



Extra information – Auditor’s Report / Audit Protocol

The lead partner has a number of obligations, which are included in the Grant decision letter for the project. One is that the lead partner provides RVO with an audit report on the entire project at the end of the project¹. **This auditor’s report is based on the application for determination of the project and the final report.**

The final project report should include all project expenses and income of all project partners. Only costs that have been made in connection with the grant project are eligible for subsidy.

These steps need to be taken at project end:

- Every single project partner must report all incurred costs and income for the grant project to the lead partner. This is regardless of whether part or even all cost are being financed (in cash) by a particular project partner.
- The lead partner combines all the information in the final report (financial and narrative), fills out the application for determination of the subsidy and instructs an auditor to verify this set.
- The auditor for the project verifies these expenses, as well as any project income.
- The lead partner will then submit the application for the final grant determination (including the financial statements for the total project, together with audit report(s), protocol of receipt for all hardware, Letter of Representation (LoR) by the management of the lead partner, MCC’s etc).
- After receiving the complete application RVO.nl will determine the project subsidy within 13 weeks.

Points of attention are given below.

→ **The auditor must be a certified accountant**

The auditor must be a Certified Public Accountant (CPA). The International Federation of Accountants keeps a register of certified accountants per country.

He or she must work according to the Audit Protocol provided by RVO.nl.

¹ In addition, some projects need to provide auditor’s reports annually.

→ The auditor must use the most recent version of the Audit Protocol

The old version of the Audit Protocol (which dates from before July 2017) can no longer be used. You are required to use the most recent version of the Audit Protocol and work in line with ISA 800/805. It can be found on the RVO Project Management webpage for this programme.

→ The lead partner is responsible for the audit of all partners' project costs and income

The lead auditor receives the audit assignment from the lead partner. RVO is therefore not the client of the project auditor. RVO expects the independent lead auditor to audit the entire project financial statements including all partners and issue an audit report on this.

- The lead auditor verifies the project costs and income for the lead partner
- For all project partners, the project costs and income need to be verified. The lead auditor might make use of independent audit firms for this. If so, these auditors must also be certified accountants and must also follow the latest RVO audit protocol for the audit of project costs made by any individual partner.
- If the lead auditor uses the work of other independent auditors for the individual partners in the project, then the lead auditor will choose a suitable sample for assessing the validity of the verifications per partner. Ultimately, the lead auditor will consolidate these verifications per partner into an audit report for the entire project in accordance to ISRS 4400.

→ Your project administration must be adequate

RVO.nl doesn't prescribe the exact way in which project partners should administer the project costs. However, the administration of your project should be organized in such a way that it substantiates the financial realization of your project as described in the Grant decision. At any time and in a simple and clear way, project costs and income should be directly attributable to the activities described in the project plan and budget.

The labour costs must be supported by timesheets. The hours should be accounted for by the staff themselves, preferably on a weekly or monthly basis, and should be checked and accorded by a manager or project leader.

Next to that, all hardware purchases require invoices so that the auditor is able to verify actual hardware costs for the project.

RVO.nl advises the lead partner to consult the lead auditor in an early stage about the project administration. This will help you during project implementation and at project end.

→ The conclusion of the auditor is preferably 'Unqualified'

The Audit Protocol obligates the auditor to issue an audit opinion about the project or project partner. This opinion can be: Unqualified / Qualified / Disclaimer / Adverse (see Audit Protocol). Preferably the opinion is Unqualified, in combination with a successful project that has achieved all its results. However, the auditor can issue another opinion, in which case RVO will take this into account during the determination of the subsidy.

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