



Auditor's report on separately agreed measures relating to research funding from the Research Council of Finland [organisation of the recipient]

Purpose of report and restriction on use and distribution

The purpose of our report is solely to assist the Research Council of Finland (hereinafter the funder) in determining whether the costs reported by the recipient [name and business ID] are in accordance with the funding terms and any special terms and conditions. The measures have been carried out solely to enable the funder to assess compliance with the terms and conditions. The report may not be suitable for other purposes. As a rule, the report will not be disclosed to any other party in addition to the recipient and the funder, unless otherwise required by the Act on the Openness of Government Activities.

Responsibilities of recipient

The recipient and the funder have confirmed that the separately agreed measures are appropriate for the purpose of the assignment.

The recipient is responsible for the cost breakdowns and for ensuring that the costs presented in the cost breakdowns are incurred by the project, that they are allocated to the project as required by the funding conditions, and that they are related to research activities. The recipient is also responsible for providing correct and sufficient information to the auditor and the funder.

Responsibilities of contracted party

We have carried out a specific mandate for the agreed measures in accordance with International Standard on Related Services (ISRS) 4400 (Revised) *Engagements to perform agreed-upon procedures*. In the mandate, we carry out the measures agreed with the recipient and report the findings, which are the factual results of the agreed measures carried out. We do not comment on the appropriateness of separately agreed measures. We are not qualified to assess whether the costs are expenditure directly related to the research project or whether the costs are related to the implementation of the research.

This mandate is not a verification mandate. Therefore, we do not issue an opinion or make decisions on the verification conclusions.

If we had taken additional measures, we might have been informed of other issues that would have been reported.

Professional ethics and quality management

We are independent of the recipient of the funding in accordance with the ethical requirements that apply to our mandate in Finland and we have fulfilled our other ethical obligations under these requirements.

Our audit firm applies the International Standard for Quality Management ISQM 1, which requires an audit firm to design, implement and maintain a quality management system, including policies or procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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Measures and observations

We have carried out the separately agreed measures listed below related to funding decision no. [xxxxx] issued by the funder and the cost breakdowns provided by [the recipient] and other possible material totalling EUR xx for the period [dd Month-dd Month yyyy].

| Measures | Observations |
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| 1. Project accounting | |
| <p>We had access to a report related to the organisation's project accounting, and we interviewed [xx/xx] to find out about</p> <ul style="list-style-type: none">the implementation and reliability of project accountingthe integrity of the traceability chainwhether project accounting is in accordance with the terms and conditions for funding. | <p>The recipient's project accounting has been implemented as follows: [describe how the organisation's project accounting has been implemented and comment in particular on issues related to the implementation and reliability of project accounting, the integrity of the traceability chain and compliance with the funding conditions].</p> |
| 2. Working time monitoring | |
| <p>We had access to a report related to the project's working time monitoring, and we interviewed [xx/xx] to find out about</p> <ul style="list-style-type: none">the implementation and reliability of project working time monitoringwhether the working time monitoring is in accordance with the terms and conditions of funding and the organisation's instructions. | <p>The working time monitoring of the recipient's project has been carried out as follows: [describes how the project's working time monitoring has been implemented and specifically comments on the realisation and reliability of the working time monitoring and on the compliance with the funding conditions and organisational guidelines].</p> |
| 3. Salary costs | |
| <p>With regard to the details of the cost breakdown, we carried out the following measures. The measures covered 30 per cent of the salaries paid to the project.</p> <ul style="list-style-type: none">We compared the salary costs stated in the payment application with the project's payroll records.We compared the share of working time (or hours) reported in the payment application to the working time records of the organisation.We compared the total salary paid during the reporting period as reported in the payment application with the payroll records of the organisation. | <p>The salary costs included in the cost breakdown were reconciled with payroll and working time monitoring [except for the following items...].</p> |



| 4. Other cost categories | |
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| <p>We were given access to a cost category specification of the costs reported in the payment application and carried out the procedures listed below. The measures covered 40 per cent of the other costs of the project. We examined the selected costs on</p> <ul style="list-style-type: none"> • whether the costs are based on project accounting and the recipient's accounting • whether the costs have been incurred on an accrual basis during the funding period of the project • whether the costs included machinery and equipment purchases, which are typically included in the overheads <p>In addition, we have asked the managers responsible for the project</p> <ul style="list-style-type: none"> • whether procurement legislation and the organisation's own procurement guidelines have been complied with in procurements • criteria for direct procurements • whether procurements exceeding the thresholds comply with the Act on Public Procurement and Concession Contracts. <p>With regard to the reviewed costs, we have also examined whether the costs are eligible in accordance with the recipient's eligibility criteria.</p> <p>Only the aforementioned issues have been clarified during the process. If, in the course of this engagement, we have come across other issues related to the eligibility of costs, we have reported on these in connection with the observations.</p> | <p>We found that the costs discussed</p> <ul style="list-style-type: none"> • are based on project accounting and the recipient's accounting • have been generated on an accrual basis during the duration of the project • [include/do not include] machinery and equipment purchases, which are typically included in overhead costs. <p>According to the information received, procurements [have/have not] complied with procurement legislation and the organisation's own procurement guidelines.</p> <p>The grounds for direct procurements [are/are not] in accordance with the Act on Public Procurement and Concession Contracts.</p> <p>According to the information received, procurements exceeding the threshold values [are/are not] in accordance with the Act on Public Procurement and Concession Contracts.</p> <p>We found that the costs [are/are not] approved in accordance with the recipient's approval practices.</p> |
| For the following cost categories, we also examined: | |
| 4.1. Travel expenses | |
| <p>whether the terms of funding and the regulations of the Tax Administration have been complied with in terms of travel expenses.</p> | <p>With regard to travel expenses, the recipient [has/has not] complied with the terms of financing and the regulations of the Tax Administration.</p> |
| 4.2. Material and supply expenses | |
| <p>whether the material and supply expenses are based on an invoice</p> <p>whether the organisation's internal material and supply charges are cost-priced</p> | <p>Material and supply expenses [are based / not based] on invoice.</p> <p>The recipient's internal material and supply charges [are/are not] at cost price.</p> |
| 4.3. Machinery and equipment expenses | |
| <p>whether the purchases of machinery and equipment are included in the cost estimate appended to the Research Council's funding decision/do the purchases of machinery and equipment comply with the proposed/specified research plan</p> <p>whether machinery and equipment purchases are based on an invoice</p> <p>we interviewed [x/project management] to find out if the equipment purchased was used by the funded</p> | <p>Machinery and equipment purchases [are included / not included] in the cost estimate and/or research plan appended to the Academy's funding decision.</p> <p>Machinery and equipment purchases [are based / not based] on invoice.</p> <p>The equipment purchased [are/are not] used by the funded project.</p> |



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| project for the equipment purchases reported to the project | |
| 4.4. Purchasing services | |
| whether the purchased services are based on an invoice | Purchased services [are based / are not based] on invoice. |
| 4.5. Other costs | |
| whether other costs are based on an invoice or an internal charge and whether the basis for the internal charge is documented | Other costs [are based / are not based] on invoice or internal charge and the grounds for the charge [was/was not] documented. |
| whether the funding terms of the Research Council have been complied with for grants paid to researchers | For scholarships paid to researchers, funding terms of the Research Council have been complied with. |

Place and date

Auditor's signature

