Terms of Reference

for the Project

Promoting the Black Sea region as a wine tourism destination/ TheSeaOfWine

2021

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# Introduction

Promoting the Black Sea region as a wine tourism destination/ TheSeaOfWIne is a project funded under the Joint Operational Programme Black Sea Basin 2014-2020 and implemented by ICARE Foundation. These Terms of Reference (ToR) have been compiled to guide the external auditors in the preparation of their Audit Report as part of the Interim and Financial Reports.

# Main Responsibilities of the Auditor/Controller

Expenditure and Revenue Verification is the work elaborated by the Auditor within the scope of these Terms of References. The expenditure and revenue verification shall be performed through the Programme electronic Monitoring System (eMS)

The responsibilities of the external audit services are:

* to create an eMS account;
* to perform the agreed-upon procedures as specified in Section 5 of Instruction to Beneficiaries NO. 15;
* to submit to the Beneficiary a report of factual findings with regard to the specific verification procedures performed in support of the payment requested by the beneficiary with the Interim/Final report;
* to perform verification on all expenditures and revenues (100%) and as well as the legality and regularity of the declared expenditure. Verification process shall ensure that the expenditure declared is real, accurate, identifiable and verifiable, that the products and services have been delivered and that the expenditures comply with the Programme and EU and national rules;
* to ask for clarification and validate only the verified costs. In exceptional cases, if the Beneficiaries are not able to deliver necessary explanations and additional documents as part of the clarifications to the Controller within the set deadline, related costs can be claimed in the next reporting period;
* to provide expenditure and revenue verification reports and if the case, a Report on suspected and/or established fraud or corruption through the Programme electronic Monitoring System (eMS);
* In case an irregularity may be suspected by the controller, he/she shall include this in the Expenditure verification report and informs the NA (see art.31.3 of the IR 897/2014) which shall immediately notify the MA;
* the examination shall be performed in accordance with:
	+ the International Standard on Related Services (‘ISRS’) 4400 Engagements to
	perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
	+ the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC’s International Ethics Standards Board for Accountants (IESBA).

# Background of the Project

TheSeaOfWine project aims to promote the positioning of the Black Sea region as an important wine tourism destination and help wine tourism stakeholders develop common approaches for the promotion of their travel products. To achieve its overall objective this project also intends to develop country-level wine routes, incorporate them into a single comprehensive Black Sea Wine Route and integrate the information into an ICT platform. other fruit production sector stakeholders will have an open access to the orchard for visits and hands-on trainings.

The project duration is 26 months, starting on 21 July 2020; and ending on 20 September 2022. The Grant Agreement is signed on behalf of Ministry of Public Works, Development and Administration acting as Managing Authority for the Joint Operational Programme Balck Sea Baisn 2014-2020 represented by Ion STEFAN, Minister and on behalf of International Center for Agribusiness Research and Education Foundation (ICARE) by Artur Grigoryan, Director.

# Scope of the Audit

Expenditure and Revenue Verification should be conducted twice during the entire project period (from 21.07.2019 to 20.09.2022):

1. Interim report

* - Once the project has used at least 70% of the first pre-financing or
* - if half of the implementation period has elapsed-from 21 July 2020 to 20 August 2021

2. Financial Report

* Covering the entire period of the project, from 21 July 2020 to 20 September 2022.

# Work plan

The audit shall be carried out in the ICARE’s office in Yerevan and comprise the investigation of vouchers, accounts, invoices and bank statements.

The first audit must be carried within 90 days following the end of the reporting period and the second audit report should be carried out 6 months after the end of the implementation period.

# Required Expertise

The minimum requirement for the Auditor are as follows:

* The auditor must be in the list of controllers in Armenia declared by the Ministry of Finance of the Republic of Armenia carrying out the expenditure verification performed within the projects funded by Joint Operational Programme Black Sea Basin 2014-2020
* The auditor must be completely impartial and independent from all aspects of management or financial interests in the entity being audited.
* The auditor must not have been involved in the operation’s accounting or have any financial or close business relationships with any senior participant in the management of the entity.
* The auditor must not personally be connected in any way with the senior management of the organization being audited. The auditor is required to disclose any relationship that might possibly compromise his/her independence.

# Mandate

The Foundation will provide the Auditor with full and complete access at any time to all relevant records and documents (including books of account, legal agreements, minutes of meetings, correspondence, bank records, invoices and contracts, etc.) and employees involved in the project implementation process. The auditor has a right of access to banks, consultants, contractors and other persons or firms engaged by the project management.

# Timing and Schedule

|  |  |  |
| --- | --- | --- |
| **Activity schedule for the 1st Audit** | **Until** | **To / from** |
| Letter/Expression of interest/offer | 05 April 2021 | ICARE / Auditor |
| Signed contract between auditor and ICARE | 12 April 2021 |  |
| Auditor will receive the complete financial report (including list of expenses to be audited) as of August 20, 2021 for period 1, as of September 20, 2022, for period 2.  | After 15 days from 20 August 2021 for period 1, after 15 days from September 20, 2022, for period 2. | Auditor / ICARE |
| Conducting Audit | Period 1 – July 21, 2020 – August 20, 2021Period 2 – August 21, 2021 – September 20, 2022 |  |
| Finalization of and transmission of the final audit report  | For period 1 November 20, 2021For period 2, March 20, 2023 | ICARE, Joint Technical Secretariat/ Auditor |

# Selection of the auditor

The deadline for the submission of bids is **April 5, 2021**. All companies who submitted bids will be contacted, with requests for additional information and details if necessary. The selection criteria for among candidates will be based on best value of the money.

# How to Apply

Submission letter should include:

* Description of planned audit implementation
* Schedule of activities
* Auditor’ fees
* Auditor’s CV and/or company profile

The bidding submission package together with the List of audited projects/companies/clients should be sent to the following address: 74 Teryan, Yerevan, Armenia for attention of Director Arthur Grigoryan.