

REPORT OF FACTUAL FINDINGS REGARDING THE FINAL FINANCIAL REPORT OF ACTUAL PROJECT-RELATED COSTS INCURRED

(hereinafter: Report of Professional) - version July 2023

To: [*Applicant*]

Subsidising Authority: the Agency for Innovation & Entrepreneurship (VLAIO) and the Fund for Innovation and Entrepreneurship, respectively, each including the bodies in charge of tasks pertaining to the auditing, inspection and monitoring of subsidy awarding.

Professional: [*name, capacity as corporate auditor/chartered accountant/(internal) (certified) (tax) accountant*]

Specific receiver: Innovation & Entrepreneurship Agency (VLAIO)

Project: [*project type/project number HBC.20xx.xxxx/project title*]

Case file: Excel cost spreadsheet incl. substantiating documents and essential elements of the subsidy agreement (i.e. at a minimum: the final financial statements, the supporting documents, the decision regarding subsidy granting, the approved budget and any appendices and addenda)

## Engagement

The present report prepared by the Professional concerns the performance of agreed specific work and serves to support the Specific Recipient in the context of its audit of costs incurred by or in the name of the Applicant in the implementation of the Project.

The Applicant is responsible for preparing the final financial report in the form of an Excel cost statement. The Professional  uploads this final financial report including accompanying supporting documents, together with the present Report of the Professional via the VLAIO portal, for the purpose of the final settlement and final determination of the subsidy amount for the above-mentioned Project. The link to the VLAIO portal will be provided to the Professional by the Applicant.

Based on the Case File, and the final financial report including accompanying supporting documents (listed under Appendix 1) received from Applicant in particular, we have performed the agreed specific work as listed below, with respect to the Applicant's personnel costs, overheads, operating costs, external third party services and investments, for the Project.

## Ethical requirements

In carrying out this engagement, we complied with the relevant ethical regulations applicable to us.

*Delete what does not apply*

*In case the Professional is an internal (certified) (tax) accountant, who is on the Applicant’s payroll:*

* A report prepared by an internal (certified) (tax) accountant on the Applicant’s payroll cannot be regarded as a report of factual findings within the meaning of ISRS 4400. (Certified) (tax) accountants who exercise their profession under a contract of employment or in a government-paid position ("internal (certified) (tax) accountants") are subject to the applicable deontological rules and supervision by the ITAA, with all the necessary guarantees in terms of competence, independence and professional probity, including a disciplinary system. However, internally certified (tax) accountants are not subject to the same rules regarding independence as those (certified) (tax) accountants practicing as self-employed persons as their principal or secondary profession, for third parties.

*In case the Professional is not on the Applicant’s payroll:*

* The independence rules regarding audit engagements for certified (tax) auditors and auditors/chartered accountants do not apply to this engagement for agreed specific work.
* This means that we, as the regular (certified) (tax) accountant of [*Applicant*], may perform this engagement.

or

* However, as auditors/chartered accountants or (certified) accountants, we do comply with the independence rules regarding audit engagements for certified accountants and auditors/auditors.

## Scheduling

We scheduled the work in such a way as to ensure effective completion of the work.

## Documentation

We have documented the matters relevant to providing information in support of the Report of Professional, as well as the information demonstrating that the engagement was performed in accordance with the engagement terms, as was set forth in the engagement letter of [...date][[1]](#footnote-1)

## Specific work and factual findings

Our work and factual findings are based on the Excel cost spreadsheet including supporting documents.

For selected elements of the final financial report:

* We verified that the data included in the Excel cost spreadsheet matches invoices and/or other supporting documents (following the procedure below).
* We verified that the invoices and other supporting documents relate to the period of implementation of the Project.

The following procedure was applied:

Supporting documents with 100% coverage of the total value of amounts submitted per cost heading (except for Overhead and operating costs when the ceiling was not breached in the approved budget request, as well as in the final financial report) are uploaded in the VLAIO portal.

* **Personnel costs**

The final financial report showing total personnel costs amounting to [...].

We have [no / the following] findings regarding these proceedings:

*[verification of reported gross monthly earnings based on individual accounts and/or pay slips of the project members with employee status (code 'w')]*

*and*

*[the total number of man-months accepted in the approved budget can never be exceeded in the final financial report]*

|  |
| --- |
| Any findings: |

* **Overheads**

The final financial report showing a total overheads amount of [...].

We have [no / the following] findings regarding these proceedings:

*[a maximum of EUR 25,000/person-year is provided for overheads for project members with employee status (code 'W'). If a lower flat rate was specified in the approved budget, this amount must be adopted in the final financial report]*

|  |
| --- |
| Any findings: |

* **Operating cost**

The final financial report indicating total operating expenses amounting to [...].

We have [no / the following] findings regarding these proceedings:

[check if the ceiling of operating costs was breached in the final financial report, as well as if the ceiling of operating cost was breached in the approved budget request.]

In this case

[check that the final financial report does not include any shifts exceeding 10% between the budgeted items of operating costs and the approved budget request.]

and

[check if operating costs excluding VAT are substantiated by means of a detailed statement indicating, where applicable, the invoice date, invoice number, supplier, description, amount excluding VAT, amount including VAT, (structured) communication, and are substantiated by means of the corresponding invoices with the corresponding proofs of payment and other supporting documents.]

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| --- |
| Any findings: |

* **External third-party performance**

The final financial report indicating a total cost of external third-party services amounting to [...].

We have [no / the following] findings regarding these proceedings:

*[both services rendered and customized goods not capitalised are eligible. The costs in the final financial report are excl. VAT and are verified on the basis of a detailed statement indicating, where applicable, invoice date, invoice number, supplier, description, amount excl. VAT, amount incl. VAT, (structured) communication, and are proved on the basis of the accompanying invoices with cost driver and the corresponding payment receipts].]*

*and*

*[verify that the cost driver applied on the invoice in the final financial report is the same as the cost driver applied by this subcontractor in the approved budget]*

|  |
| --- |
| Any findings: |

* **Investments**

The final financial report indicating a total amount of investments amounting to [...].

We have [no / the following] findings regarding these proceedings:

*[only depreciation costs are eligible. Using the depreciation tables and the statement of balance sheet accounts (class 2), the actual capitalisation of the investment is checked]*

|  |
| --- |
| Any findings: |

## Responsibilities

Because the above work does not constitute either an audit or a review in accordance with International Standards on Auditing (ISA - International Standards on Auditing) or International Standards on Review Engagements (ISRE - International Standards on Review Engagements), the Joint IBR-ITAA Standard on the Contractual Audit of SMEs and Small NPOs and Foundations and the shared legally reserved engagements with SMEs and Small NPOs and Foundations, we do not express any certainty regarding the File, and regarding the financial statements in particular. We did not perform any work focused on reviewing the accuracy and completeness of the underlying supporting documents.

Had we performed additional work, or performed an audit or review of the Application in accordance with International Standards on Auditing (ISA) or International Standards on Review Engagements (ISRE), the Joint IBR-ITAA Standard on the Contractual Audit of SMEs and Small NPOs and Foundations and the Shared Statutory Reserved Engagements in SMEs and Small NPOs and Foundations, other matters might have come to our attention, which we would have then reported to you.

## Restriction in use and range of distribution

The present Report of Professional has a confidential nature and is solely intended to allow the Professional to upload the final financial report including supporting documents for the purpose of granting the final amount of subsidy for the Project.

The present Report of Professional may not be used for any other purpose or distributed to any party other than the Specific Recipient and the Subsidising Authority. This Professional's Report relates only to the elements specified above and does not extend to the financial statements of [Applicant] as a whole.

**Appendix 1 File: concrete documents supplied by the Applicant**

Report of the Professional prepared in [*place*], on [*date*]

Signature

[*Name, position ((internal) (certified) (tax) accountant / corporate auditor / chartered accountant)]*

[*ITAA number/IBR number*]

## Appendix 1 File: specific documents supplied by the Applicant

|  |  |
| --- | --- |
| Final financial report | Added |
| Decision regarding subsidy granting | Added |
| Approved budget | To be requested directly by the Professional via [verificatie@vlaio.be](mailto:verificatie@vlaio.be) |
| Any appendices and addenda | Added |
| Individual accounts and/or pay slips to substantiate Personnel Costs | Added |
| Only when the ceiling in the approved budget request and the final financial report was breached shall the following supporting documents be added:  A detailed statement listing the costs with, where applicable, indication of invoice date, invoice number, supplier, description, amount excl. VAT, amount incl. VAT, (structured) communication and the accompanying invoices with corresponding payment vouchers and other supporting documents to substantiate the Operating Costs. | Added |
| A detailed statement listing the costs with, where applicable, indication of invoice date, invoice number, supplier, description, amount excl. VAT, amount incl. VAT, (structured) communication, and the accompanying invoices with cost driver and corresponding proof of payment to substantiate the External Services by third parties. | Added |
| Depreciation tables and statement of balance sheet accounts (class 2) to substantiate Investments | Added |



1. This provision does not apply to internal (certified) (tax) auditors. [↑](#footnote-ref-1)