

## SAMPLE GRANT CERTIFICATION NOTE AND TERMS OF REFERENCE

[Reference No]

[Date]

[Name of Programme/Project Manager/Partner]

[Address]

Dear Sirs

### **Grant Certification Note – [Name of Programme/Project] for the period [Day/Month/Year] to [Day/Month/Year]**

1. We refer to your request to audit the claims of the Company in connection with the [Name of Programme/Project] under the Terms and Conditions stipulated in the Letter of Offer dated [Day/Month/Year] issued by e2i (attached herewith as Appendix 1) for the qualifying grant period from [Day/Month/Year] to [Day/Month/Year].
2. We have performed the procedures in accordance with the Terms of Reference for the External Auditor specified in Appendix 2 which are also stipulated in the Letter of Offer dated (Day/Month/Year) on the Statement of Grant Claim prepared by [Name of Programme/Project Manager/Partner] (the “Company”) for the claim period from [Day/Month/Year] to [Day/Month/Year] as required in paragraph [X] of the Letter of Offer.
3. We conducted our audit in accordance with the Singapore Standard on Related Services SSRS 4400 “Engagements to Perform Agreed-upon Procedures Regarding Financial Information” and Singapore Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.
4. The procedures were performed solely to assist you in evaluating whether the grant utilisation is in accordance with, or supported by, the documents and records kept by the Company and whether those amounts have been included or claimed by the Company in accordance with the terms and conditions specified in the Letter of Offer dated [Day/Month/Year] and its 1<sup>st</sup> addendum dated [Day/Month/Year] and 2<sup>nd</sup> addendum dated [Day/Month/Year] **<please specify all the addenda issued and the date of issuance>.**

5. We report our findings with respect to the Terms of Reference and we found no exceptions from performing the procedures in Appendix 2 other than those errors identified in Appendix 3 **<please include all exception findings in Appendix 3>**.

6. Our report is solely for the purpose set forth in the fourth paragraph of this report and for your information, and is not to be used for any other purpose or to be distributed to any other parties other than e2i. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Company, taken as a whole.

[Name of External Auditor]  
Certified Public Accountants  
Singapore

Enclosures:

Appendix 1 – Letter of Offer and addenda

Appendix 2 – Agreed-upon procedures

Appendix 3 – Audit findings and management's response

Appendix 4 – List of samples selected

Appendix 5 – Statement of Grant Claim

## **TERMS OF REFERENCE FOR GRANT CERTIFICATION NOTE** **(Referenced to as Appendix 2)**

### **Objective**

The objective of an Grant Certification audit is to provide assurance that the amounts shown on the relevant reports as required by e2i are in accordance with, or supported by, the documents and records kept by the Company and whether those amounts have been included or claimed by the Company in accordance with the terms and conditions set by e2i.

### **Scope**

The auditor shall conduct its verification to determine:

1. Items and amount claimed by the Company are in accordance with details of qualifying costs and other terms and conditions of the Letter of Offer and the amount claimed by the Company are based on the co-funding percentage as stated in the Letter of Offer;
2. Items claimed are used for the Programme as stated in the Letter of Offer, unless otherwise stated;
3. Items claimed by the Company are accurately recorded in all the claim forms and schedules, and in accordance with the books and records maintained by the Company;
4. Description and authenticity of items claimed are valid by referring to and cross-checking against appropriate source documents and other records;
5. Claims correspond to the appropriate source documents, e.g. invoices, personnel and payroll records, Statement of Attainments (SOAs) or qualifications attained, etc;
6. All items claimed are incurred and paid within the qualifying period as per the terms and conditions of the Letter of Offer;
7. Equipment claimed exists through physical sighting at the date of visit and are installed/operating as stipulated in the Letter of Offer.

### **Procedures and Professional Standards**

The auditor shall design a set of agreed upon procedures in accordance with the provisions of the Letter of Offer and its addenda. The procedures shall be applied against 20% of the total transactions of claims made within audit period (or any other sample size as determined by e2i).

The auditors shall conduct the procedures on the basis of an inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents, and obtaining confirmation by interview.

The auditor must be carried out the audit in compliance with the Singapore Standard on Related Services SSRS 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" and Singapore Standards on Auditing.

### **Reporting**

The following document should be attached and form part of the Grant Certification Note:

1. Letter of Offer and its addenda
2. Agreed-upon procedures

3. Audit findings and management's response
4. List of samples selected.
5. Statement of Grant Claims

The final report submitted by the auditor may not be restricted only to those parties that have agreed to the procedures to be performed, but made available also to a wider range of entities or people (for example, an investigation by Commercial Affairs Department).