

Specification of Work

For audit services for the project «Adaptation of new approaches to develop cycling and cycling routes between Russia and Finland to improve safety, mobility and environment, and to promote social development (the case: Svetogorsk – Imatra cycle track)» under the “South-East Finland - Russia” CBC 2014 – 2020 Programme

1. General information

Managing Authority of the “South-East Finland – Russia” CBC 2014 – 2020 Programme signed with the Beneficiary – autonomous non-commercial organization “Directorate for development of the Saint-Petersburg and Leningrad region transport system” (hereinafter – the Beneficiary) grant contract № 172041-KS1133 as of 01.11.2018 for provision of grant for implementation of the project «Adaptation of new approaches to develop cycling and cycling routes between Russia and Finland to improve safety, mobility and environment, and to promote social development (the case: Svetogorsk – Imatra cycle track)» (hereinafter – the Project).

2. Goal

The goal of the audit is to verify that Project related expenditures and revenues are:

- real (expenditures actually incurred and revenues identified and quantified);
- accurately recorded (amounts are stated and recorded according to the supporting documents);
- eligible (in line with the eligibility criteria, project plan and budget).

The examination shall be performed on the basis of certain agreed-upon procedures with regard to the financial report and all the factual findings and exceptions resulting from these procedures shall be reported. The auditor examines the factual information in the financial report of the beneficiary (project partner) and compares it with the terms and conditions of the Grant Contract

3. Source of financing: grant from the “South-East Finland – Russia” CBC 2014 – 2020 Programme (grant contract № 172041-KS1133 as of 01.11.2018)

4. Location of service provision: 190031, Saint-Petersburg, Moskovskiy prospect, 10-12, A.

5. Scope of examination

The audit examination shall be undertaken in accordance with the International Standard on Related Services (ISRS) 4400 Engagements to perform Agreed-upon Procedures regarding Financial information as promulgated by the IFAC and include test and checks, which the Auditor deems necessary to perform in the ongoing circumstances, including ones like:

- compliance of the financial aspect of Project implementation, including procurements and Project bookkeeping, with the terms of the Grant contract;
- keeping Project accounts in accordance with applied standards of financial accounting, whether they give reliable and objective description of the Project’s financial condition for the relevant period of examination, and use of resources and costs, incurred during this period, including Project co-financing;
- appropriateness of the accounting and internal control systems for control over costs and other financial operations and possibility provide secure keeping of assets, financed within the

framework of the Project, correctness of documentation of all relevant activities, related to the Project implementation.

6. Audit report

The audit report is prepared according to ERV3 Expenditure and revenue-verification-report, being Annex 3 to the Contract.

7. Conditions and requirements

The Auditor is granted access to all documents, correspondence and any other information, related to the Project, including the Grant contract, as well as reports on Project implementation, interim financial reports and final report on Project completion.

8. Result of the service

Written audit expenditure and revenue verification reports in English and Russian according to ERV3 Expenditure and revenue-verification-report form about reliability of interim reports on Project implementation and final report on Project completion, and compliance of financial aspect of Project implementation, including procurement procedures and accounting with the Grant contract.

The Auditor has to make not less than 3 (three) and not more than 6 (six) individual expenditure and revenue verifications and prepare report as a result of such verification and other documents, foreseen by the Contract. The Beneficiary determines the number of individual verifications.

9. Duration of the contract

Services under the Contract will commence starting from the date of signing of the Contract till the ending date of individual verification of expenses and revenues but not late than 31.12.2022; the starting date of the every individual verification of expenses and revenues by the Auditor is determined as the date of receipt of the Beneficiary's inquiry regarding the execution of individual verification of expenses and revenues with a financial report for the relevant period by the Auditor.

10. Currency

The Beneficiary makes all payments for services under this Contract in Russian rubles by transferring of the ruble equivalent of the due amount on the basis of the exchange rate of the Beneficiary's bank on the date of payment.

Auditor

Beneficiary

(signature)

(signature)