

Terms of Reference

for the Project

“Cross-Border Alliance for Climate-Smart and Green Agriculture in the Black Sea Basin”/ AGREEN (BSB-1135)

2021

Reference number: BSB-1135-AGREEN-ICARE-Tender1\_jun22/21

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# Introduction

“Cross-Border Alliance for Climate-Smart and Green Agriculture in the Black Sea Basin”/ AGREEN (BSB-1135) is a project funded under the Joint Operational Programme Black Sea Basin 2014-2020 and implemented by the ICARE Foundation. These Terms of Reference (ToR) have been compiled to guide the external auditors in the preparation of their Audit Reports 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 (Revision 2);
* 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

The BSB-1135 (AGREEN) project aims to build capacities for networking and transnational knowledge transfer of the development of climate-smart agriculture in the Black Sea Basin, in view of increasing the trade opportunities, economic and social performance of the sector as a development driver in the Black Sea Basin. It pools the efforts of higher education institutions who lead in applied research for agriculture and agri-business – Dobrudzha  Agrarian and Business School (BG), Ovidius University of Constanta (RO), Tekirdag Namik Kemal University (TR), International Centre for Agribusiness Research and Education (AR), a business support organization – ELKANA (GE) and a sectoral agency - Development Agency of Eastern Thessaloniki Local Authorities (GR).

The complementary expertise and target-group outreach of AGREEN partners is to guarantee the achievement of the project targets and the delivery of sustainable outcomes, which include:

\*a community of practice (COP) and Alliance of organizations for regional branding, internet connectivity and learning in climate-smart agriculture;

\*regional brand for agricultural products originating in the Black Sea Basin and produced in a climate-smart way;

\*interactive map of logistic centres for wholesale and retail trade in sustainably delivered agricultural produce from the BSB;

\*climate-smart crop models, adapted to the environmental, social and economic conditions in the BSB region;

\*Internet Platform for liaising sustainable producers;

\*Integrative blended mobility training “Entrepreneurship for Climate-smart Agriculture in the BSB;

\*3 international business conferences on climate-smart agriculture.

The project is funded by the Joint Operational Program for Cross-Border Cooperation under the European Neighborhood Instrument "Black Sea Basin 2014-2020", under Priority 1.2 "Increasing cross-border opportunities for trade and modernization of agriculture and related sectors" and lasts 30 months /from 01.06.2020 to 30.11.2022/. The total budget of the project is: 799 279.60 Euro /509 476 802.632 AMD, InforEuro, June 2021/.

# Scope of the Audit

Expenditure and Revenue Verification should be conducted twice during the entire project period (from 01.06.2020 to 30.11.2022):

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 01 August 2021 to 31 August 2021,

2. Financial Report

* Covering the entire period of the project, from 01 June 2020 to 30 November 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 in accordance with the Instruction to Beneficiaries NO. 15 (Revision 2).

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 requirements 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 (Interim) Audit** | Until | To / from |
| Letter/Expression of interest/offer | 06 July 2021 | ICARE / Auditor |
| Signed contract between auditor and ICARE | 20 July 2021 | Auditor / ICARE |
| Auditor will receive the complete financial report (including list of expenses to be audited) | 20 September 2021 | ICARE / Auditor |
| Conducting Audit | 11 October 2021 | Auditor / ICARE |
| Finalization of and transmission of the final audit report | 15 October 2021 | ICARE, Joint Technical Secretariat/ Auditor |

|  |  |  |
| --- | --- | --- |
| **Activity schedule for the 2nd (Final) Audit** | Until | To / from |
| Auditor will receive the complete financial report (including list of expenses to be audited) | 23 December 2022 | ICARE / Auditor |
| Conducting Audit | 31 January 2022 | Auditor / ICARE |
| Finalization of and transmission of the final audit report | 08 February 2022 | ICARE, Joint Technical Secretariat/ Auditor |

In case, there are any changes in timing and schedule of the 2nd (Final) Audit, ICARE will provide the necessary information to the Auditor in advance.

# Selection of the auditor

The deadline for the submission of bids is **6th July 2021**. Companies who submitted bids will be contacted, with requests for additional information and details if necessary. The selection criteria for 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,
* Experience in conducting Audits with emphasizes on EU-funded and, in particular, ENI CBC BSB funded projects will be considered as an asset.

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.