



CLIENT ASSISTANCE PACKAGE

List of documents to be made available for the audit of
the DGD funded five-year programme of VLIR-UOS
and Flemish universities and university colleges

to be used for the audit of AFR 2020
Version dd. 22/12/2020,
as modified jointly with EY on the basis of lessons learned on the basis of AFR 2019 in 2020

Introduction

The purpose of this document is to assist in the preparation of the audit of the DGD funded five-year programme of VLIR-UOS, as composed of projects managed by the Flemish universities, university colleges and the local partner institutions. In order to ensure that the audit proceeds as smoothly as possible, we are providing you with a "Client Assistance Package". **This document lists the documents that function as piece of evidence / justification for a range of specific expenses that can be asked for by EY in the context of its annual control.**

Given the logic of project agreements signed with VLIR-UOS, VLIR-UOS transfers all funds to the respective Flemish universities and university colleges, which may transfer part of it to the respective local universities. It is the responsibility of the Flemish universities and university colleges to submit the annual reports (progress and financial reports) to VLIR-UOS, consisting of the consolidation of all expenses made, both paid from the Belgian account and the Local account. In case of questions, VLIR-UOS turns to the Flemish universities and university colleges which need to keep record of all individual expenses and the justification thereof, including the expenses made from local accounts.

As stipulated in these agreements, it is the responsibility of the Flemish universities and university colleges to

- 1° "ensure the implementation of the project, and its systematic follow-up, both administrative and financial;
- 2° guarantee timely submission of the consolidated reports/documents required to VLIR-UOS
- 3° ensure that all expenditures on the Belgian HEI account and the local partner account must be the object of invoices or documents in proof. These must not be added to the financial reports and statements insofar as they are available at the seat of the Flemish institution, if VLIR-UOS, DGD or the Auditor's Office should request them."

In the context of its control activities, EY will ask for documents that function as piece of evidence / justification for a sample of expenses. Flemish universities and university colleges should be able to hand over these documents, in principle via VLIR-UOS, to EY within the agreed upon time frame after the submission of the samples EY wishes to check. This document lists the minimum set of supporting documents for a type of expenditure, in order to be clear as to how many documents can be requested and in order to enable the Flemish HEI and partner universities to provide all supporting documents all at once.

Following the agreements signed with VLIR-UOS, the Flemish HEIs have to deliver the requested documents in proof within 15 work days after being notified of the selection for audit or control. This period has been made more flexible since the sample documents have to be submitted before the end of August. The timeline below indicates the successive deadlines that need to be followed by the different actors in the process:

The timeline for the control of AFR 2020 by EY is as follows :

Collection of the supporting documents for the sample by the Flemish HEIs, with input from the local HEIs in case of expenses from the local accounts	July-August 2021
Submission of the supporting documents for the sample by the Flemish HEIs to VLIR-UOS, and by VLIR-UOS to EY	Deadline : 30 August 2021, with the request to the Flemish HEIs to submit whenever ready
Control by EY of the supporting documents , possibly with visits to the Flemish HEIs	Between 1 and 14 September 2021
Finalisation of the audit report by EY	24 September 2021
Submission of the aggregated AFR 2020 by VLIR-UOS to DGD, jointly with the EY audit report	30 September 2021

All requirements laid out in this document are in accordance with EY practices and methodologies for the agreed-upon procedures over projects and programmes funded by government or government institutions or in any form closely related to government and state bodies and taking into account the financial guidelines from DGD/VLIR-UOS for the Five-Year programme and agreements concluded between VLIR-UOS and the involved HEIs.

Items stated in **bold** and regular letter style are mandatory documents needed for the purposes of the audit. Items shall be bulleted with numbers.

Items stated in *italic* are optional documents that can be sent out in the standard package but are mandatory in cases where necessary elements cannot be determined/reconciled from the usual set of documents. If needed this will be subject to an additional request from the auditor.

Basic principles

1. The DGD/VLIR-UOS financial guidelines are the key reference documents.
2. Each university has its own rules and procedures that are also applicable insofar they are not in conflict with the DGD/VLIR-UOS guidelines. The same applies as to national rules and procedures and the rules and procedures of the local institutions.
3. Since the control of expenses is based on risk assessment and the single audit principle since 2017, a distinction is made between expenses made from the account of the Flemish HEIs, taking into account the huge number of control entities at this level, and the expenses made from the account of the local partners.
4. Original invoices or supporting documents for all expenditures must in principle be submitted to the registered office of the subsidized Flemish higher education institution. However, electronic versions are also acceptable. Copies of invoices and supporting documents for expenditure abroad

are acceptable since local laws prohibit original accounting documents from being taken out of the country.

5. VLIR-UOS, DGD and the Auditor's Office are entitled to inspect the accounting and supporting documents at all times within the framework of their auditing remit. The Flemish HEIs must accordingly have access to these documents at all times, in any case electronically, and also - should the auditor require to see them - to the originals within the agreed upon timeframe. Concerning local invoices, it needs to be noted that originals are never kept in Belgium, and local law does not often permit the sending of originals abroad.
6. The beneficiary must maintain accounting records and supporting documentation to show all expenses incurred under this grant for a period of four years after the end of the five-year programme 2017-2021. The accounting records and supporting documents must comply with accounting principles generally accepted in Belgium and in the partner country.
7. In general every expenditure needs to be
 - registered
 - supported
 - paid.

Validity of expenditures (dates) : For every type of expenditure, an invoice, an accounting record and a proof of payment are required. Each expense mentioned under investment costs, operational costs and personnel costs needs to contain a proof of payment (bank statements, account extracts, etc). The fact that **proof of payment is always needed as part of the justification of a single expenditure** will not be mentioned separately below. However, **for the Belgian HEI**, our assessment of existence of the proof of payment will be performed based on a sample of 3 to 5 items of the total sample of each HEI. This sample for proof of payment will be provided with the sample of the cost items.

8. Spending period : Generally an activity year runs from 01/01/X to 31/12/X.

For IUC - where budgets shifts from one year to the next are not allowed - the following rules apply :

All invoices need to relate to an activity year (Annual Programme (AP)) which in the framework of the new regulatory framework is the same as a calendar year. All invoices are to be dated in the calendar year the activity was implemented. Only in case of purchase procedures related to investments and other purchases such as tickets where Belgian or Local Public Procurement Acts apply and when the invoice cannot be delivered in time, the order needs to have taken place in the correct calendar year (=activity year), being before 31/12 of year 'X' for purchases related to year 'X'. The actual invoice needs to be paid before 15 March of the year 'X+1' and correctly reported with the necessary supporting documents in the related annual reports. Also for the final year of the Five-Year Programme this will be applied.

In September 2019 the Auditor EY made the observation to VLIR-UOS that this part of the guideline is not clear enough and could contradict the obligation to comply with the Belgian accountancy standards. These standards (art 33 §2 KB 30.01.2001) state that should an invoice not be delivered before the end of an accounting year, a cost can only be accounted for if the service or the goods have

been delivered before the end of that year. EY stipulates that placing an order before the end of an accounting year is therefore not a sufficient reason to be allowed to implement that cost in that year.

In January 2020 the Bureau UOS has responded to this observation in its management letter stating that:

- EY needs to take into account the compliance framework from the DGD regulation and not only the Belgian standards of accounting. When DGD allows flexibility, EY needs to take that into consideration in its control framework.
- VLIR-UOS acknowledges that ideally these Belgian Accountancy standards need to be respected and that a cost can be accounted for if there is an invoice and goods/services are delivered in the corresponding year. During accounting the accruals and deferred payment accounts can be used when an invoice is not submitted in time.
- VLIR-UOS will take the following measures to take into account the observation of EY:
 1. To give a general recommendation to the project promoters to follow to a maximum the Belgian standards of accounting and to book costs in the year they were made, but with the existing flexibility of the budget shift rules which differ per intervention type. For the IUC programmes – where budget shifts from one year to another are to this day not allowed due to VLIR-UOS regulations - consideration will be given to whether transfers can be made possible also within IUC programmes, at the latest before the start of the next FYP.
 2. Will invite DGD to re-confirm the present flexibility and practice. The request was submitted; answer will soon be provided by DGD.
 3. Timely raise awareness towards project promoters to gather all invoices of FYP1 at the latest on 31/12/2021.

General supporting documentation that will be made available by VLIR-UOS before the audit

1. General provisions and standard financial rules and practices, cooperation model, division of responsibilities as to management of funds, and agreements.
2. Applicable financial guidelines for projects under VLIR-UOS five-year programme (guidelines for scholarships (ICP, ITP, REI), financial guidelines for the different interventions (TEAM, SI, JOINT, IUC/Networks, Global Minds, Scholarship Programme, ICP, ITP, VLADOC) and for “Organisatiekosten”.
3. Reported expenditures - Accountancy
 1. VLIR-UOS will submit all financial reports per project to EY, consisting of 5 models. In these models expenditures made from the account of the Flemish HEIs are reported in the model 1C and costs made from the account of the local partners are reported in model 1D. VLIR-UOS will also provide its general ledger of all its expenditures made in the given reporting year. VLIR-UOS will also provide an integrated budget table for 2020, containing an overview of budget versus expenses for all projects, in the DGD budget table format. In the guidelines and contracts VLIR-UOS has not explicitly demanded extracts of the accountancy to be submitted as part of the annual financial report. The guidelines stipulate that the financial transactions for activities subsidized within the framework of university cooperation for

development must be organized by the subsidized institution in a way that permits analytical accounting.

EY wishes to verify the correspondence between the financial reports and the accountancy kept by the HEIs for the given sample. VLIR-UOS will need to check with the HEIs what extracts can be delivered.

2. The Flemish HEIs can provide on demand of the auditor the analytical ledgers for the projects financed through VLIR-UOS. All VLIR-UOS related expenditures made from the account of the Flemish HEIs can be submitted according to the analytical coding and according to the general accounting principles which the concerned Flemish university or university college is using. Needs to be noted that preparing this information is time consuming . Those expenditures will have to be listed in model 1C but can have a different outlay than the financial reports extracted from the accounting (less details in the description, costs globalized, not the same budgetlines), but the balances should match.

3. For the local partners – using various software and accounting plans, with sometimes intensive cash transactions, providing this information will be more difficult. However, extracts of the accountancy must be submitted for the sample of the auditor, insofar as this will be possible. It has been agreed that the sample will first be discussed between EY and VLIR-UOS. Special attention will be given to the sample of expenses from local accounts with the question what kind of proof of payment can be expected for the specific type of expense, in the country concerned. For certain types of expenses, a description of how activities are organised (e.g. how local data collection is organised using local staff, ...) can serve as proof for expenses made.

Documentation that will not have to be made available before the audit by the project partners (Flemish HEIs and local partners)

1. All local regulations and local university policies will not be submitted beforehand, but will have to be provided by the local partner within an acceptable timeframe on requirement by the auditor, if needed in case of expenses within the auditor's sample.
2. If needed programme management manuals will be submitted to contextualize IUC related expenses if these are within the auditor's sample.

Supporting documents per budget line

1. Investment costs

Depending on the threshold of the tender system of the country where the expenditure is made different rules and different documents apply. These procurement procedures, as they are applied in 18 countries, are available locally and should not be turned in beforehand. The project promoters need to be able to submit the used regulations if requested.

According to the VLIR-UOS financial guidelines 3 quotes are compulsory as of 8.500 EUR, which is a minimum requirement for every country. In Belgium tenders are compulsory at 30.000 EUR.

Concerning the supporting documents for a tender – in case tendering is compulsory according to the country's regulations - in general following documents (or an integration thereof) will need to be submitted based on the sample sent by the auditor:

1. **When applicable copy of the Article mentioning the local threshold for public tendering needs to be submitted** (this submission is only compulsory in case the investment cost is in the sample, and does not have to be submitted beforehand for every investment cost requiring a tender procedure)
2. *Clarification on the specifications of the equipment or service to be bought (terms of reference and adequately used model of the tender procedure)*
3. *Proof of publication*
4. *Offers collected (since the files of the offers are usually very heavy they need to be made available on request) – copy of the winning offer*
5. **Decision on the chosen offer based on a comparison analysis**
6. **Notification**
7. **Signed contract or the tender file** (in Belgium the published tender, winning offer and notification are the contract)
8. *Proof of Delivery*
9. **Invoice**

2. Operational costs

General purchases of services and equipment

For smaller purchases under the legal tendering thresholds the following documents need to be submitted :

1. *Initiation of the demand to purchase (e-mail or standardized requisition)*
2. *Purchase order*
3. *Proforma invoice*
4. *Proof of delivery*
5. **Invoice or, in case of a petty cash expenditure, a receipt with a description**

Communication costs

Invoices and monthly charges (bills for the provider), in case of internet and phone costs – from which it can be determined who made the cost.

For monthly lump sums per team member in a project

- a. *Contract with the provider (if provided by the provider)*
- b. *An internally approved (programme management) note stipulating in general the lump sum attributed per team member*
- c. *List of team members and telephone numbers*
- d. **Invoice of the provider** (preferably mentioning the phone numbers of the team members) or other proof for the purchase of prepaid cards

For the provision of a communication service by a Third party : Contract – in case of PR related costs – with the natural or legal person who was contracted for this purpose (charges are made in accordance with the contractual conditions).

For phonecards bought for temporary operational activities

- a. **Proof of purchase of the phone card or if proof of payment is not available**
- b. An **internally approved (programme management) note /declaration** stipulating in general the lump sum attributed for the activity to an individual

Representation costs

The different guidelines stipulate the maximum of representation costs that can be granted per type of project (Global Minds (as of 2020) : 2000 EUR per year, ICP : 500 EUR per year; TEAM /JOINT/SI: 500 EUR/year, IUC : 500 EUR/year). For these representation costs supporting documents are always a requirement :

1. Invoice, receipts or contract for the representation costs incurred.

information on one of the supporting documents indicates the purpose for the representation cost (meal and reception costs, costs related to setting up a meeting or social integration activities and small gifts purchased as representation gifts for project partners in the partner country. In case of events / lunches / dinners with a limited number of persons, list of names)

2. Reimbursement form (if the costs were reimbursed to the person who made the cost)

Travel costs

Travels within Belgium

1. **Ticket – train/metro/bus** – with indication of ticket class, destination, if possible
2. **Expense sheet /reimbursement form: to determine for whom the cost** has been made
3. *Calculation of the mileage allowance for the project-related journeys by car, with preferably a supporting document justifying the distance of the route taken* – Journeys by car are covered either by the Flemish HEIs' own system of mileage allowances or the DGD / VLIR-UOS mileage allowance. The latest adapted allowances can be found under general guidelines and forms on the VLIR-UOS website: https://www.vliruos.be/en/documents/guidelines_and_forms/131#guidelines-and-forms-for-managing-an-ongoing-intervention-or-scholarship
4. **If applicable receipt or other supporting document for the taxi journeys** – with price indicated, as well as a justification for this mode of travel;
5. **Receipt or invoice with preferably a cost breakdown (renting, fuel costs, other charges if applicable) for the rented vehicles .**

Local travels

1. *Declaration or any supporting document justifying requested price – for the journeys by car*
2. **Ticket – if mean of transportation was train, bus, boat, metro, with indicated price and destination (if possible)**
3. **Invoice of airline or travel agency for the plane ticket.** Boarding passes should be kept, unless they only exist in e-version
4. **Expense sheet/Reimbursement form**

International travel costs

1. **Plane ticket – Invoice of airline or travel agency for the plane ticket** - the traveler's name itinerary and class should be proven. Boarding passes should be kept, unless they only exist in e-version. In the case boarding passes are not provided alternative means to prove the flight has been taken need to be provided (e.g link to hotel invoices, a taxi cost, a passport stamp, a certificate of stay,...)
2. **Invoice/receipts and payment slips of compulsory vaccinations and of anti-malaria drugs related costs**
3. **Visa cost – supporting document (invoice, receipt)**
4. **Receipts or other supporting document for the transfer costs to and from the airport**

International overnight expenses

1. **Hotel invoice** – with preferably an appropriate breakdown of the cost (n° of overnight stays or dates, city tax, name of person, price etc.)

Other

1. *Purchase orders – if applicable with the description of the expense incurred*
2. Corresponding **invoice(s)**
3. **Export/import document:** in case that purchased goods, such as necessary equipment, instruments and other relevant items are bought in Belgium but are meant for export to the partner institution (in partner countries)
 - ▶ *If due to any specific document templates/local practices/missing documentation or any other applicable reason, it is not possible to determine origin of cost, proof of payment, relation to the project, amount paid etc. additional documentation will be required, including: email communication or any kind of explanation for the costs incurred, declaration of purchased goods/services, any document that can reconcile paid amount and relevance of the cost.*
4. All documents necessary in case of procurement procedure

3. Scholarship costs

We need to make a difference between scholars funded through the programme Belgium and scholars funded through the different projects.

For scholarships funded through the programme Belgium

For scholarships granted to students from 31 countries :

1. **Scholarship guidelines, provided by VLIR-UOS**
2. **List of scholars (ICP, ITP) provided by VLIR-UOS**
3. **List of scholars (Global Minds) delivered by HEIs**
4. **General scholarship programme contracts with HEIs (for ICP and ITP) provided by VLIR-UOS**
5. **Scholarship contracts/agreements with the scholars (ITP and ICP) provided by VLIR-UOS. Scholarship contracts (Global Minds) delivered by HEIs**
6. *Detailed calculation of the scholarship cost budget, including stated type of scholarship and duration (requirement in line with the financial guidelines) : the amounts used should reflect a calculation based on the amounts mentioned in the guidelines. The financial reporting models should contain enough information to verify the adequacy of the reported amounts.*

For Travel grants (REI) the supporting documents are :

1. **REI guideline, provided by VLIR-UOS**
2. **Overview of students** (first name/last name) (per institution) who received a travel grant
3. When applying for a travel grant the student needs to agree electronically to the “final stipulations VLIR-UOS travel grants”, which corresponds to a contract.

For VLADOC grants the supporting documents are :

1. **List of VLADOC scholars**
2. **Salary slips**
3. **Expenditures related to international travel and accommodation (see supra)**
4. **Declaration of receipt of the 6 x per diem when traveling abroad**

For scholarships funded through the projects

For local scholarships formal requirements on scholarships are the responsibility of the local partner. For local scholars the Annual Progress Reports mentions the type of scholarship and names of the scholars. Supporting documents are available at the local university which should be able to submit these, if requested by the auditor. Should the local partner not have a scholarship agreement as a justifying document the justification should at least contain a receipt signed by the scholar concerning the sums paid or proof of payments to the scholar.

4. Personnel costs

1. A difference needs to be made between an

a. Employee Contract with justifications :

- **Contract (demand based since not public (privacy)) or proof of appointment to the HEI in the case a contract cannot be provided**
- **Salary slip**
- **Documentation through which it is possible to verify time spent on the project and reconcile amount charged to the project/programme and personnel cost incurred (such as analytical accounts,...). The reason for this is being able to properly reconcile and recalculate time spent on the project i.e. time charged on the project. Any confirmation of % allowing to link the amounts mentioned on the salary slip to the amount accounted for is acceptable.**

For “Global minds” and “Organisatiekosten” VLIR-UOS will submit a **list containing the names of personnel based on the information provided by the HEIs within the Annual Programmes.**

b. Topping up with justifications

- **Description of the amount per person and the reason why it is paid, with reference to the project’s manual, if available**
- **Acknowledgement of receipt if available or proof of payment**

c. Service contract

- **Contract**
- *Proof of delivery*
- **Invoice**

2. *All other relevant documents (if there are any), specific for the project/person employed – annexes and other additions to the contract, where the person is being assigned to the project, specific remarks if there were certain non-ordinary conditions for the specific person, documents resulting from the usual local practice (for example, letters of assignment, lists of employees dedicated to the project who are under collective agreement) etc.*

5. Coordination costs

1. **A description of the overhead regulation at the level of all Flemish universities, provided by VLIR-UOS**
2. *The project agreement between the institution, the project promoter and VLIR*
3. **An acknowledgement of receipt** , signed by the representative of the institution. The acknowledgment of receipt is replaced by the signature of model 1B (which mentions the amount of the lump sum and is signed by the HEI). The signed model 1B should be provided when submitting the final AFR to VLIR-UOS, and should not be provided a second time to the auditor.

Costs made by VLIR-UOS

Staff costs:

1. *Contract*
2. *Salary slips*

Investment costs:

1. **Tender documents if applicable (see supra)**
2. **Invoice**

Operational costs:

1. **Contracts (with service providers – accountants, IT maintenance...)**
2. **Invoice**