

Audit protocol Regiofonds Brainport BV

§1. General

Pursuant to the 'Financial contribution decision in the context of Brainport Eindhoven Region Deal' and the associated 'General Terms and Conditions and assessment criteria Brainport Region Deal projects', a final assessment contribution must be submitted to Regiofonds Brainport B.V. based on the technical and financial final report format. This serves to demonstrate that:

- The activities for which the contribution in the context of the Brainport Eindhoven Region Deal has been provided, have been carried out;
- The obligations imposed on the contribution have been met.

Additionally, projects that receive a financial contribution in the context of the Brainport Eindhoven Region Deal must also submit an audit statement and a report of factual findings drawn up by an independent auditor for the final establishment of this contribution. If an application for an interim sub declaration is requested (refer to Article 5.4 of the General Terms and Conditions), an audit statement and report of factual findings drawn up by an independent auditor must be submitted for the year in question.

The audit statement must be issued in order to allow Regiofonds Brainport BV to determine the reliability of the use of the financial contribution granted by the fund and the co-funding in cash. The report of factual findings is used to assess whether the co-financing in kind has actually taken place.

This protocol uses the following definitions:

- Applicant: A legal entity which has been awarded a financial contribution by Regiofonds Brainport BV in the context of the Brainport Eindhoven Region Deal;
- Auditor: An auditor within the meaning of Article 393(1), Book 2 of the Dutch Civil Code, who has been commissioned by the applicant to audit the financial report.
- Financial contribution by Regiofonds Brainport BV: Funds from the Brainport Eindhoven Region Deal State Contribution as set out in the financial contribution decision.
- Co-financing: (Financial) resources contributed to the project by the 'Brainport Region', not being the Brainport Eindhoven Region Deal Government Contribution funds. This contribution can take place both in cash and in kind.
- Contribution in cash: Value contribution in cash of other fixed assets such as land or property (objective valuations).
- Contribution in kind: Value contribution in other forms, such as hours of work or equipment use at an hourly rate equal to the cost price, including any surcharges for overhead (no more than 25% refer to Article 8.13 of the General Terms and Conditions). For 'in kind' hourly tariff and/or hourly tariff for use of employees Regiofonds Brainport BV use as a guideline the actual hourly tariff (incl. Employers' social charges) of the pertaining employees plus maximum 25%. With cost for use of employees we mean the cost charged for the use of own employees or employees of projects partners that are paid from the project means/funds. Regiofonds Brainport BV may approve certain costs components as attributable costs if insight has been provided into the cost structure if the actual overhead remains below the range of 25% after deduction of identifiable attributable costs. Regiofonds Brainport BV offers the possibility of using a cost calculation method which has been approved as part of an European or Ministerial grant scheme, such at the discretion of the Regiofonds.
- Total project costs: Financial contribution by Regiofonds Brainport BV + Co-financing by the 'Brainport Region'.
- Board statement: A signed, written statement by the Board which declares that the overall project costs were incurred and used for the purpose for which the project application was submitted.

§2. Goal

This audit protocol serves to give instructions to the auditor responsible for auditing the substantiation used for the final assessment, or the interim sub declaration of the financial contribution granted by Regiofonds Brainport BV. This protocol provides clarity on the desired scope and depth of the audit to be carried out by the auditor of the applicant and the corresponding audit statement for the final assessment or the interim settlement. Regiofonds Brainport BV aims to avoid discrepancies between the wishes and expectations of the fund, on the one hand, and the actual performance of the audit by the auditor, on the other hand.

§3. Assessment Criteria

The assessment criteria for the audit consists of applicable laws and regulations for auditors and other conditions imposed by Regiofonds Brainport BV as set out in the Financial Contribution Decision and the General Terms and Conditions and Assessment Criteria for Brainport Eindhoven Region Deal projects.

§4. Subject of the audit

The subject of the audit is financial substantiation for the granted financial contribution in the context of the Brainport Eindhoven Region Deal as well as the associated co-financing provided by the Brainport Region.

§5. Permitted tolerances

The following tolerances have been defined for the content of the audit statement regarding the substantiation of the declaration (approved, with restrictions, no opinion, or rejected):

	Scope of audit statement:			
Approval tolerance	approved	with restrictions	no opinion	rejected
Errors in the substantiation	≤ 1%	>1%	-	≥ 3%
Uncertainties in the audit	≤ 3%	>3%	≥ 10%	-

These percentages are compared to the incurred total project costs.

§6. Desired degree of certainty

A distinction is made between the costs incurred in cash and the costs incurred in kind.

Concerning the costs incurred in kind (Region deal funds in cash + co-financing in cash):

The audit will provide a reasonable degree of certainty to the user of the statement. Based on the audit guidelines, this means that the auditor provides a (relatively) high, but not an absolute, degree of certainty. If this definition must be qualified for the use of statistical methodologies, a certainty of 95% must be used.

Concerning the costs incurred in kind (co-financing in kind):

The Board will draw up a Board statement in which it declares that the costs incurred in kind have actually been incurred for the benefit of the project. The Board is responsible in this respect for providing adequate substantiation and keeping the records. The auditor will study the Board statement and the substantiation, and report his findings to the Board. The Board will submit the Board statement, including the report of factual findings drawn up by the auditor, to Regiofond's Brainport BV.

The degree of certainty about the (total) project costs, as desired by Regiofond's Brainport BV, will be obtained by a combination of:

- 1) The auditor statement with audit certainty concerning the costs incurred in cash (Region deal funds in cash + co-financing in cash)
- 2) Board statement concerning the costs incurred in kind, including the report of factual findings drawn up by the auditor. (co-financing in kind)
- 3) Assessment of the information listed in 1 and 2 by Regiofond's Brainport BV. (total project costs)

§7. Purpose of this audit protocol

This audit protocol serves to define the scope and purpose of the audit . It does not intend to prescribe the audit method.

After all, the auditor will often base his audit on a (risk) analysis of the administrative organisation and internal check of the organisation in question, and determine the best possible use of audit methods accordingly.

§8. Relationship with NBA professional regulations

Regiofond's Brainport BV assumes that the auditor will observe the professional regulations adopted by the Dutch Association of Accountants (NBA) during his work.

§9. General audit statement and report of factual findings

The auditor will capture the result of the audit in an audit statement (for the costs incurred in cash) and a report of factual findings (for the costs incurred in kind).

The auditor will work in accordance with the most current version of the audit statement and report of factual findings found on the website of the Dutch Association of Accountants (NBA).

§10. Specific discoveries

In addition to his opinion on the financial substantiation, the auditor will drawn up an explanatory paragraph to list any specific findings he considers of interest to Regiofond's Brainport BV in the context of its assessment of the total project costs.

§11. Miscellaneous

Regiofonds Brainport BV may appoint an official/auditor with the power to review the work performed by the auditor assigned by the applicant. The applicant will ensure that his auditor accepts this.

§12. Hardship clause

Regiofonds Brainport BV will decide in all cases not arranged this audit protocol.

These General Terms and Conditions are governed by the laws of the Netherlands.

In case of any conflict between the original Dutch version of this Audit Protocol and any translation in any other language, the original Dutch version will prevail.