



Australian Government  
Department of Industry,  
Innovation and Science

**Business**

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## Guide to Managing your Grant

# Next Generation Manufacturing Investment Programme

Version September 2015

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## Next Generation Manufacturing Investment

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# 1 Purpose of this guide

This Guide to Managing Your Grant (Guide) aims to assist those applicants who have been approved to receive support under the Next Generation Manufacturing Investment Programme to understand the requirements and obligations of the funding agreement. In particular, the Guide can help applicants to better understand:

- the terms and conditions of a Next Generation Manufacturing Investment Programme funding agreement;
- the process for confirming the details of your funding agreement;
- your reporting responsibilities and obligations;
- Next Generation Manufacturing Investment Programme grant payments;
- Next Generation Manufacturing Investment Programme compliance visits;
- keeping AusIndustry informed of changes to project and/or entity status; and
- applying to make variations to an agreed project.

This Guide does not replace, limit, vary or operate in preference to any terms or conditions contained in your Next Generation Manufacturing Investment Programme funding agreement.

## 2 Your funding agreement

### 2.1 Introduction

You must enter into a funding agreement with the Department of Industry, Innovation and Science, acting on behalf of the Commonwealth.

You will have 30 days from the date of offer to execute a funding agreement with the Commonwealth ('execute' means both you and the Commonwealth Government have signed the agreement). We may withdraw the offer if the funding agreement is not executed within this time.

To effectively manage your grant reporting obligations it is important that you fully understand and become familiar with the terms and conditions of your signed funding agreement.

A sample copy of the most recent version of the funding agreement template is available on [business.gov.au](http://business.gov.au). However, in managing your grant you should always refer to your signed funding agreement, Programme Guidelines and if applicable, any subsequent approved variations.

### 2.2 Terms and conditions of your funding agreement

The funding agreement provides the terms and conditions and the specific details of your grant and project.

You will be in breach of your funding agreement if you fail to comply with the terms and conditions. Depending on the nature of the breach, AusIndustry may withhold future grant payments until compliance is achieved. You may also be asked to repay some or all of the grant payments made with interest. AusIndustry may also elect to terminate the funding agreement.

### 2.3 Confirming the details of your funding agreement

To finalise your funding agreement an AusIndustry Customer Service Manager (CSM) will review and verify with you that the information you provided in your application is still valid including the

project scope, timeline and budget. This includes providing evidence of your source of funding and eligible expenditure items.

The information you provided in your application formed the basis for the approval of your grant. Any variation between your application and the information you provide when finalising the funding agreement will be reviewed for its impact on the project as approved by the Minister.

The funding agreement contains the general terms and conditions under which the grant is provided. Schedule 1 of the funding agreement contains the specific details of your grant and project including:

- Project title, location and description
- Project duration, milestone, and report due dates
- Maximum total grant and maximum annual grant amounts
- Contact details of parties
- Financial or in-kind contributions of parties other than Commonwealth, including the Recipient

## **3 Reporting responsibilities and obligations**

Your reporting responsibilities are outlined in your funding agreement. This includes all the reporting requirements for milestone, progress (where there is a gap between milestones of 6 months or more), final, and project evaluation reporting.

Reports must be signed by a duly authorised employee or officer of the participant, having operational responsibility for, and a detailed working knowledge of, the contents of each report.

Further guidance on the reporting process is provided below. If you have any questions regarding your reporting requirements, contact your CSM.

### **3.1 Reminders**

To assist you in meeting your reporting obligations you will be forwarded a notice of reporting deadlines four weeks prior to the due date for each report.

### **3.2 Milestone reporting**

On completion of each milestone you must submit a satisfactory milestone report. The due dates for each milestone report are outlined in your funding agreement. The due date for milestone reports is four weeks from the milestone end date.

The required format for these reports is at Appendix 1 of this Guide.

A delay in submitting a milestone report will impact on the date of any payment relating to that milestone. If a potential payment is delayed until a future financial year because of late submission of a report or a delay in achieving a milestone, the late payment of this grant amount is not guaranteed. In this instance it is possible that your total grant funding may be reduced.

You must discuss any project or milestone reporting delays with your CSM as soon as you become aware of them.

### **3.3 Progress reporting**

If the period of time between two milestones is greater than six months you are required to submit a progress report six months after the previous milestone end date. Your funding agreement details

the due dates of any progress reports required. The progress report provides AusIndustry with an update on the status of activities being undertaken in the project.

The submission of a progress report will not attract any grant payment. Payments are made only upon receipt of a satisfactory milestone or final report.

The required format for these reports is at Appendix 2 of this Guide.

### **3.4 Final reporting**

You must submit a final report within three months after the project completion date. Twenty per cent of grant funding will be retained for payment after the submission of a satisfactory final report by the due date specified in your funding agreement.

The final report must include:

- a final report in the format provided at Appendix 3 of this Guide; and
- a financial and audit report in the format provided at Appendix 4 of this Guide, which must include:
  - a financial report of the total eligible expenditure claimed under the funding agreement (you will also be required to estimate total ineligible expenditure);
  - an independent financial audit of the financial report; and
  - certification of certain matters by the auditor.

### **3.5 Project evaluation reporting**

Project evaluation reports are due one and two years after the completion of the project. These reports are designed to track how project outcomes and the recipient have generally progressed since completion of the project.

Reports must be received within four weeks of receiving a request to complete the report.

The required format for these reports will be provided to Recipients at project completion.

### **3.6 Ad hoc reports**

You must provide ad-hoc reports as required by the Commonwealth from time to time at the time and in the manner reasonably required by the Commonwealth in relation to any significant developments concerning the project or any significant delays or difficulties encountered in undertaking the project.

### **3.7 Annual budget review**

Prior to March of each year, a CSM may contact you to undertake a review of budgeted eligible expenditure for the remainder of the project. The annual budget review is considered an ad hoc report. This process is undertaken in order for you to identify any expected changes to the existing project budget as set out in the schedule of the funding agreement and request a variation to the annual capped grant amounts if necessary.

On receipt of your revised project budget, AusIndustry may vary any one or more 'annual capped amounts'. A CSM will discuss the reasons for any changes with you. The Programme Delegate will consider any variation request on a competitive basis in the context of available programme funds.

Note that our capacity to approve any such requests will be extremely limited, and there is no guarantee that such requests will be approved.

### **3.8 Evaluation surveys**

AusIndustry will undertake an evaluation of the Next Generation Manufacturing Investment Programme. You may be contacted up to five years after the completion of your project and asked to provide any other relevant information to assist with this evaluation.

## **4 Next Generation Manufacturing Investment Programme grant payments**

### **4.1 Payment structure**

The funding agreement will state:

- the maximum grant amount to be paid
- the grant ratio which is the proportion of costs covered by the grant.

The maximum grant amount cannot be exceeded under any circumstances. If you incur extra eligible expenditure, you must fund these additional costs yourself.

Grant funding will be paid as agreed milestones are achieved and upon receipt of satisfactory milestone reports. The amount of each payment will be based on the:

- eligible expenditure incurred that is directly related to the project
- agreed funding ratio for the project.

At a minimum, twenty per cent of the total grant funding is set aside for the final payment. This is paid when a satisfactory final report is received.

### **4.2 Inaccurate claims**

The Commonwealth reserves the right to re-examine your expenditure claims, to seek further information and to audit your claims and payments as detailed under the terms of your funding agreement.

If you have been overpaid, the Commonwealth will seek to recover those amounts from you and take any other action that is provided for under the funding agreement or under common law.

### **4.3 Taxation obligations of receiving assistance**

Grants are subject to the Goods and Services Tax (GST). Grant payments are increased to compensate for GST payments.

Grants are treated as assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations. We do not provide advice on tax.

## **5 Compliance visits**

Compliance visits by Commonwealth Officers may take place throughout the agreed project period, and for up to seven years after completion of your project. Commonwealth Officers may include AusIndustry CSMs and other authorised representatives of the Commonwealth.

A Commonwealth Officer may inspect any of the records you are required to keep under your funding agreement, or your progress with the project, for the purposes of reviewing your

compliance with the funding agreement. You will be provided with reasonable notice of any compliance visit.

## 6 Applying to vary your agreed project

We recognise that unexpected events may affect project progress. In these circumstances, you can request a project variation, including:

- changing project milestones
- extending the timeframe for completing the project but within the maximum three year period.

We will have limited capacity to approve any Project variations that result in milestone achievement and payment dates moving to a different financial year. You should not assume that a variation request will be successful. We will consider the request in the context of factors such as:

- impacts on the project outcome
- changes to the timing of grant payments
- availability of programme funds.

The programme does not allow for an increase to the agreed amount of grant funds.

If a project variation is approved, this will typically require a variation to the funding agreement.

## 7 Keeping AusIndustry informed

### 7.1 Your obligation to notify AusIndustry

If you become aware of a breach of terms and condition under the funding agreement you must immediately notify your CSM of that breach.

As the Recipient, the funding agreement also requires you to notify AusIndustry of anything reasonably likely to affect the performance of the project. These may include key changes to your organisation or its business activities, such as:

- any change in the direct or indirect beneficial ownership or control of the Recipient;
- the Recipient disposes of the whole or any part of its assets, operations or business other than in the ordinary course of business;
- the Recipient ceases to carry on business;
- the Recipient ceases to be able to pay its debts as they become due;
- proceedings are initiated with a view to obtaining an order for the winding up of the Recipient, or any person convenes a meeting for the purpose of considering or passing any resolution for the winding up of the Recipient;
- the Recipient applies to come under, the Recipient receives a notice requiring it to show cause why it should not come under, an order has been made for the purpose of placing the Recipient under, or the Recipient otherwise comes under one of the forms of external administration referred to in Chapter 5 of the *Corporations Act* or Chapter 11 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth) or equivalent provisions in State or Territory legislation in relation to incorporated associations.

### 7.2 Change in recipient details

You should promptly notify your AusIndustry CSM in writing of any change in:

- your entity name;
- your registered office address;
- your nominated contact details—name, telephone number, email address; or
- details of the bank account into which the grant is paid.

### 7.3 Contractor disputes

If you engage a third party to perform project work, you must notify AusIndustry of any disputes arising with that third party, which may result in you breaching the funding agreement (including ability to meet all performance milestones by their due date), or which involves you withholding payment to that third party.

On receiving notice of a subcontractor dispute, AusIndustry may withhold payment of any future grant progress payments until the dispute is satisfactorily resolved.

## 8 Feedback on Next Generation Manufacturing Investment Programme

The [AusIndustry Customer Service Charter](#) outlines our commitment to supporting businesses. If you wish to provide feedback and/or make a complaint you can:

- call the contact centre on **13 28 46**; or
- complete the online feedback form at [business.gov.au](http://business.gov.au).

The matter will be referred to the appropriate manager. If you are not satisfied with the way your complaint is handled, you can contact:

Head of Division

AusIndustry

GPO Box 9839

CANBERRA ACT 2601

[ausindustryfeedback@industry.gov.au](mailto:ausindustryfeedback@industry.gov.au)

You can also contact the Commonwealth Ombudsman with your complaint by calling 1300 362 072. There is no fee for making a complaint. The Ombudsman may conduct an independent investigation. As a general rule, the Commonwealth Ombudsman will not, and in some cases cannot, investigate complaints until they have been raised directly with the agency involved.



# Appendix 1 - Milestone report

## Next Generation Manufacturing Investment Programme

**Project number**

**Recipient name**

**Milestone number**

### 1. Project progress

a. Complete the following table, updating for all milestones. Insert rows as required.

No	Milestone description	Agreed completion date	Actual /anticipated completion date	Milestone progress (% complete) as at reporting period

b. Describe the eligible activities completed on the project, including the achievement of milestones and the outcomes met as detailed in your funding agreement. If applicable, comment on why the milestone has not been completed. Grant funding will be paid as agreed milestones are achieved.

c. Attach evidence to demonstrate the achievement of this milestone. List the attached documents below.

d. Is the project proceeding as per your project plan and budget?

Yes  No

If No, identify any changes and comment on any impacts on project timing, outcome. Also comment on any anticipated issues that may impact on project timing, outcome and budget.

- e. Attach copies of any published reports and promotional material, relating to the project, and list them below.

## 2. Eligible expenditure

- a. In the spreadsheet attachment provide eligible expenditure that has been incurred.

Next Generation Manufacturing Investment Programme									
Eligible expenditure									
Project number						Max grant 2014-15			
Recipient name						Max grant 2015-16			
Approved eligible expenditure						Max grant 2016-17			
Grant percentage 25.00%						Max total grant \$0			
No	Eligible expenditure item (Proof of payment may be requested)	Supplier name	Supplier invoice number	Supplier invoice date	Invoice amount GST exclusive	Date invoice paid (if applicable)	Grant claim amount GST exclusive	Milestone Report Number	CSM Comments (AusIndustry to complete)
1							\$0		
2							\$0		
3							\$0		
4							\$0		
5							\$0		
6							\$0		
7							\$0		
8							\$0		
9							\$0		
10							\$0		
11							\$0		
12							\$0		
13							\$0		
14							\$0		
15							\$0		
16							\$0		
17							\$0		
18							\$0		
19							\$0		
20							\$0		
21							\$0		
22							\$0		
23							\$0		
24							\$0		
25							\$0		
26							\$0		
27							\$0		
28							\$0		
29							\$0		
30							\$0		
31							\$0		
32							\$0		
33							\$0		
<b>Total</b>					\$0		\$0		

## 3. Certification

I .....being a person duly authorised by the Recipient hereby certify that:

- The information in this report is accurate, complete and not misleading.
- The eligible expenditure identified above has been spent only on the project and for the purposes stated in the funding agreement.
- I am aware of the Recipient's obligations under their Next Generation Manufacturing Investment Programme funding agreement, including the need to keep AusIndustry informed of any circumstances that may impact on the objectives, completion and/or outcomes of the agreed project.
- I am aware that the funding agreement empowers the Commonwealth to terminate the funding agreement and to request repayment of funds paid to the Recipient where the Recipient is in breach of the funding agreement.

Signed .....

Date

## Appendix 2 - Progress report

### Next Generation Manufacturing Investment Programme

This progress report is only required to measure the interim progress of milestones where an individual milestone period is greater than six months.

---

**Project number**

---

**Recipient name**

---

**Next milestone number**

---

#### 1. Project progress

- a. Do you expect to complete your next milestone by the due date and within your estimated budget as detailed in your funding agreement?

Yes  No

If No, comment on any expected variation to the completion date and budget, including reasons for the delays and efforts being made to address them.

- b. Briefly describe the project activities undertaken so far in the period since the last milestone report.

- c. Do you anticipate any changes to the project in term of activities, outcomes, budget and timing?

Yes  No

If Yes, provide details including impact on project outcome, budget and timing.

## 2. Certification

I .....being a person duly authorised by the Recipient hereby certify that:

- The information in this report is accurate, complete and not misleading.
- The eligible expenditure identified above has been spent only on the project and for the purposes stated in the funding agreement.
- I am aware of the Recipient's obligations under their Next Generation Manufacturing Investment Programme funding agreement, including the need to keep AusIndustry informed of any circumstances that may impact on the objectives, completion and/or outcomes of the agreed project.
- I am aware that the funding agreement empowers the Commonwealth to terminate the funding agreement and to request repayment of funds paid to the Recipient where the Recipient is in breach of the funding agreement.

Signed .....

Date

## Appendix 3 - Final report

### Next Generation Manufacturing Investment Programme

This report is for submission on completion of your final milestone. This report requests information about all milestones and project outcomes. It should be submitted with your financial and audit reports on the completion of the project.

---

**Project number**

---

**Recipient name**

---

**Project completion date**

---

#### 1. Project progress

a. Complete the following table, updating for all milestones. Insert rows as required.

No	Milestone description	Agreed completion date	Actual /anticipated completion date	Milestone progress (% complete) as at reporting period

b. Describe the eligible activities completed on the project, including the achievement of milestones and the outcomes met as detailed in your funding agreement. If applicable, comment on why the milestone has not been completed. Grant funding will be paid as agreed milestones are achieved.

c. Attach evidence to demonstrate the achievement of this milestone. List the attached documents below.

d. Attach copies of any published reports and promotional material, relating to the project, and list them below.

## 2. Eligible expenditure

- a. In the spreadsheet attachment provide eligible expenditure incurred on the project. As this is the last report this will be the total eligible expenditure. This final eligible expenditure submission must be certified by the auditor.
- b. In the rows below, list all ineligible expenditure items that were required to complete the project, such as cost of purchasing or leasing land, infrastructure development costs and site preparation activities.

Ineligible Expenditure	Cost (GST exclusive)
	\$
	\$
	\$
<b>Total</b>	<b>\$</b>

## 3. Project activities and outcomes

- a. Did you complete all activities specified in the funding agreement?

Yes  No

If no, provide explanation.

## 4. Project outcomes

- a. Did the project achieve its intended outcomes?

Yes  No

Provide explanation.

- b. Is there any further work required for your business to fully transition or expand into higher value added or more knowledge intensive manufacturing?

Yes  No

If yes, briefly describe.

c. How would you rate the success of your project?

Successful

Mainly successful

Partially successful

Failed

d. Explain reasons for success or failure.

## 5. Updated project indicators

a. Complete the following table. Additional fields may be added to report on other quantitative data on expected project outcomes provided at the application stage.

	Estimate in application	Estimate/actuals at project completion
Total investment leveraged		
Additional jobs due to project		
Value of new business due to project		

b. Explain the basis/evidence for your figures as at project completion, and the reasons for any significant variance compared with data supplied at the application stage.

c. Describe the impact of the project on the knowledge intensity of your business. Quantify the impact on the skills of your workforce. E.g. qualification levels of staff

d. Comment on any other benefits anticipated from the project in the application, and/or at project completion.

## 6. Updated business indicators

a. Complete the following table.

Recent Trading Performance	Latest complete financial year (yyyy-yy) -
Sales Revenue (turnover)	\$
Export Revenue	\$
R&D Expenditure	\$
Taxable Income	\$
Number of employees including working proprietors and salaried directors (headcount)	
Number of independent contractors (headcount)	

b. Comment on how much the change to recent trading performance can be attributed to the project.

## 7. Certification

I .....being a person duly authorised by the Recipient hereby certify that:

- The information listed above is accurate, complete and not misleading.
- I am aware of the Recipient's obligations under the Next Generation Manufacturing Investment Programme funding agreement, including the need to keep AusIndustry informed of any circumstances that may impact on the objectives, completion and/or outcomes of the agreed project.
- I am aware that the funding agreement empowers the Commonwealth to terminate the funding agreement and to request repayment of funds paid to the Recipient where the Recipient is in breach of the funding agreement.

Signed .....

Date



## Appendix 4 - Financial and audit reports

### Background for Auditors

The purpose of these templates is to assist Recipients (and their auditors) to understand the audit requirements under a Next Generation Manufacturing Investment Programme funding agreement as it applies to Next Generation Manufacturing Investment Programme grants. If any further clarification is required, contact an AusIndustry Customer Service Manager.

Each Recipient enters into a Next Generation Manufacturing Investment Programme funding agreement with the Commonwealth. Under this funding agreement, the Recipient must (among other things) provide the Department with:

- a financial report of the total eligible expenditure claimed under the funding agreement (Attachment A)
- an independent audit report on the financial report (Attachment B) and
- certification of certain matters by the Auditor (Attachment C).

General background information on Next Generation Manufacturing Investment Programme can be obtained online at [business.gov.au](http://business.gov.au) or by calling the contact centre on 13 28 46.

### Eligible expenditure

AusIndustry has developed Guidelines on Eligible Expenditure, which apply to Next Generation Manufacturing Investment Programme grant projects. These guidelines are revised from time to time and therefore more than one version of the document may exist. For Next Generation Manufacturing Investment Programme Recipients, the relevant guidelines are those that were effective at the time the application was accepted. The Eligible Expenditure Guidelines are included in the Next Generation Manufacturing Investment Programme Customer Information Guide.

It is essential that Recipients and their auditors understand the Next Generation Manufacturing Investment Programme Guidelines on Eligible Expenditure because these guidelines determine whether, and the extent to which, certain costs are reportable and claimable.

The amount of Next Generation Manufacturing Investment Programme funding 'approved' for a particular Recipient and project is based on the Recipient's estimated eligible expenditure on the project, as provided in its application. However, the level of support that each Recipient is ultimately entitled to under their Next Generation Manufacturing Investment Programme funding agreement is determined against actual eligible expenditure incurred and paid for on the project—the approved grant amount specified in the funding agreement is the **maximum** amount the Recipient may be paid.

It is therefore essential that the expenditure reported in the financial report submitted in accordance with the funding agreement represents actual 'eligible expenditure' paid on the project during that period.

# Attachment A - Financial report

## Next Generation Manufacturing Investment Programme

---

**Project number**

---

**Recipient name**

---

**Total project period** to

---

This financial report should be prepared by the Recipient and contains the following:

- Statement of funds, Recipient contributions and other financial assistance\*
- Statement of eligible expenditure\*
- Notes to the statement of eligible expenditure, explaining the basis of compilation
- Certification by Directors, of the Recipient

\*The CSM will compare this information to that detailed in the funding agreement.

### Statement of funds, Recipient contributions and other financial assistance

- a. Did you receive any other government financial assistance from Commonwealth, State or Territory, local or international government source or agency for activities in connection with the project?
- b. Yes  No

If yes, provide the amount, source and details of funding.

### Statement of eligible expenditure

In the spreadsheet attachment provide eligible expenditure that has been incurred.

Comment on any variance between the expenditure items and amounts detailed in the funding agreement and the actual items and amounts detailed above in the statement of eligible expenditure.

Note to the statement of eligible expenditure.

### Eligible expenditure

The eligible expenditure as reported in the statement of eligible expenditure has been determined in accordance with the definition of eligible expenditure as described in the Next Generation Manufacturing Investment Programme Guidelines on Eligible Expenditure.

**Basis of compilation**

This statement of eligible expenditure has been prepared to meet the requirements of the funding agreement between ..... and the Commonwealth of Australia. Significant accounting policies applied in the compilation of the report include:

--

## Certification by Directors

Enter recipient name

Enter Project number

For the period / / to / /

We hereby certify that the financial report of ..... is in accordance with the funding agreement between the Recipient and the Commonwealth. In particular, the financial report

- a. gives a true and fair view of ..... 's incurrence of, and payment for, eligible expenditure in accordance with the accounting policies described in *Note to the statement of eligible expenditure* above;
- b. complies with relevant (or applicable) Accounting Standards in Australia to the extent described in *Note to the statement of eligible expenditure* above;
- c. that all Recipient contributions and other financial assistance were spent for the purpose of the project and in accordance with the funding agreement and that the Recipient has complied with the funding agreement and relevant accounting policies;
- d. that salaries and allowances paid to persons involved in the project are in accordance with any applicable award or agreement in force under any relevant law on industrial or workplace relations.

Signature .....

Name

Director

Date

Signature .....

Name

Director

Date

For Auditor Use Only

I certify that this financial report is the one used to prepare my independent audit report dated  
..... for the Department of Industry, Innovation and Science.

Signature .....

Name

Position

Audit Firm

Date

## Attachment B - Independent financial audit

### Background for Auditors

The purpose of the independent audit report is to provide the Department with an auditor's opinion on the Recipient's financial report. The financial report is prepared by the Recipient to correspond with the expenditure reported to the Department by the Recipient for the same period, in the process of claiming grant payments.

The independent audit report must be prepared by a person who is an Approved Auditor.

An Approved Auditor is a person who is:

- a. registered as a company auditor under the Corporations Act or an appropriately qualified member of the Institute of Chartered Accountants in Australia, or of CPA Australia or the Institute of Public Accountants; and
- b. not a principal, member, shareholder, officer, agent, subcontractor or employee of the Recipient or of a related body corporate or a Connected Entity.

The audit should be undertaken and reported in accordance with Australian Auditing Standards.

The independent audit report must follow the required format and include any qualification regarding the matters on which the auditor provides an opinion. Departmental staff will ordinarily follow up any qualifications with the Recipient or auditor. The independent audit report must be submitted on the auditor's letterhead.

Auditors must comply with the professional requirements of the Institute of Chartered Accountants in Australia, CPA Australia and the Institute of Public Accountants in the conduct of their audit.

If the auditor forms an opinion that the financial report does not give a true and fair view of the eligible expenditure for the period, the independent audit report should be qualified and the error quantified in the qualification section of the independent audit report.

The required independent audit report format follows.

Delete this text as Auditor letterhead goes here

Independent audit report on ..... financial report to the  
Department of Industry, innovation and Science (the Department)

## Scope

We have audited the attached financial report, being a special purpose financial report, of  
..... for the period / / to / /  
.....'s directors are responsible for the financial report  
and have determined that the accounting policies used and described in *Note to the statement of eligible expenditure* which form part of the financial report are appropriate to meet the requirements of the funding agreement between the Recipient and the Commonwealth, and are appropriate to meet the needs of the Department. We have conducted an independent audit of the financial report in order to express an opinion on it to the Department. No opinion is expressed as to whether the accounting policies used, and described in *Note to the statement of eligible expenditure*, are appropriate to the needs of the Department.

The financial report has been prepared for distribution to the Department for the purpose of fulfilling the directors' financial reporting requirements under the funding agreement between the Recipient and the Commonwealth. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Department, or for any purpose other than that for which it was prepared.

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, considered internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

The audit opinion expressed in this report has been formed on the above basis.

## Qualification

If required - must quantify error if one exists.

## Audit opinion

In our opinion, the financial report of ..... is in accordance with the funding agreement between the Recipient and the Commonwealth, Project No , dated including:

- a. giving a true and fair view of ..... 's incurrence of eligible expenditure in accordance with the accounting policies described in the Note to statement of eligible expenditure;
- b. complying with Accounting Standards in Australia to the extent described in the Note to statement of eligible expenditure.

Signature .....

Name

Qualifications

Position

Date



## **Attachment C - Certification of certain matters by the Auditor**

The Department also requires a certification of certain matters by the Auditor in addition to the independent audit report. This should be submitted with the financial report and independent audit report.

The Auditor who signs this certification must also initial and date a copy of the Recipient's statement of eligible expenditure. The Department will not accept an independent audit report that lacks this attachment.

The required format of certification is on the following page.



Signature .....

Name

Qualifications

Position

Date