European Territorial Cooperation and Financial Mechanisms Division two sections are organized:
 - o MA and JS of the CP Interreg SI-AT 2014-2020 work within the Cross-Border Management Section¹.
 - o Slovenian National Authority (hereinafter NA) of the CP Interreg SI-AT 2014-2020 works within the European Territorial Cooperation and Financial Mechanisms Section².
- Slovenian National Control Unit (hereinafter NCU) of the CP Interreg SI-AT 2014-2020 is organized separately in the Control Division, Objective 2 Control Section³.

With regarding to the organizational changes of the GODC considering the MA, JS, NCU and NA in Slovenia as well the changes of the managing structure, AA on base of the desk analysis considers that the changes will not have substantial impact on the functioning of the MCS for the following reasons:

- In major part of the new appointments human resources are involved with several years of work experience in the frame of the INTERREG programmes.

¹ Before MA was organized in ETC and Financial Mechanism Office, Cross-Border Programmes Management Division.

² Before NA was organized in ETC and Financial Mechanism Office, European Territorial Cooperation and Financial Division.

³ Before NCU was organized in ETC and Financial Mechanism Office, Control Division ETC, IPA and IFM Programmes.

- The changes refer to internal organisational structure of GODC (the work is organised in the frame of the Division/Sections instead of Office/Sections as before), all the implementation and control processes remained unchanged.

The last changes are only linguistical nature and it is referred to the official name in English of the internal organisation in the frame of the BSO, and responsible for the audits of the INTERREG programmes: Other European Shared Management Funds Audit Division⁴.

In the phase of the finalization of this report, the AA received information from the MA about the organizational changes of the NCU Burgenland in Austria. The information regarding this change is contained in the Chapter 8.2 of this report.

2.2 Information relating to the monitoring of the designated bodies according to Article 124(5) and (6) of Regulation (EU) No 1303/2013.

No information relating to the monitoring of the designated bodies according to art 124(5)(6) of Regulation No. 1303/2013 have been received until the phase of the preparation of this report.

2.3 The dates from which these changes apply, the dates of notification of the changes to the audit authority, as well as the impact of these changes to the audit work are to be indicated.

Please see Chapter 2.1 of the present report.

3. CHANGES TO THE AUDIT STRATEGY

3.1 Details of any changes to the audit strategy, and explanation of the reasons.

The version 1.4 of the audit strategy was updated in April 2021. The common methodology chapter and long-term/mid-term audit plans were updated. No other significant changes have been made to the audit strategy for the CP from the previous version.

3.2 Differentiation between the changes made or proposed at a late stage, which do not affect the work done during the reference period and the changes made during the reference period, that affect the audit work and results.

n/a

4. SYSTEM AUDITS

4.1 Details of the bodies (including the Audit Authority) that have carried out audits on the proper functioning of the management and control system of the programme – hereafter "system audits".

Audit Authority has performed the planned system audit of specific thematic area – withdrawals and recoveries, and system audit of the Managing Authority/Joint Secretariat/National Authority in the 7th accounting year.

⁴ Before AA organizational unit name was Sector for Auditing other Funds under shared Management.

Audit Body has implemented system audits of 2 NCUs in Austria (Regionalmanagement Burgenland and Amt der Steiermärkischen Landesregierung) in the 7th accounting year.

4.2 Description of the basis for the audits carried out, including a reference to the audit strategy applicable, more particularly to the risk assessment methodology and the results that led to establishing the audit plan for system audits.

Taking into consideration that relatively small number of the programme/bodies participate in the MCS and in addition that 2 of them (MA and NCU in Slovenia) are part of the internal organisation of the same institution - Government Office of the Republic of Slovenia for Development and European Cohesion Policy, no risk assessment methodology has been adopted in the Audit Strategy to establish the audit plan for system audits.

Instead of this it will be assured that all the authorities/bodies included in the MCS will be audited at least twice in the programming period. Additionally, the sequence order for the system audits of thematic issues has been created.

Based on this premises the AA in cooperation with AB established the rank list of system audits for period 2018 – 2022 (where the above assurance is fulfilled).

According to the rank list system audits of MA, CA, NCU in Slovenia and 2 NCUs⁵ in Austria have been planned and implemented in 2018 and follow-up of these audits have been performed in 2019.

In July 2020, according to the rank list, the system audit of specific thematic area on performance data reliability was finalized, and in the period November 2020 - January 2021, the system audit of the CA⁶ has been implemented.

In 2021, AB has concluded system audits of 2 (remaining) NCUs⁷ in Austria (“Regionalmanagement Burgenland” and “Amt der Steiermärkischen Landesregierung”) (please see chapter 4.3 of this report).

Considering that no substantial changes of the MCS occurred and no specific problem areas were identified during the previous audits, in 2021 system audit of the MA/JS/NA⁸ and system audit of specific thematic area - withdrawals and recoveries have been implemented (please see chapter 4.3 of this report).

4.3 Description of the main findings and conclusions drawn from system audits, including the audits targeted to specific thematic areas, as defined in section 3.2 of Annex VII of Regulation (EU) 2015/207.

In the period from 1 of July 2020 until the submission of this report in accordance with the audit plan, the following system audits have been performed by AA and AB:

- System audit of specific thematic area – withdrawals and recoveries (finalized in February 2021),

⁵ KWF - Kärntner Wirtschaftsförderungsfond and Amt der Kärntner Landesregierung.

⁶ The system audit of the CA was carried out for the second time in the programming period 2014-2020.

⁷ In 2020, due to the COVID-19 epidemic, AB postponed the implementation of the system audits of 2 remaining NCUs in Austria in the first half of 2021.

⁸ The system audit of the MA was carried out for the second time in the programming period 2014-2020.

- System audit of the NCU in Austria – „Amt der Steiermärkischen Landesregierung“ (finalized in May 2021),
- System audit of the Managing Authority / Joint Secretariat / National Authority (finalized in June 2021),
- System audit of the NCU in Austria – “Regionalmanagement Burgenland” (finalized in July 2021).

In January 2021 the system audit of the Certifying Authority has been finalized by AA. Findings and recommendations of this system audit have been reported in the 6th Annual Control Report in the Chapter 4.3.

The table in annex 1 to this report indicates for each body audited by the AA and AB the assessment related to each key requirement, resulting from the system audits listed above.

Summary of important findings and conclusions of the system audits performed:

System audit of specific thematic area - withdrawals and recoveries

In the period November 2020 – February 2021 the system audit of specific thematic area / withdrawals and recoveries has been implemented by AA. The audit has been performed for all three INTERREG programmes together (CP Slovenia-Austria, CP Slovenia-Hungary, CP Slovenia – Croatia) for which GODC and SRDF have a role as MA and CA.

The audit was subject to verification of compliance of the management and control system at the MA and CA for the audited CPs, more specifically verifying the performance of the subsystem of the withdrawals and recoveries and the accuracy of the reporting of withdrawals and recoveries in the eMS, iCenter⁹, Interim Payment Applications and Annual Accounts issued to EC. In the context of the audit key requirements 1, 5, 9, 12 and 13 were assessed.

No important findings have been detected during the system audit. Based on the audit performed, AA assessed the part of MCS related to withdrawals and recoveries in Category 1: *Works well. No or only minor improvements needed.*

System audit of the MCS of the Managing Authority / Joint Secretariat / National Authority

In the first half of year 2021 the system audit of MA/JS/NA has been implemented by AA. The audit has been performed for all three INTERREG programmes together (CP Slovenia-Austria, CP Slovenia-Hungary, CP Slovenia – Croatia) for which GODC has a role as MA, JS and NA.

The audit was subject to verification of the effectiveness of MCS in the MA, JS and NA for the audited CPs. The audit of the system was carried out for the second time in the programming period 2014-2020. The assessment criteria for all key requirements applicable to the MA/JS/NA from KR 1 to KR 8¹⁰ have been audited and assessed. The following findings have been identified during the audit:

⁹ CA's accounting system

¹⁰ Except KR4 which is related to the system audit of NCU.

KR 7: Effective implementation of proportionate anti-fraud measures

<p>Finding No.1:</p> <p>MA did not adequately assess the total gross, net and target risk of fraud in the framework of the self-assessment of fraud risk for individual risks.</p>	<p>Recommendation No.1:</p> <p>MA should re-prepare a self-assessment of fraud risks in accordance with the EC guidelines for fraud risk assessment, with an appropriate self-assessment team whereas, for individual risks, it should properly assess the total gross and net and target risk of fraud, as well as properly assess the management of these risks with existing and possible additional controls.</p>
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KR 8: Appropriate procedures for drawing up the Management Declaration and Annual Summary of the final audit reports and of controls carried out

<p>Finding No.2:</p> <p>In the Annual Summary of controls carried out, in the case of irregularities in the category "Other" and in categories with similar characteristics of irregularities identified by the NCU, in most cases there are no comments about the type or the content of the irregularity.</p>	<p>Recommendation No.2:</p> <p>MA in cooperation with the NCU should ensure more detailed information, for the purpose of a complete and accurate analysis of identified errors and irregularities, which may allow for appropriate corrective actions.</p>
<p>Finding No.3:</p> <p>In the Annual Summary of controls carried out, that most irregularities in the "Other" categories and in categories with similar irregularities are classified as administrative errors, which in the annual summary were not considered to be of a temporary nature.</p>	<p>Recommendation No.3:</p> <p>MA in preparation of Annual Summaries should perform an appropriate analysis of irregularities in such a way that the so-called temporary irregularities or administrative errors without financial corrections are classified separately from other identified irregularities by the NCU, in order to ensure more appropriate analysis of irregularities with financial corrections.</p>

No other important findings have been detected during the system audit.

Based on the audit performed, AA assessed MCS in the Managing Authority with *Category 2: System works, but some improvements are needed.*

System audit of the MCS of the National Control Unit in Austria – “Amt der Steiermärkischen Landesregierung”

KR4: Adequate management verifications

<p>Finding No.1:</p> <p>The AB established, that NCU in some verifications did not follow the provisions of art. 132 of CPR, regarding the verification of expenditure within 3 months starting from the submission of the expenditure by the beneficiary.</p> <p>Due to unexpected absence of designated persons at the NCU in Styria, delays in the NCU process occurred. Although two additional staff members were recruited for assistance, verifications of expenditures for some projects with Styrian project partners were delayed for up to 6 months and thus also the reimbursement of project expenditures of affected projects.</p>	<p>Recommendation No.1:</p> <p>The AB recommends an increase of personnel in order to ensure the complete NCU procedures within the deadline stipulated in the CPR and the appropriate determinations in the DMCS.</p>
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No other important findings have been detected during the system audit.

Based on the audit performed, AB assessed MCS in the NCU “Amt der Steiermärkischen Landesregierung” with *Category 1: Works well. No or only minor improvements needed.*

System audit of the MCS of the National Control Unit in Austria – “Regionalmanagement Burgenland” (hereinafter RMB)

KR5: Effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail

<p>Finding No.1:</p> <p>The AB established that NCU lack the completeness and traceability of the documents in verification process. The AB was hardly possible to trace the single, partial comprehensive documents in eMS and to verify, which papers were uploaded by which body (beneficiary, NCU) and were basis for verification of eligibility by NCU. The documents handed in later led to traceability of the audit trail in a few numbers of projects. Although it was in general possible to verify a consistent audit trail, the</p>	<p>Recommendation No.1:</p> <p>In order to ensure a traceable audit trail, the AB recommends the NCU:</p> <ul style="list-style-type: none"> • to write down its operative control procedures (calculation sheets for all cost categories, calculations for hourly rates, annotations / comments in the mandatory fields NCU certificates and checklists, etc.), • to enhance and improve the quality of the operative control procedures and its documentation by means of training units and measures of the staff,
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<p>place of storage of the necessary documents differs from case to case.</p>	<ul style="list-style-type: none"> to ensure that the required control quality is constantly by suitable supervisory measures checked and thus fulfilled.
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KR4: Adequate management verifications

<p>Finding No.2:</p> <p>The AB established that there was no written procedure available for the selection of random sampling in connection with payment of salaries and payment of non-wage staff costs.</p>	<p>Recommendation No.2:</p> <p>The AB recommends an obligatory determination of methods for selection of random sample and the amounts of additional verifications in the case of findings for the future. Concerning staff costs the AB recommends the verification and documentation of the payments of income tax and social security contribution based on a random sample.</p>
<p>Finding No.3:</p> <p>The AB established that first level control process lacks the structured and standardized system concerning verification of personnel costs. In some NCU reports the clear base for verification of staff costs was not traceable (the relevant documents were not uploaded in eMS).</p> <p>The AB has also found that the staff descriptions of work done, are not detailed enough to allow traceability of an unambiguous project relevance and comparison with the progress reports in question.</p>	<p>Recommendation No.3:</p> <p>The AB recommends a structured and standardized system concerning verification of personnel costs.</p> <p>It is also recommended, that beneficiaries in the application process provide verifiable descriptions of work done in the project within the scope of staff costs.</p>
<p>Finding No.4:</p> <p>NCU lacks written internal process manuals for RB and NCU inside the organization, which are obligatory transferred to the involved staff and should be additional to the CP documents.</p>	<p>Recommendation No.4:</p> <p>The AB recommends the implementation of own manuals covering all steps of activities required to the staff of RB/NCU and to obligatory transfer this manual to all the involved staff in a written procedure. In this way even in cases of absence due to illness or new employments, a sufficient procedure of activities can be ensured.</p>

<p>Finding No.5:</p> <p>AB established insufficient documentation about the assessment of the state aid relevant regulations through the Regional Body.</p>	<p>Recommendation No.5:</p> <p>The AB recommends to the RB the improvement of audit trail regarding the documentation on the state aid assessment and despite the formal competence of the JS, to check the state aid conditions in complete and correct content.</p>
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KR7: Effective implementation of proportionate anti-fraud measures

<p>Finding No.6:</p> <p>The AB established that NCU has no written procedure protecting whistle-blowers. In cases of suspicion of fraud, the staff members had to keep reporting a suspicion through the official channels to their direct superior.</p>	<p>Recommendation No.6:</p> <p>The AB recommends to the NCU drawing up appropriate measures (as guarantee of anonymity, spokespersons outside the organisation, etc.) to ensure that whistle-blowers get protected from any negative consequences.</p>
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Based on the audit performed, AB assessed MCS in the NCU “Regionalmanagement Burgenland” with *Category 2: System works, but some improvements are needed.*

4.4 Indication of whether any problems identified were considered to be of a systemic character, and of the measures taken, including a quantification of the irregular expenditure and any related financial corrections, in line with Article 27(5) of Regulation (EU) No 480/2014.

No errors of systemic nature were identified during the system audits.

4.5 Information on the follow-up of audit recommendations from system audits from previous accounting years.

No follow-up of system audit has been performed during the period from 1st July 2020 to 31 June 2021. Regarding the fulfilment of the open recommendation from the System audit of Certifying Authority¹¹, in January 2022 the AA carried additional verifications of data in the frame of audit of accounts for 7th accounting year.

KR10: Adequate procedures for drawing-up and submitting Payment Applications

<p>Finding No.1:</p> <p>It was established that in some audited cases in CA certificates no proper audit trail on formal and accounting control in Accountancy is assured.</p>	<p>Recommendation No.1:</p> <p>CA should assure proper audit trail at executing all CA confirmations, taking into consideration also »four eyes principle«.</p>
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¹¹ Please see ACR for 6th accounting year, chapter 4.3.

Implementation of the recommendation:

The recommendation is closed, the auditee has fully implemented the recommendation.

In the frame of the audit of accounts for 7th accounting year, on the basis of additional data testing of CA confirmations, it was concluded that proper audit trail on formal and accounting control trail at executing CA confirmations exist.

4.6 Description (where applicable) of specific deficiencies related to the management of financial instruments or other type of expenditure covered by particular rules (e.g. State aid, revenue-generating projects, simplified cost options), detected during system audits and of the follow-up given by the managing authority to remedy these shortcomings.

n/a

4.7 Level of assurance obtained following the system audits (low/average/high) and justification.

Overall conclusion by the MCS: BSO as the AA for the CP, on the basis of the results and conclusions of the system audit of CA (assessed with Category 1), and of the system audit of MA (assessed with Category 2), and of system audits of 2 NCUs in Austria (“Amt der Steiermärkischen Landesregierung” assessed with Category 1 and “Regionalmanagement Burgenland” with Category 2), assessed the overall MCS for the CP INTERREG V-A Slovenia Austria in Category 2 (“System works, but some improvements are needed”).

5. AUDIT OF OPERATIONS

5.1 Indicate the bodies that carried out the audits of operation, including the audit authority.

For the reference period the audits of operations in Slovenia were carried out by the BSO. The audit of operations in Austria were carried out by external auditors¹² under the supervision of the Audit Body.

In this accounting year, audits of all (10) project partners in Austria were performed by external auditors. According to the contract the coordination between AB and external auditor is defined. The AB supervised the audit work of the external auditors.

According to Rules of Procedure of the Group of Auditors, each body (AA, AB with external auditors) prepared the partial reports on performed audits of operations for the beneficiaries (project partners) in the relevant territory of the programme.

¹² Audits were outsourced to:

- MAZARS Austria GmbH; Kärntner Ring 5-7, 1010 Wien,
- PwC Wirtschaftsprüfung GmbH, Donau City Straße 7, 1220 Wien,
- Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (E&Y), Wagramer Straße 19, IZD-Tower, 1220 Wien.

5.2 Description of the sampling methodology applied and information whether the methodology is in accordance with the audit strategy.

AA used a non-statistical sampling method to select a sample of operations for the reference period (7th accounting year). According to Audit Strategy the method used by the AA, was defined analysing the characteristics of the population: number of operations (with certified amounts), number of Project Progress Reports and Partner Progress Reports, size (in terms of certified amount per year) and type of operations.

5.3 Indication of the parameters used for statistical sampling and explanation of the underlying calculations and professional judgement applied.

AA used a non-statistical sampling method to select a sample of operations for the reference period (7th accounting year). Please see explanation in Chapter 5.6 of this report.

5.4 Reconciliation between the total expenditure declared in euro to the Commission in respect of the accounting year and the population from which the random sample was drawn.

In the 7th accounting year, the CA declared to the Commission in the frame of CP the expenditure in the total amount of **12.350.267,63 €**.

The value of the population from which the random sample was drawn¹³ corresponds to **12.397.389,99 €** (hereinafter population sampled).

The AA reconciled these two amounts; the difference between the above amounts corresponds to the negative amounts identified.

5.5 Where there are negative sampling units, confirmation that they have been treated as a separate population according to Article 28(7) of Commission Delegated Regulation (EU) No 480/2014.

In the frame of the total expenditure relating to a sampling unit for the accounting year six (6) negative sampling units have been identified in the total amount of **47.122,36¹⁴**. They were excluded from the population and were treated separately.

Analysing the above negative amount, the AA can confirm that it is consistent with amounts of financial corrections registered in the CA's accounting system.

5.6 In case of the use of non-statistical sampling, indicate the reasons for using the method in line with Article 127(1) of Regulation (EU) No 1303/2013, the percentage of operations/expenditure covered through audits, the steps taken to ensure randomness of the sample (and thus its representativity) and to ensure a sufficient size of the sample enabling the Audit Authority to draw up a valid audit opinion.

¹³ Population of positive sampling units.

¹⁴ Negative amounts are related to the operations: SIAT86 Nekteo, SIAT116 SI-MUR-AT, SIAT182 City Cooperation II, SIAT134 AS-IT-IC, SIAT146 Alpe Adria Karavanke/Karawanken.

The population sampled in total value of 12.397.389,99 € includes 70 Project Progress Reports¹⁵ which corresponds to 47 operations with expenditures certified in the 7th accounting year.

Considering the size of the population sampled, AA decided to use a non-statistical sampling method in accordance with the Audit Strategy and selected the sample by means of random selection method.

Applying a non-statistical sampling, the sample size is calculated using professional judgment and considering the level of assurance provided by the system audits.

In accordance with the Audit Strategy the following (minimum level) of thresholds is observed in dependence of the level of assurance from the system audits:

Assurance level from the system audit	Recommended coverage	
	<i>on operations</i>	<i>on expenditure declared</i>
Works well. No or only minor improvements needed.	5%	10%
Works. Some improvements are needed.	5%-10%	10%
Works partially. Substantial improvements needed.	10%-15%	10%-20%
Essentially does not work.	15%-20%	10%-20%

For the 7th accounting year the assurance level from system audits was estimated, based on the results¹⁶ of the performed system audits and follow-up of system audits of MA, CA and NCUs.

The Category 2, according to the Methodology included in the Audit Strategy, corresponds to medium-high level of assurance gained from the system, which in terms of the % of population represents (min) 10% of operations and in terms of expenditure declared 10% of amount of expenditure declared in the 7th accounting year¹⁷.

Following the recommended coverage, the sample was selected¹⁸ in two steps, as follows:

- analysing the population 4 operations with the total certified amount significantly above the average amount “goMURra”, “Alpe Adria Karavanke”, “INNOVET” and “Start-up AA” with the respective amounts of certified expenditures: 1.217.614,75 €, 686.288,03 €, 578.608,05 € and 565.481,79 €, have been identified¹⁹. Analysing the mentioned operations²⁰, as well the remaining population, the AA on base of the professional judgement selected in this first phase the operation “SIAT250 goMURra”.
- In the second step 4 operations from the remaining part of population have been randomly selected (REHA 2030, AS-IT-IC, E-CARRIAGE 4CBST, SMART Tourist).

¹⁵ Lead Partner level.

¹⁶ Please see the results of system audits in Annex 1.

¹⁷ The minimum coverage in accordance with Art. 127(1) of Regulation (EU) 1303/2013 is observed.

¹⁸ No sub-sampling was applied in the frame of audits of selected operations.

¹⁹ Neither of all 4 operations are identified as high value operations - above 2.479.477,99 € (12.397.389,99 € total certified amount /5 operations to be selected).

²⁰ The AA analysed the population and found that 4 operations with significantly above the average certified amount, represent appr. 5-9,8 % of total certified expenditure of the population each, while the remaining operations were certified on average appr. 260.000 €. Operation “Start-up AA” has been selected and audited in 6th accounting year.

The selected operations are briefly described in the following table:

	Operation	Priority Axes	Certified amount in €	Audited amount in €
1.	SIAT258 REHA 2030	I	31.841,75	31.841,75
2.	SIAT134 AS-IT-IC	II	163.779,28	163.779,28
3.	SIAT293 E-CARRIAGE 4CBST	II	409.753,74	409.753,74
4.	SIAT250 goMURra	II	1.217.614,76	1.217.614,76
5.	SIAT286 SMART Tourist	II	303.279,10	303.279,10
	Total		2.126.268,63	2.126.268,63

The size of the selected sample corresponds to 17,15% of total certified expenditure and to 10,64% of number of operations in the population for the 7th accounting year. Consequently, the size of selected sample follows the recommended coverage.

5.7 Analysis of the principal results of the audits of operations.

During the audits of operations 7 irregularities (with financial corrections) in the total amount of 29.850,90 € were detected. The following table presents the basic data in relation to the amounts of irregularities detected per operation by the single audit authority and the % of error rate calculated on the level of operation:

	Acronym of operation	Sample/Certified amount (in €)	Total amount of irregularities (in €)	The amount of irreg. (in €) detected by the BSO (Slovenia)	The amount of irreg. (in €) detected by the Federal Ministry of Agriculture, Regions and Tourism (AT)	The error rate / audited amount per operation (in %)
1.	SIAT258 REHA 2030	31.841,75	1.630,31	1.630,31	0,00	5,12%
2.	SIAT134 AS-IT-IC	163.779,28	4.668,18	0,00	4.668,18	2,85%
3.	SIAT293 E-CARRIAGE 4CBST	409.753,74	0,00	0,00	0,00	n/a
4.	SIAT250 goMURra	1.217.614,76	23.552,41	0,00	23.552,41	1,93%
5.	SIAT286 SMART Tourist	303.279,10	0,00	0,00	0,00	n/a
		2.126.268,63	29.850,90	1.630,31	28.220,59	1,40%

The AA analysed the irregularities detected during the audits of operations and concluded that all of them are categorized as random errors. No systemic, known or anomalous errors were found by the AA and AB during the audits.

A brief description of the irregularities detected during audits of operation together with the information on the single operations, project partners, ineligible amounts and type of error are included in the Annex 4(B) of this report.

The materiality threshold is determined at 2% from the certified eligible expenditure for the 7th accounting year, which amounts to 247.947,80 €.

In the projection of sampling error, the AA applied the “ratio estimation” method²¹.

The total error rate (TER) (calculated with this method) presents **0,82%** of the amount of the certified eligible expenditure for the 7th accounting year, which corresponds to the amount of 101.046,94 €. Therefore, the materiality threshold is not exceeded.

5.8 Explanations concerning the financial corrections relating to the accounting year and implemented by the certifying authority/managing authority before submitting the accounts to the Commission as a result of the audits of operations, including flat rate or extrapolated corrections.

The financial corrections in absolute value (29.850,90 €), related to the irregularities detected during the audits of operations performed in 2021, have been deducted²² by CA before submitting the final accounts to the Commission.

5.9 Comparison of the total error rate and the residual total error with the set materiality level, in order to ascertain if the population is materially misstated and the impact on the audit opinion.

As the corrective measures have been taken before the finalization of the ACR, the RTER²³ has been calculated. It corresponds to **0,58%** and it is below the materiality level of 2%.

5.10 Information on the results of the audit of the complementary sample.

No complementary sample has been audited in the 7th accounting year.

5.11 Details of whether any problems identified were considered to be systemic in nature.

No systemic errors were found by the AA and AB during the audit of operations in the 7th accounting year.

5.12 Information on the follow-up of audits of operations carried out in previous years, in particular on deficiencies of systemic nature.

No systemic errors were found by the AA and AB during the audit of operations in the 6^h accounting year. All financial corrections (3.098,15 €) related to detected irregularities during the audits of operations performed in 2020 have been deducted by CA before submitting the final accounts for 6^h accounting year to the Commission.

²¹ Please see the calculation of projection method in Annex 3.

²² Please see also in the Chapter 6.3 of this report

²³ Please see the calculation of RTER in Annex 3.

Additional information regarding the irregularity²⁴ detected by AA during the audit of operation “NatureGame” (SIAT167; PP7: Podzemlje Pece) in the 6^h accounting year: AA estimated the existence of potential risk of the presence of the same type of the irregularity also in other operations approved in the frame of the CP, therefore AA addressed to the MA the letter, where the additional actions as well the adequate action plan were requested²⁵, in order to avoid the risk of presence of similar type of irregularities also in other operations.

In september 2020 MA/JS submitted clarification to the AA, in which they described the actions taken with regard to the recommendation. They analysed all operations that include investments and constructions works and then gathered informations from the project partners on the share of project financing in the infrastructure and works contracts. In the cases where investments had partial financing from the project and the share was not properly defined, MA called for conclusion of annexes to the contract. MA submitted to the AA the list of all investments and construction works implemented (or in the phase of implementation) by the partners in the frame of all selected operations within CP Slovenia-Austria. The list contains a data about the status of investments and construction works, that is whether the investments are partly or 100% financed from the project. All the contracts related to investments and construction works with % of co-financing less than 100 were revisited. All the investments with status finalized were implemented properly, as established by National Control Unit during on-the-spot controls. In total in the frame of CP SI-AT, 3 (three) investments had the status partly co-financed and in the phase of implementation. In January 2022, MA informed AA about the status of these investments. For all of them proper annexes (incl. corrigendum on co-financing) were concluded.

Analysing the activities as well the results reported by MA, AA has no sustainable reasons to consider relevant the potential risk on consequences of non-proper definition of the co-financing as described above.

Additional information regarding the non-financial irregularity detected by AB during the audit of operation FIREEXPERT in the 6^h accounting year; the activities²⁶ of the LP were not assessed to the necessary extent by the Regional Body²⁷ and the audit trail of the assessment was not adequate.

In June 2021, AA concluded the System Audit of the MA, where among others the implementation of the assessment of the state-aid criteria’s regarding projects and activities by Slovene National Authority, has been checked. No important findings have been detected on the assessment of the state aid criteria during the system audit.

In May and July 2021, AB concluded system audits of 2 NCUs in Austria²⁸. One finding regarding the insufficient audit trail on assessment of the state aid criteria by Regional Body²⁹, has been detected during the system audit of the “Regionalmanagement Burgenland”. AB will verify the open recommendation in the planned follow-up of the system audit of the NCU in 2022.

²⁴ In the frame of the audit was established, that partial financing from the project, that was approved for the construction works and electrical installations for the establishment of “Geoigra”, and the share to be implemented with the project, was not properly defined in the project application form and in the construction contract

²⁵ Please see the explanation in detail in the 6th ACR in the Chapter 5.7.

²⁶ FIREEXPERT-Activities concerning pilot trainings for concrete manufacturers.

²⁷ RB – KWF; Assessment of the state aid criteria – selectivity.

²⁸ Amt der Steiermärkischen Landesregierung and Regionalmanagement Burgenland.

²⁹ Please see chapter 4.3 of this report.

5.13 Conclusions drawn from the overall results of the audits of operations with regard to the effectiveness of the management and control system.

Based on the results of the audits of operations performed we can conclude that the results confirm our assessment of the effectiveness of the management and control system (“System works, but some improvements are needed”/ “Category 2”).

6. AUDITS OF ACCOUNTS

6.1 Indication of the authorities/bodies that have carried out audits of accounts.

The audit of accounts for the 7th accounting year have been performed by the Audit Authority for the CP.

6.2 Description of audit approach used to verify the elements of the accounts.

The audit approach, used to verify the elements of accounts defined in Art.137 of Regulation (EU) No.1303/2013, is described as follows.

The AA performed the audits of accounts through:

- audits of operation with the expenditure certified in 7th accounting year in the period May-December 2021;
- the verification of fulfilment of open recommendation from system audit of the CA, which has been performed by the AA in January 2022;
- additional final verifications of audits of accounts in January 2022.

All the procedures for additional final verifications have been performed in accordance with the timesheet defined in the Partnership Agreement between MA, CA and AA for the Interreg V-A Slovenia-Austria, Slovenia-Croatia and Slovenia-Hungary for the programming period 2014-2020, where the following steps have been defined:

- submission of first draft of Annual Accounts for the previous accounting year until 30 November,
- submission of second draft of Annual Accounts for the previous accounting year until 7 January,
- submission of draft of Annual Summary and Management Declaration until 23 January.

6.3 Indication of the conclusions drawn from the results of the audits in regard to the completeness, accuracy and veracity of the accounts, including an indication on the financial corrections made and reflected in the accounts as a follow-up to the results of the system audits and/or audit on operations.

In accordance with Art.29(4) of the Regulation 480/2014 the part of verifications of audit of accounts of the 7th accounting year per CP was implemented also during the additional verifications of data regarding the fulfilment of open recommendation from the second system audit of the Certifying Authority in Slovenia. In the frame of this verification, AA verified and

closed recommendation about proper audit trail when executing CA confirmations that needed to be assured³⁰.

In relation to the 7th accounting year 5 Interim Payment Applications have been submitted to the EC.

The final verifications performed by the AA included the reconciliation between the total amount of expenditure declared in the Final Interim Payment Application and the total amount of expenditure declared in 5 Interim Payment Applications submitted by the CA to the EC in the 7th accounting year. The total amount of eligible expenditure declared in the Final Interim Payment Application corresponds to the cumulative amount of eligible expenditure declared in five (5) Interim Payment Applications.

The existence of the audit trail from the single amount declared by PP in the Partner Progress Report to the inclusion of it by the CA in Interim Payment Application have been checked by the AA (in cooperation with the AB) during the audits of operation. As described in the Chapter 5, 5 audits of operations were performed, which included 33 Partner Progress Reports.

During the final additional verifications 10 items of expenditure (CA confirmations) have been selected from 5 Interim Payment Applications with the purpose to verify their existence in the expenditure declared by the Project Partners as well the correctness of the amount paid to them.

Upon this additional checks as well as the checks performed during audits of operation the AA is able to confirm the consistency of data between the Interim Payment Applications and Final Interim Payment Application referred to the 7th accounting year.

The AA reconciled the total amount of eligible expenditure entered in the draft accounts to the total amount of expenditure included in the Payment Applications submitted to the EC. The differences between corresponds to the amount of **69.161,63 €**.

The AA analysed the above amount; it corresponds to the sum of the following final corrections:

- the total amount of 29.850,90 € corresponds to the irregularities detected during audits of operations: "REHA 2030", "AS-IT-IC" and "goMURra";
- the total amount of 39.110,73 € corresponds to the irregularities detected during NCU desk-check (ex-post certification) of operations: "SMART PRODUCTION", "EUREVITA", "goMURra" and "INNOVET";
- the amount of 200,00 € corresponds to the irregularity detected during NCU on-the-spot-check (ex-post certification) of operation "CROSSRISK".

The AA considers the CA explanations to be adequate regarding this adjustment, contained in the column G of the Appendix 8 of the Annual Accounts.

In the following table the reconciliation between the amounts declared in the Final Interim Payment Application and amounts included in the Annual Accounts (final version) is presented. In correspondence to the draft version (II) of the Annual Accounts no additional informations have been reported in its final version.

³⁰ please see Chapter 4.5 of this report.

7 th account ing year	Final Interim Payment Application (FIPA)		Annual Accounts (Annex 1)		(Annex 8; FIPA-Annex 1)	
	Total amount of eligible expenditure (in €)	Total amount of the corresponding public expenditure (in €)	Total amount of eligible expenditure (in €)	Total amount of the corresponding public expenditure (in €)	Total amount of uneligible expenditure (in €)	Total amount of the correspondi ng public expenditure (in €)
	12.350.267,63	11.909.292,76	12.281.106,00	11.840.666,41	69.161,63	68.626,35

The AA analysed the amount of Withdrawals in the Appendix 2 of the Annual Accounts; it corresponds to the sum of the following irregularities:

- 5 amounts (5.368,40 €, 52,59 €, 922,77 €, 1.514,14 €, 204,46 €) in total sum of 8.062,36 €, corresponds to the irregularities detected during NCU checks of operations “SI-MUR-AT” (2 amounts), “City Cooperation II”, “AS-IT-IC”, “Alpe Adria Karavanke”, and are related to 4th, 5th and 7th Accounting Year.

The amount were withdrawn within the the 1st, 2nd, 3rd and 5th Interim Payment Application, which occurred during the 7th accounting year. The AA considers the reconciliation made by the CA to be adequate concerning amounts presented in Appendix 2 and its consistency with the information in the Annual Summary.

Following provisions of Article 137(2) CPR, no amounts (expenditures) were excluded from the accounts due to ongoing assessment of expenditure's legality and regularity. Also no amounts (expenditures) subsequently were found to be legal and regular and were not included in applications for interim payment relating to 7th accounting year.

In January 2022 the MA submitted the final version of the Management Declaration and the Annual Summary.

In the Annual Summary all the relevant findings related to system audits and audits of operations are included. The MA analysed them and briefly described the corrective measures, realised or to be realised in the future.

In the second part the MA reported on the work of the NCU, including administrative verifications with the description of the main results and type of errors detected by the NCU's as well as the on the spot checks performed by the Slovenian and Austrian NCU's.

The AA compared the reported data in the Annual Summary with the Annual Accounts and the analytical evidences available in the eMS. No inconsistency have been identified during this verifications.

The AA also analysed the Management Declaration. For this purpose the AA compared the statements declared by the MA with the results of system audits, the audits of operations and audit of accounts as well as the information on the results of first level controls included in the Annual Summary of Controls 2021.

Based on these documents the AA can conclude that the audit work performed is not reducing the assurance of the statements declared by the MA in the Management Declaration.

6.4 Indication of whether any problems identified were considered to be systemic in nature, and the measures taken.

No systemic errors were found by the AA and AB during the audit of operations and system audits in the 7th accounting year.

7. COORDINATION BETWEEN AUDIT BODIES AND SUPERVISORY WORK BY THE AUDIT AUTHORITY

7.1 Description of the procedure for coordination between the audit authority and any audit body that carries out audits.

Due to the COVID-19 epidemic, BSO as the AA launched the written procedure via e-mail to approve the audit sample of operations and change the audit strategy together with the AB in April 2021, and therefore AA did not organize the meeting of GoA as usually in the first quarter of the year.

The AB agreed with the sample of operations for the 7th accounting year³¹. All audits were performed by the AA and AB (outsourced audit work) based on the common methodology for system audits and audits of operation approved by GoA for the CP and part of the Audit Strategy.

Based on the results of the single audits the BSO as the AA for CP prepared this Annual Control Report, approved by GoA by written procedure on the 3th of February 2022.

7.2 Description of the procedure for supervision and quality review applied by the audit authority to such audit body(ies).

Please see explanation in the chapter above (7.1).

8. OTHER INFORMATION

8.1 Where applicable, information on reported fraud and suspicions of fraud detected in the context of the audits performed.

In the context of the audits performed by the AA (in cooperation with the AB) in the 7th accounting year, no fraud or suspicions of fraud have been detected.

8.2 Where applicable, subsequent events occurred after the submission of the accounts to the audit authority and before the transmission of the annual control report.

No events that could affect the amounts disclosed in the accounts occurred after the submission of the accounts to the Audit Authority and before the transmission of the Annual Control Report and the drawing-up of the audit opinion.

In January 2022, in the period of preparation of this report, the information from the MA have been received regarding the organizational changes of the NCU Burgenland. The

³¹ The AA agreed with the MA and CA to anticipate the final data of certification per single accounting year. In accordance with the Partnership agreement the final data of the certification is defined on 10 April n-accounting year.

„Regionalmanagement Burgenland GmbH“ has been dissolved³² and from 1st of January 2022 the „Wirtschaftsagentur Burgenland GmbH“, performs the NCU tasks.

According to the information provided by the MA the tasks related to CP INTERREG V-A SI-AT are not affected by this matter. Human resources previously dedicated for the implementation of NCU tasks in Burgenland for the CP (except the mentioned above), remain unchanged in the new organization.

System audit of NCU in Slovenia

Additional information about the audit work in relation to system audits is that in January 2022 the AA started system audit of NCU³³ in Slovenia. The results obtained from this system audit will be included in the relevant system audit report and the 8th Annual Control Report.

Information about impact on Audit work due to COVID-19 epidemic

COVID-19 epidemic did not have important impact on audit work of both AA and AB in 2021. Audit sample approval and Audit strategy update were implemented with written procedure via e-mail.

AA and AB realized all the planned on-the-spot checks, except for 3 PPs in Austria where the audits were implemented remotely. System audits of the MA and 2 NCUs in Austria and the system audit of withdrawals and recoveries were implemented on the desk-based audit work³⁴. All audits of operations and system audits were implemented in time according to audit plan.

9. OVERALL LEVEL OF ASSURANCE

9.1 Indication of the overall level of assurance on the proper functioning of the management and control system.

In the preparation of the audit opinion for the 7th accounting year the AA took into consideration the results of the performed system audit of the MA (assessed with Category 2), system audits of 2 NCUs in Austria (assessed with Category 1 and with Category 2) carried out during this accounting year, and of the system audit of CA (assessed with Category 1), and of system audit of specific thematic area - withdrawals and recoveries (assessed with Category 1), the results of the audits of operation as well as the additional final audits of accounts performed by the AA in December 2021 - January 2022.

Based on the results obtained from the system audits of the MA, CA and NCUs in both countries, the AA assessed the overall MCS for the CP with Category 2 (“System works, but some improvements are needed”).

During the audits of operation, the irregularities in the total amount of 29.850,90 € have been identified; upon these results the TER calculated corresponds to the **0,82%** and is below the materiality level of 2%.

Concerning the irregularities detected during audits of operation the corrective measures have been implemented by the MA before the final version of the ACR.

The RTER calculated upon the corrections applied corresponds to **0,58%**.

³² In that regard also the Head of the controlling in the NCU has been dismissed.

³³ The system audit of the NCU is carried out for the second time in the programming period 2014-2020.

³⁴ The examination of documentation of system audits were carried out with the help of IT system eMS.

Performing the additional final verifications on annual accounts no important inconsistencies have been found.

Based on these partial conclusions on audit work performed in 2021 by the AA in cooperation with AB, the AA provides reasonable assurance on the completeness, accuracy and veracity of the amounts declared in the accounts.

Considering that the MCS is classified in Category 2 and the TER is below the materiality level of the 2%, the AA expresses the unqualified opinion.

9.2 Assessment of any mitigating actions implemented, such as financial corrections and assessment of the need for any additional corrective measures necessary, both from a system and financial perspective.

Concerning the irregularities detected during audit work, only random irregularities (financial corrections) have been identified, therefore corrective measures have been implemented by MA and CA before the final version of this report.

ANNEX 1 - "RESULTS OF SYSTEMS AUDITS"

Audited Entity	Fund (Multi-funds OP)	Title of the audit	Date of the final audit report	Operational Programme: [CCI No 2014TC16RFCB054, CP INTERREG V-A Slovenia Austria 2014 – 2020]													Overall assessment (category 1, 2, 3, 4) [as defined in Table 2- Annex IV of Regulation (EU) No 480/2014]	Comments	
				Key requirements (as applicable) [as defined in Table 1- Annex IV of Regulation (EU) No 480/2014]															
				KR 1	KR 2	KR 3	KR 4	KR 5	KR 6	KR 7	KR 8	KR 9	KR 10	KR 11	KR 12	KR 13			
NCU SLO	ERDF	<i>Follow-up of System audit of the Control Unit in Slovenia</i>	March 2019	2	/ ³⁵	/	2	2	1	/	/							2	
NCU AT - KWF ³⁶	ERDF	<i>Follow-up of System audit of the Control Unit in Austria</i>	31.10.2019	1	/ ³⁷	/	1	1	/	1	/							1	
NCU AT - AKL ³⁸	ERDF	<i>Follow-up of System audit of the Control Unit in Austria</i>	31.10.2019	1	/ ³⁹	/	1	1	/	1	/							1	
MA / JS	ERDF	<i>System audit of specific thematic area - performance data reliability</i>	July 2020	1	1	1	1	1	1	/	/							1	

³⁵ KR 2, 3, 7 and 8 were not part of NCU SLO system audit

³⁶ Kärntner Wirtschaftsförderungsfond

³⁷ KR 2, 3, 6 and 8 were not part of NCU AT-KWF system audit

³⁸ Amt der Kärntner Landesregierung

³⁹ KR 2, 3, 6 and 8 were not part of NCU AT-Amt. system audit

CA ⁴⁰	ERDF	2nd System audit of the Certifying Authority	January 2021									1	2	1	1	1	1	
MA / CA	ERDF	System audit of specific thematic area - withdrawals and recoveries	February 2021	1	/	/	/	1	/	/	/	1	/	/	1	1	1	
MA ⁴¹ / JS / NA	ERDF	2nd System audit of the Managing Authority/Joint Secretariat / National Authority	June 2021	1	1	1	/ ⁴²	2	1	2	2						2	
NCU AT - Steiermark ⁴³	ERDF	System audit of the Control Unit in Austria	May 2021	1	/ ⁴⁴	/	1	1	/	1	/						1	
NCU AT - RMB ⁴⁵	ERDF	System audit of the Control Unit in Austria	July 2021	2	/ ⁴⁶	/	2	2	/	2	/						2	

⁴⁰ Second system audit of CA in the perspective 2014-2020

⁴¹ Second system audit of MA in the perspective 2014-2020.

⁴² KR 4 was not part of MA system audit.

⁴³ Amt der Steiermärkischen Landesregierung.

⁴⁴ KR 2, 3, 6 and 8 were not part of NCU AT-Steiermark system audit.

⁴⁵ Regionalmanagement Burgenland.

⁴⁶ KR 2, 3, 6 and 8 were not part of NCU AT-RMB system audit.

ANNEX 2 - "RESULTS OF AUDITS OF OPERATIONS" - 7th accounting year

Fund	Programme CCI number	Programme title	A	B		C		D	E	F	G	H	I
			Amount (in €) corresponding to the population from which the sample was drawn	Expenditure in reference to the accounting year audited for the random sample		Coverage of non-statistical random sample		Amount of irregular expenditure in random sample (in €)	Total error rate (TER)	Corrections implemented as a result of the total error rate (in €)	Residual total error rate (RTER)	Other expenditure audited	Amount of irregular expenditure in other expenditure audited
Amount	%	% of oper. covered	% of expend. covered										
ERDF	2014TC16RFCB054	INTERREG V-A SI AT	12.397.389,99	2.126.268,63	17,15	10,64	17,15	29.850,90	0,82%	29.850,90	0,58%	N/A	N/A

ANNEX 4 (B) - "TABLE OF IRREGULARITIES"

Nr	Acronym	Project ID	Audited amount per operation (in €)	Country	Partners name (LP/PP)	Audited Expenditure per PP (in €)	Irregular expenditure	Area of errors	Description of irregularity	Type of irregularity	Type of error (random, systematic anomaly)	Financial correction proposed
1	AS-IT-IC	SIAT134	163.779,28	AT	Technische Universität Graz, Institut für Softwaretechnologie (PP2)	111.306,96	4.668,18	Staff costs including 15% flat rate office and administration costs	Costs outside the project period	Ineligible expenditure	Random error	4.668,18
AS-IT-IC - TOTAL												4.668,18
2	goMURra	SIAT250	1.217.614,76	AT	Amt der Steiermärkischen Landesregierung, Abteilung 14 – Wasserwirtschaft, Ressourcen und Nachhaltigkeit (PP2)	182.358,57	81,80	Travel costs including flatrates	Wrong calculation of travel costs and ineligible daily allowance	Ineligible expenditure	Random error	81,80
				AT	Stadtgemeinde Bad Radkersburg (PP6)	131.898,00	6.673,79	Public procurement	Insufficient audit trail in public procurement procedure	Ineligible expenditure	Random error	6.673,79
				AT	Wasserverband Wasserversorgung Radkersburg (PP7)	2.800,00	700,00	Public procurement	Insufficient audit trail in public procurement procedure	Ineligible expenditure	Random error	700,00
goMURra - TOTAL												23.552,41
3	REHA 2030	SIAT258	31.841,75	SI	Fakulteta za elektrotehniko, Univerza v Ljubljani (PP2)	4.970,33	488,00	External expertise and services	Costs outside the project period	Ineligible expenditure	Random error	488,00

				SI	MKS Elektronski sistemi d.o.o. (PP4)	6.619,02	1.142,31	Staff costs including 15% flat rate office and administration costs	Double financing of staff costs	Ineligible expenditure	Random error	1.142,31
REHA 2030 - TOTAL											1.630,31	
Total irregular expenditure (in €)										29.850,90		

ANNEX 3 - "CALCULATION OF RTER" (attached in excel table)

ANNEX 4 (A) - "TYPES OF FINDINGS" (attached in excel table)