

FINANCIAL RULES AND REGULATIONS FOR NFP-TMT GRANTS

16 August 2012

TABLE OF CONTENTS

1	Introduction	3
1.1	A brief outline of the NFP-Tailor Made Training programme	3
1.2	Introduction to the financial rules and regulations for NFP-TMT grants	3
2	Administrative and reporting obligations	3
2.1	General administrative rules	3
2.2	Tailor-made training budget	4
2.3	Financial reporting.....	4
2.3.1	<i>Statement of expenditure</i>	4
2.3.2	<i>Auditor's report</i>	5
2.4	Remuneration	5
2.4.1	<i>Advance payments</i>	5
2.4.2	<i>Settling the account</i>	5
2.5	Prescribed format for budgets and statements of expenditure	5
3	Eligibility of costs.....	7
3.1	Introduction	7
3.2	Costs related to visits made by staff of the provider and its subcontractors	7
3.2.1	<i>Costs related to visits made by staff of the Provider and its subcontractors</i>	7
3.2.2	<i>Costs related to visits made by the Requesting Organisation and its subcontractors</i>	8
3.3	Costs related to training course administration and general administrative costs	9
3.4	Costs related to enlisting the services of local and regional experts	9
3.5	Costs related to audits	9
3.6	Contingencies	10
3.7	Principles for other types of costs	10
3.8	List of fees.....	11
4	Audit guidelines	12
4.1	Introduction	12
4.2	Framework of standards	12
4.3	Reporting requirements.....	12
4.4	Choice of audit firm	12
4.5	Objective of the audit protocol and the objective and scope of the audit.....	12
4.6	Audit method	13
4.7	Accuracy	13
4.8	Points of attention	14
4.9	Auditor's report.....	15
4.10	Review	15
4.11	Audit files	15
4.12	Prescribed model for audit report	16
5	Definitions.....	17

1. Introduction

1.1 Brief outline of the NFP-Tailor Made Training programme

The NFP-Tailor Made Training (TMT) programme is specially meant to enhance the overall functioning of an organisation by training a selected group of its staff members. A tailor-made training is designed to meet specific needs identified by the requesting organisation. The TMT programme is open to a broad range of organisations in the 61 NFP countries ranging from educational institutions, research institutes, ministries and non-governmental organisations to small and medium-sized enterprises.

The process of matching the demand and supply depends on the amount of the training budget:
in case the maximum budget is below € 50,000: the training provider is directly appointed by Nuffic
in case the budget is between € 50,000 and € 200,000: a public subsidy tender procedure is used.

For a complete overview of the criteria and more general information, please consult our website (www.nuffic.nl/tmt)

1.2 Introduction to the financial rules and regulations for NFP-TMT grants

These financial rules and regulations will elaborate on the financial and administrative aspects that apply for NFP-TMT. These rules and regulations do not only apply to the provider awarded the grant, but also provide a basis for the audit (see Paragraph 4).

2. Administrative and reporting obligations

2.1 General administration rules

NFP TMT should be implemented in an effective and accountable manner.

In order to obtain the NFP-TMT funding as specified in the grant letter, the provider must keep a separate TMT administration, based on orderly records, from which it can be established that:

- Expenditure is taking place in accordance with the grant letter.
- Expenditure is being recorded under the proper headings.
- Expenditure is not in breach of legal regulations that apply in the country where the TMT is being conducted.
- Expenditure, including time spent, is identifiable and verifiable and can be backed up with original documents presented as supporting evidence. A time registration procedure or system should be used, which should be in accordance with the time registration procedure/system accepted by the audit firm of the provider. In case such a time registration procedure/system is not in place and/or not accepted by the audit firm of the provider, the Nuffic registration format is to be applied. This format is available from Nuffic on request.
- Authorisation of expenditure is in accordance with the local procedures and subject to a system of internal control.

Furthermore

- Procedures allow for an efficient implementation of the TMT.

- The administration is open to external control.
- A transparent administration of petty-cash transactions should be kept.

The statement of expenditure as mentioned in Paragraph 2.4.1 as well as the audit as mentioned in Paragraph 2.4.2 and Paragraph 4 are to be derived from this separate TMT administration.

2.2 Tailor-made training budget

A budget is to be submitted by the Dutch Provider as part of the proposal during the subsidy tender procedure. This budget is to cover the entire tailor-made training period and is to be submitted together with the tailor-made training proposal as mentioned in the tender documents.

The following rules and regulations on submitting budgets apply to the types of budgets referred to above:

- The budget must be in accordance with the rules and regulations of the NFP-TMT programme as referred to in these financial rules and regulations and should be submitted in the prescribed format referred to in paragraph 2.5 *Prescribed format for budgets and statements of expenditures*.
- The budget should be linkable to the activities as mentioned in the activity plan for the training in question.
- The contingency budget line can only be used for unforeseen extra costs that cannot be avoided if the tailor-made training is to achieve its objectives and could not be anticipated when the budget was drafted.
- The fees used to calculate the price of the winning tender may be lower than the fees listed in the *List of fees* prescribed for the NFP-TMT programme (see paragraph 3.9). In that case, the organisation that submitted the tender should supply a list of these rates and fees for approval by Nuffic. If the rates and fees are subsequently approved by Nuffic, this list will become an annex to the grant letter.

2.3 Financial reporting

2.3.1 Statement of expenditure

Within two months after the end of the tailor-made training, the party will submit a statement of expenditure.

This statement of expenditure should cover the entire tailor-made training period.

This statement of expenditure must also include the costs related to the writing of the narrative report and the audit costs (and that are incurred within two months after the end of the tailor-made training).

For both types of statements of expenditure mentioned above, the following rules and regulations on submitting a statement of expenditure apply:

- The statement of expenditure is in accordance with the rules and regulations of the NFP-TMT programme as mentioned in these financial rules and regulations and should be submitted in the prescribed format mentioned in paragraph 2.5 *Prescribed format for budgets and statements of expenditures*.
- The statement of expenditure is to be submitted in hard copy, in duplicate, and should be signed by the legal representative of the implementing party as well as the external auditor (see 2.3.2).
- Only documents that are submitted in hard copy will be taken into consideration and will therefore form the basis of the assessment by Nuffic.
- The statement of expenditure is in accordance with the approved activity plan.

- In the statement of expenditure, the relationship between outputs and activities, on the one hand, and the required inputs in terms of personnel and materials, on the other, should be explicit. The statement of expenditure should therefore be linkable to the approved activities. Any deviations of more than 20% of the budget per result should be analysed / explained.
- The statement of expenditure is in Euro (EUR). The costs in local or other currency are converted in accordance with the prevailing exchange rate of the date the costs are incurred.
- All expenditures claimed should be based on actual time spent and actual costs unless otherwise specified in these financial rules and regulations (see subsistence allowance (3.2), tuition fees (3.2) and fees for staff time (3.8).
- The costs mentioned in the statement of expenditure must be incurred within the period of the grant with the only exception being the costs related to the writing of the narrative report and the audit costs. These costs need to be incurred before the audit report is submitted (within two months after the tailor-made training has ended).

2.3.2 Auditor's report

- The statement of expenditure should be accompanied by an auditor's report.
- The procedure for the audit and prescribed model for the auditor's report is laid down in the audit guidelines mentioned in Paragraph 4 of these rules and regulations.

Please note

If the total amount of the tailor-made training does not exceed EUR 25,000, an external audit report is not necessary (unless Nuffic decides otherwise). The audit costs would then not be claimed from the tailor-made training's budget.

2.4 Remuneration

2.4.1 Advance payments

The provider will receive an advance payment to implement the NFP-TMT tailor-made training. Nuffic will supply an advance payment to the maximum of 80% of the budget within 60 days after the date of the grant letter.

2.4.2 Settling the account

- The account will be settled after Nuffic has received and approved the narrative report, the statement of expenditures and the accompanying auditor's report.
- Expenditures exceeding the available tailor-made training budget will not be reimbursed.
- If Nuffic, after consultation with the provider, is of the opinion that some of the funds have been spent improperly - that is, not in accordance with the terms under which the funds were made available, or not in accordance with these financial rules and regulations - Nuffic can decide to readjust the financial contribution.
- At the end of the tailor-made training period, any funds that have not been spent should immediately be returned to Nuffic.

2.5 Prescribed format for budget and statement of expenditures

The format below is required for all budget and statement of expenditures. Please note that the grant letter mentions the timeframe for submitting the budget and statement of expenditures.

INSTITUTION RELATED COSTS		Tariffs	No of staff	No of days	Budget	Financial settlement
1. TRAINING DEVELOPMENT COSTS #DEEL/0!						
Fees:						
	Teamleader:	0,00	0	0	0,00	0,00
	.....	0,00	0	0	0,00	0,00
	.....	0,00	0	0	0,00	0,00
	.....	0,00	0	0	0,00	0,00
					0,00	0,00
2. TRAINING IMPLEMENTATION COSTS						
a. Fees:						
	Teamleader:	0,00	0	0	0,00	0,00
	.....	0,00	0	0	0,00	0,00
	.....	0,00	0	0	0,00	0,00
	.....	0,00	0	0	0,00	0,00
b. (International) Travel		0,00	0	0	0,00	0,00
c. Daily subsistence allowance (DSA)		0,00	0	0	0,00	0,00
d. Other costs (to be specified)					0,00	0,00
					0,00	0,00
SUBTOTAL					0,00	0,00

3. Eligibility of costs

3.1 Introduction

As not all costs are eligible for NFP-TMT funding, the provider as well as the audit firm should take these rules and regulations, among other formal documents such as the grant letter and, if applicable, other formal correspondence, into account.

To be eligible for reimbursement, costs must be real (made and paid) and documented. This means that lump-sums and fixed-fee rates can only be used if specified as such in these Rules and Regulations. Any discounts on equipment, materials, airline tickets, etc. purchased should be refunded to the tailor-made training.

Please note that the following costs are never covered by the tailor-made training and should therefore not be included in any part of the tailor-made training budget or statement of expenditures:

- Salaries, incentives, fees, allowances or any other rewards paid or to be paid for the time which staff of the Requesting Organisation of the tailor-made training spends on the tailor-made training. The only exception is the time spent on tailor-made training management and administration (see subsequent paragraph 3.2.2).
- The cost of replacing staff members that are working on the tailor-made training.
- Please note that investment (e.g. infrastructure, vehicles, equipment etc.) costs are never covered by the tailor-made training and should therefore not be included in the tailor-made training budget or statement of expenditures!

These costs will have to be paid by the Requesting Organisation/Organisations.

NFP-TMT will cover eligible costs only. These are specified in detail in the following paragraphs. The budgeted items and expenditures are subject to approval by Nuffic

3.2 Costs related to visits conducted by staff of the provider and its subcontractors

3.2.1 Costs related to visits made by staff of the Provider and its subcontractors

Please note that the actual time spent by staff of the Provider and its subcontractors must be identifiable and verifiable and substantiated by original documents, such as pay slips, presented as supporting evidence. A time registration procedure/system should be used in accordance with Paragraph 2.1 concerning the general administration rules.

Staff time

The actual time spent on a visit, which includes both time spent on preparation and the time spent during the actual visit, can be claimed at the rates indicated in the *List of fees*.

Hotel cost and daily allowance

For subsistence and accommodation, the provider can claim no more than the actual costs of accommodation and breakfast in a medium-range hotel and a daily lump-sum allowance to cover other costs related to subsistence. DSA and costs for accommodation need to be listed in the budget separately.

The daily allowance lump sum is € 50 per day for a stay in OECD – DAC aid recipient countries¹ and € 75 per day for a stay in other countries including the Netherlands.

The daily allowance can only be claimed if it can be proved that the days concerned were spent in a hotel for the purpose of the tailor-made training.

International travel

The costs of a return-trip airline ticket will be reimbursed. The flight should be by the most direct route between the destination and the airport nearest the person's place of residence.

In-country travel

Travel costs to and from the airport in the Netherlands will be reimbursed up to the amount of a first-class train ticket. Actual travel costs incurred for tailor-made training activities abroad will be reimbursed.

3.2.2 Costs related to visits made by staff of the Requesting Organisation

All costs related to the visits of persons from the Requesting Organisation for management purposes or for taking a course or receiving training, except salary or other rewards of these persons, can be charged to the tailor-made training.

The following rules apply:

International travel:

The costs of a return trip will be reimbursed (including the airline ticket, airport tax and the visa). The flight should be by the most direct route between the destination and the airport nearest the person's place of residence.

(Please note that the airline ticket may not be exchanged for cash.)

In-country travel:

The costs of local travel in connection with the purpose of the visit will be reimbursed. Visitors are expected to travel by bus, tram and/or train. Travel by taxi will be reimbursed only if other options were not available.

Hotel cost and daily allowance

For subsistence allowance, Parties can claim no more than the actual costs of hotel and breakfast in a medium-range hotel and a lump sum allowance per day to cover the other costs of daily subsistence. DSA and costs for accommodation need to be listed in the budget separately.

The daily allowance lump sum is € 50 per day for a stay in OECD – DAC aid recipient countries² and € 75 per day for a stay in other countries including the Netherlands. A daily allowance can only be claimed if it can be proved that days concerned were spent in a hotel for the purpose of the tailor-made training.

Note: A Requesting organisation is free to pay its own staff more or less than this eligible lump sum, but the difference cannot be charged to the tailor-made training. Daily allowance for visits of other persons can only be declared if the amounts have been paid to that person or to his/her employer.

Also, the provider can only declare daily allowance for the Requesting organisation's visits if the amounts have been actually paid to the staff member of -, or to the Requesting organisation.

¹ List to be found at www.oecd.org/dac

² List to be found at www.oecd.org/dac

Insurance

Participants of a training must be insured when going abroad in the framework of this training. The actual amount that must be paid for insurance should be listed.

Please note that visitor's employers are expected to continue to pay visitor's salaries and these costs can therefore not be charged to NFP-TMT. NFP-TMT only covers an allowance meant to cover visitor's costs, including accommodation, while they are in the Netherlands or the other country being visited. If a visitor is joined by family members, these extra costs cannot be charged to the tailor-made training.

3.3 Costs related to training course management and general administrative costs

The actual amount of time spent by the Provider on tailor-made training coordination can be claimed at the rates indicated in the *List of fees*. There should be no separate charges for general administrative support, secretarial services etc. This is considered overhead, and these costs are included in the rates charged for tailor-made training coordination. Costs of language training cannot be charged to the tailor-made training.

Please note that the actual time spent by the Provider's staff must be identifiable and verifiable and must be substantiated by original documents presented as supporting evidence. A time registration procedure/system should be used in accordance with paragraph 2.1 concerning the general administration rules.

3.4 Costs related to enlisting services of local and regional external experts

The costs of enlisting the services of local and regional external experts for specific purposes can be covered by NFP-TMT. Remuneration is based on the time spent by the expert and the consulting fee paid to the expert. Only costs made and paid can be charged to the tailor-made training. A 15% handling fee can be added (but this is optional). The consulting fee should be consistent with what the external expert would normally charge for comparable services in the country in question. The budget should include a detailed breakdown of these costs. Nuffic can call on the Dutch embassy for advice if it has any doubts and it has the authority to reject the proposed fee rate.

Note: external experts cannot be employee of the Requesting Party, neither full time nor part time. If an external expert is employee (part-time) of the Requesting Party, the cost for his or her services can never be charged to the tailor-made training.

3.5 Costs related to audits

The costs of an audit can be covered by NFP-TMT. Concerning the audit, the following rules and regulations apply:

- The costs for the annual audit must be included in the tailor-made training budget. These should be based on the fees actually charged. The maximum amount is € 2000.

3.6 Contingencies

The budget for contingencies is set at 5%. Contingencies are unforeseen extra costs that cannot be avoided if the tailor-made training is to achieve its objectives. As the name suggests, these extra costs could not be anticipated when the budget was drafted but are essential for the tailor-made training to achieve its objectives. The item 'contingencies' is not meant for new activities. The contingencies have to be stated in the budget in accordance

with the prescribed budget format. **Please note that contingencies are not part of the operational budget and may only be used after written approval from Nuffic.**

3.7 Principles for other types of costs

Costs that are not mentioned in Paragraphs 3.2 up to and including 3.6 can be included in the budget on the following conditions:

- they must be sufficiently specified;
- if the present guidelines do not contain any specific rules or rates that would apply, the rules and rates that apply in general to the Requesting organisation and/or country in question should be used and should be submitted for approval to Nuffic. The provider should exercise common sense in identifying which costs are eligible and which are not;
- if a Requesting organisation uses its own departments to perform services (such as production, printing, distribution, translation, etc.), the fees charged should be consistent with the organisation's own regulations and should not exceed what the organisation would normally charge internally.

3.8 List of fees

The fees specified below apply to NFP-TMT funding for training related activities by employees of Dutch organisations or organisations involved as subcontractors that are registered in Europe, North America or Australia. The fee rates are determined by the level of the salary of the individual expert. The fee rates are a lump sum payment for the time of the expert.

The salary groups are considered to be gross monthly income of employees and therefore do not include, among other things, a thirteenth month and a contribution for holiday expenditures.

Fees paid to employees of Provider (amounts are in Euro)

			A	B
1.362,00	>	1.589,00	235	182
1.589,00	>	1.816,00	272	210
1.816,00	>	2.043,00	307	238
2.043,00	>	2.270,00	344	266
2.270,00	>	2.497,00	380	294
2.497,00	>	2.724,00	416	322
2.724,00	>	2.951,00	453	350
2.951,00	>	3.178,00	488	379
3.178,00	>	3.405,00	524	406
3.405,00	>	3.632,00	561	435
3.632,00	>	3.859,00	597	462
3.859,00	>	4.086,00	634	491
4.086,00	>	4.313,00	669	518
4.313,00	>	4.540,00	705	547
4.540,00	>	4.767,00	742	574
4.767,00	>	4.994,00	778	603
4.994,00	>	5.221,00	815	630
5.221,00	>	5.448,00	850	659
5.448,00	>	5.675,00	886	686
5.675,00	>	5.902,00	906	700
5.902,00	>	6.129,00	925	713
6.129,00	>	6.356,00	944	728
6.356,00	>	6.583,00	964	741
6.583,00	>	6.810,00	983	755
6.810,00	>	7.037,00	1002	768
7.037,00	>	7.264,00	1021	781
7.264,00	>	7.491,00	1040	796
7.491,00	>	7.718,00	1059	809
7.718,00	>	7.945,00	1078	823
7.945,00	>	8.172,00	1097	836
8.172,00	>	8.291,00	1111	847

A For a workday in the Netherlands (5-day week).

B For a day spent on a short visit (7-day week).

The tariffs apply to all experts that are employees of the consortium that was described in the tailor-made training proposal.

Experts

- If external experts are hired that are employees of an organisation (i.e. on a payroll), the fee rates as mentioned above apply. A 10% handling fee can be added (but this is optional).
Please note that handling fee cannot be added for experts who are employees of an organisation that is part of the consortium that was described in the tailor-made training proposal as they are not considered external to the tailor-made training.
- If external experts are contracted that are not salaried employees of an organisation ("freelance experts"), the actual fee paid to them will be reimbursed. In this case a 15% handling fee can be added (but this is optional).

4. Audit guidelines

4.1 Introduction

Expertise of Dutch organisations is used to assist organisations in NFP-TMT countries. After the selection of a Dutch organisation ("Provider"), Nuffic awards a grant for the implementation of the tailor-made training. These audit guidelines provide information for both the audit firm as well as the provider on submitting audited statements of expenditure and audit reports in accordance with the NFP-TMT requirements of Nuffic.

4.2 Framework of standards

The following framework of standards applies to the NFP-TMT programme:

1. Ministry of Foreign Affairs Framework Act on grants;
2. Ministry of Foreign Affairs Grant Decree;
3. Ministry of Foreign Affairs Grant Regulations.

In addition, the following documents are relevant for the auditor's activities:

1. The grant letter in connection with the NFP-TMT grant;
2. The Financial rules and regulations for NFP-TMT grants;
3. The reporting format;
4. The tailor-made training proposal and budget;

For more information on the NFP-TMT programme, go to: www.nuffic.nl/tmt .

4.3 Reporting requirements

The reporting requirements as set out in Paragraph 2.3 of these financial rules and regulations mention that all statements of expenditure are to be accompanied by auditor's reports.

4.4 Choice of audit firm

The audit can be conducted by the provider's usual auditor: that is to say, an independent auditor commissioned by the provider to audit the annual accounts. The audit may not be conducted, however, by the provider's own internal audit department.

4.5 Objective of the audit protocol and objective and scope of the audit

The auditor examines to what extent the statement of expenditures meets the relevant requirements as set out in this audit protocol. While doing so, the auditor must give adequate regard to the provisions of the framework of standards (see Paragraph 4.2). The auditor performs the assurance engagement with due regard of this audit protocol. The auditor's examination results in an auditor's report accompanied by the statement of expenditure.

The objective of the audit is to give an opinion on the statement of expenditures in order to assess, in particular, its accuracy and the legitimacy of the expenditures in all material respects.

Expenditures will be regarded as legitimate if:

- they comply with the conditions of the grant, including addenda to the grant (if applicable), with other agreements and with the financial rules and regulations for NFP-TMT grants, which are attached as an annex to the grant letter;
- they have been recorded properly under headings that are the same as those in the approved budget;

Furthermore, the auditor has to evaluate the provider's own system of internal control with respect to the NFP-TMT tailor-made training, to estimate the audit risk, and to identify any matters worthy of mention, including any material weaknesses in the internal control system.

In addition, the auditor provides in the auditor's report an opinion on the statement of expenditures. The auditor is to sufficiently take into account whether the provider has complied, in all material respects, with the grant letter and with the rules and regulations that apply to the tailor-made training.

4.6 Audit method

The auditor holds primary responsibility for the audit method. This audit protocol therefore does not intend to prescribe any particular audit method to be used. Auditors mostly base their audit on a (risk) analysis of the accounting system and related internal controls in respect of the provider's statement of expenditures and, based on this, they are in the best position to decide on what means of auditing to apply. The audit should be carried out in accordance with generally accepted international auditing standards (hereinafter: ISA).

This audit protocol provides further instructions that the auditor must observe in his audit method. The auditor who is responsible for the audit of the statement of expenditure is to ensure an adequate audit method and a client-specific work programme, in which context sufficient attention is given to the internal controls of the tailor-made training accounts and to the level of audit tolerance. In forming an opinion, the auditor strives to obtain a reasonable (i.e. high) level of assurance. If this concept were to be quantified for statistical purposes, a reliability rate of 95% is to be assumed.

4.7 Accuracy

The auditor organises his audit in such a way that he can state with a reliability rate of 95% that the financial statement contains no misstatements with a significance larger than the prescribed levels of materiality. To determine the opinion of the auditor's report, the following levels of materiality apply:

Levels of materiality in percentage of the expenditures	Misstatement in the financial statement		Uncertainties in the financial statement	
	Qualified	Adverse	Qualified	Disclaimer of opinion
Fair view	> 1 and < 3	≥ 3	> 3 and < 10	≥ 10
Compliance	> 1 and < 3	≥ 3	> 3 and < 10	≥ 10

Please note that for grants lower than or equal to € 25.000, an auditor's report does not have to be submitted unless Nuffic decides otherwise.

4.8 Points of attention

This section provides points of attention for the auditor's assurance work in conducting his audit.

General

The auditor takes cognisance of the framework of standards, tailor-made training proposal as stated in the tender documentation, grant letter and any additional written agreements. In addition, the auditor takes cognisance of relevant correspondence regarding any changes in implementing the tailor-made training. Based on these documents and correspondence, the auditor acquires an in-depth understanding of the tailor-made training. In his assurance work, the auditor also takes account of the risk that the tailor-made training may not be entirely performed in accordance with the grant letter.

The auditor must receive a letter of representation from the provider's management stating that, to the best of its knowledge, the financial statement encompasses all transactions and receipts, is accurate and complete in every respect and that all grant conditions have been met.

The auditor should ensure that the audit file contains sufficient documents of an appropriate and relevant nature and should record the audit procedures used and the results obtained in the file.

Audit requirements

In performing the assurance engagement, the auditor is to establish that at least the following has been complied with:

- all expenses in the accounts are legitimate, i.e. they satisfy the criteria contained in the grant letter and the regulations listed in section 2 and 3 of this annex;
- the costs included in the statement of expenditures have actually been incurred for the tailor-made training activities and have been paid;
- the accounts are complete and correctly recorded;
- the accounts are numerically correct;
- the accounts agree with the underlying financial records and other documents held by the provider;
- the costs have been accurately calculated, in compliance with the general and specific subsidy conditions contained in the grant letter;
- the costs in local or other currency are converted in accordance with the prevailing exchange rate of the date the costs were incurred;
- the costs included in the statement of expenditures are based on the approved budget for the period reported on;
- the costs included in the accounts were incurred during the period stated in the grant letter. The costs related to the writing of the narrative report and the audit costs can be included if incurred within two months after the end of the tailor-made training;
- the costs for goods and materials do not exceed the amount approved in the budget and these goods and materials procured have become demonstrably the property of the Requesting organisation;

- the costs for contingencies do not exceed 5% of the approved budget and are spent in accordance with the approved budget.

Costs

Please note that the total costs of the audit may not exceed € 2000.

4.9 Auditor's report

General

The auditor's audit results in an auditor's report. For this purpose, the auditor uses the applicable model included in 4.12. It is essential that the scope of the auditor's report is unambiguous and that any (material) findings and/or uncertainties detected are adequately represented in the report.

The auditor's report is to state that it has been drawn up in accordance with the further instructions of this audit protocol.

Points of attention

If during the performance of the assurance engagement, material misstatements are detected in the statement of expenditure report, they will have to be adjusted. If material misstatements are not adjusted, the auditor is not permitted to issue an unqualified assurance report. If the auditor detects any unlawfulness in connection with the tailor-made training or tailor-made training Parties, for example any gift, reward, compensation or benefit of any kind offered or accepted in a way that could be construed as illegal or corrupt, he is obliged to report this to Nuffic.

Report

The auditor's report should include the following:

- the aim and scope of the financial audit, the audit criteria applied, where relevant, and any restrictions imposed on the scope of the audit;
- the basis of his opinion in case of material or fundamental limitation on the scope of the audit and/or non-compliance of (financial) rules and regulations;
- the auditor's opinion of the statement of expenditure.

The auditor's report concerns the certified (stamped and signed) financial statement including disclosures and the accounting principles applied.

The auditor obtains a Letter of Representation (see 4.9).

4.10 Review

Nuffic reserves the right to have the audit reviewed. The auditor concerned and the provider will fully cooperate with this review, supplying the reviewer with all relevant documentation related to the audit. The auditor is obliged to provide (if asked) the reviewer with copies of any document included in the audit file.

4.11 Audit files

The audit firm must keep an orderly and accessible audit file for the tailor-made training. This file should be kept for ten years from the date the audit was completed. All working papers and reports should be in the English language.

4.12 Prescribed model for auditor's report

The auditor is obliged to incorporate the following wording stipulated in the report:

Introduction

We have audited and certified the accompanying financial statement, which has been submitted by<name of the organisation in (place) as the costs of the tailor-made training entitled.....<name of the tailor-made training>, with grant number..... and tailor-made training number..... The expenditures took place in the period from<date> to<date>. The financial statement is the responsibility of the organisation's management. Our responsibility is to express an opinion on the financial statement based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing as well as the audit guidelines as mentioned in the Financial Rules and Regulations for NFP-TMT grants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statement presents fairly, in all material respects, the income and expenditure of the tailor-made training<name of the tailor-made training> for the period from<date> to<date> in accordance with the Financial Rules and Regulations for NFP-TMT grants.

[place, date]

[name audit firm]

[signature]

[name auditor]

[Initial for identification purposes:]

5. Definitions

In these financial rules and regulations, the following words shall have the following meanings:

<i>Audit:</i>	insofar as the term “audit” is used in this audit protocol, this should be understood to mean: the performance of an assurance engagement.
<i>Assurance engagement:</i>	an engagement with an auditor to obtain a reasonable level of assurance in respect of the financial statement in accordance with ISA 700.
<i>Auditor:</i>	the expert associated to the International Federation of Accountants (IFAC).
<i>Auditor's report::</i>	the auditor's reporting format, in which the auditor formulates his opinion based on the assurance engagement carried out by him and which also complies with the provisions in ISA 700.
<i>Budget:</i>	expected costs in relation to outputs, activities, and the required inputs in terms of personnel and materials.
<i>Grant :</i>	maximum financial contribution mentioned in the grant letter, based on the budget-forecast made by the tailor-made training provider.
<i>Grant award</i>	the decision to award a grant, taken by Nuffic.
<i>Grant letter:</i>	the letter in which Nuffic informs the provider about the decision to award a grant.
<i>Grant period:</i>	the period as from the date stated in the grant letter until the agreed-upon (completion) date of the tailor-made training.
<i>Narrative report:</i>	the report concerning the progress, outputs and outcomes, made during the tailor-made training.
<i>Provider:</i>	selected Dutch organisation that will assist the Requesting organisation with the realisation of the tailor-made training objectives concerning capacity building.
<i>Requesting Organisation:</i>	organisation in a NFP country that requests a tailor-made training course, to be executed with the assistance of a Dutch organisation (the Provider).
<i>Staff Member</i>	any person that is a full time or part time employee of the organisation.
<i>Statement of Expenditures:</i>	the financial statement of expenditures incurred during the whole tailor-made training period. This statement should be based on actual time spent and actual costs, and be in compliance with the approved budget and the financial rules and regulations for NFP-TMT grants. Any discounts on purchased equipment, materials, airline tickets etc. should be refunded to the tailor-made training.