



REPUBLIC OF ESTONIA
STATE SHARED SERVICE CENTRE

EE practice. Examples of FI auditing scope & findings in 2014–2020

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The main targets of the FI audit

The system audit was launched in the beginning of June 2019 with the aim to verify that FI setup ensures:

- **a) all the relevant rules are followed during the FI implementation;**
- **b) eligibility of the expenditure.**

Audit did not test the expenditure as the second payment claim was still in preparation.

The scope of the system audit

The bodies covered were:

- **a) the 1st Level Implementing Body (policy creator – Ministry of Economy)**
- **b) the 2nd Level Implementing Body (State Shared Services Centre)**
- **c) Foundation KredEx as beneficiary**

Procedures done by auditors were:

- **interviews**
- **Review of the control procedures in the 2nd Level Implementing Body**
- **Assessing the setup of the system on all levels and the cooperation between them.**

State of play

- **From the October 2019 the audit has reached to a stage of a draft audit report that so far has not been issued for the auditees for commenting, the process has been temporality suspended. The prelude to such decision comes from very slow progress on both reading the loans and the guarantees**
- **In order to sort out the possible future scenarios for FI progress the Audit Authority decided not to release the draft report before clarity is reached if the current types of loans and guarantees can be expected to be implemented in foreseen amount or not. As KredEx has in January provided a plan for doing so then audit can continue**
- **The audit shall rise several questions regarding the system functioning but it will not raise into the question the products offered by KredEx (with one exception known to KredEx already previously - guaranteeing the performance guarantees issued by the banks)**



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Thank you!

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