**Annex III**

**Interreg V-A Latvia–Lithuania Programme 2014–2020**

**On-the-spot Check Report**

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| **Title of the Project Partner Institution:** Klaipėdos kultūrų komunikacijų centras |
| **Short Title of the Project:** Paradigm shift from "traditional" to creative industries – the essence for sustainable regional development, LLI-338, (Acronym: CCI & sustainability) |
| Total Partner’s budget, EUR: 58675,40 EUR |
| Project duration from 01/06/2018 until 31/03/2021 |
| Planned reporting periods (total number): 5 | Already implemented reporting periods (number): 4 |
| Total Partner’s costs reported, EUR 58623,70 Partner report No 1 - 46313,75 EURPartner report No 2 - 1982,28 EURPartner report No 3 – 9931,76 EUR Partner report No 4 – 395,52 EUR | During period from 01/06/2018 until 31/05/2020 |
| Date: 25-09-2020 | Place: Bažnyčių g. 4,91246 Klaipėda |
| Carried out by FLC: UAB “Apskaita ir auditas”1. Auditor Biruta Bužienė2. Specialist Nijolė Nikiforovienė | Representative(s): Klaipėdos kultūrų komunikacijų centras: 1. Director Ignas Kazakevičius2. Financial manager Asta Tumonė |

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| **Objective of the check** | **Control questions** | **Yes** | **No** | **N/A** | **Notes** |
| 1. Project documentation | Has project documentation available and filed separately with clear indication of storage deadline  | X |  |  | According to the company's internal procedures, deadline for storage of documentation after project implementation: 10 years for accounting documentation; 5 years for procurement documentation. |
| 2.Accounting record keeping | 2.1. Has separation of Project related costs from other Institution’s costs been ensured? | X |  |  | Invoices and other documents are marked by project number. |
| 2.2. Has Institution established book-keeping system according to EU regulations, national legislation and Programme requirements? | X |  |  | Book-keeping system follow EU regulations and national legislation. Following Programme requirements: Project specific accounting code and a separate accounting records are used for identification project costs)) is used to record project costs; Exact reported amount is indicated on the invoice in case the invoice is partly reported to the Programme; Book-keeping overview of expenditure related to project is available.  |
| 3. VAT inclusion in Project eligible costs | In case Project Partner is VAT payer and VAT is included as eligible costs in the Partner Report– hasn’t Partner reclaimed VAT from State? |  |  | X | Project Partner isn’t VAT payer. VAT is included as eligible costs in the partner reports. |

1. **Overall project implementation and result evaluation**

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| 4. | Are payment documents and other supporting documents available and do they justify costs? | X |  |  | Originals - in the cases accordingly to the procedure established by the company;Certified copies - in a separate project case. |
| 5. | Do copies of payment documents and other supporting documents submitted together with Partner Report comply with originals on spot?  | X |  |  | Submitted payment documents, invoices and documents of equivalent probative value are in line with the originals on spot. |
| 6. | Do implemented re/construction works comply with reported costs? |  |  | X | Re/construction works were not planned. |
| 7. | Do material and non-material assets physically exist on spot?  | X |  |  | During the on-the-spot inspection, we had that the assets declared in the system actually exist and are accounted for. Photos attached. |
| 8. | Are purchased or established assets used for purposes defined in the project?  | X |  |  | During inspection assets were stored at the premises of the company and used for the purposes of project. |
| 9. | Were tenders arranged according to the Public procurement law? | X |  |  | The purchases were made by means of an survey through the public procurement system (1 out of 3) at the lowest price. All procurement documents have been submitted and are available. |
| 10. | Have the information and publicity requirements been followed? | X |  |  | Poster with information about the project is visible at the entrance area;Information about theproject is published on the PP website, facebook and press.Program of events, agendas, publications and other documents meet publicity requirements stated in Programme communication guidelines. |
| 11. | In case during on-the-spot check controller has identified revenue generated during Project implementation, has it been reflected in the Partner Report? |  |  | X | Generation of the net revenue hasn't been planned. As no revenue is visible in the project account and there are no any other evidence or information that revenue would be generated by the project partner during the reporting periods, it is considered, that project partner did not generate revenue during the reporting periods. |

1. **Project implementation evaluation**

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| **Positive** | **X** |
| **With objections** |  |
| **Negative** |  |

1. **Recommendations**

 **Not applicable.**

1. **Discrepancies/Comments**

 **During the on-the-spot inspection, we had no comment to the project promoter. During the on-the-spot verification, no discrepancies were found between the original documents and the copies provided, all assets acquired during the project were recorded and actually existed.**

**The planned project activities have been completed. Basically the results of the project are achieved.**

**List of controlled supporting documents\***

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| **No** | **BL** | **Document type, number** | **Document date** | **Amount reported (EUR)** | **Comments** |
| 1 | BL3 | Advance accountancy, No.25 | 10.08.2018 | 44.00 | Mission expenses, which shall consist of a daily subsistence allowance, shall be calculated correctly. The Trips were planned, the original documents correspond to their copies were provided in the system. |
| 2 | BL3 | Advance accountancy, No. 25 | 15.05.2019 | 44.00 |
| 3 | BL4 | Invoice, No. DRI 2858 | 23.11.2018 | 1875,00 | The original invoices from the external experts correspond to the copies provided. Invoices are marked with the number of the project. |
| 4 | BL4 | Invoice, No. EP 181123-1 | 23.11.2018 | 2140,00 |
| 5 | BL4 | Invoice, No. 11 2019/20549 | 25.10.2019 | 306,00 |
| 6 | BL4 | Invoice, No. C2019-10-18-4 | 18.10.2019 | 2907,00 |
| 7 | BL4 | Invoice, No. 2019-31 | 16.12.2019 | 337,67 |
| 8 | BL5 | Invoice, No. S31 025408 | 14.08.2018 | 3059,94 | The equipment purchased was budgeted, actually exists and is accounted for, the purchase invoices are marked with the number of the project. The original documents correspond to their copies were provided in the system. |
| 9 | BL5 | Invoice, No. 2DG 00950 | 16.11.2018 | 11505,93 |
| 10 | BL5 | Invoice, No. INP 1049941 | 19.11.2018 | 6265,38 |
| 11 | BL5 | Invoice, No. OMG 021994 | 18.11.2019 | 635,25 |

\* The original invoices for verification were selected from the population using the RANDBETWEEN formula. As no discrepancies were found in the sampled invoices verified, the sample was not extended.

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| Controller's signature |  |
| Location | Klaipeda, Lithuania |
| Date | 25-09-2020 |
| Name and signature of the Controller | Biruta Bužienė |
| Official stamp of the institution |  |