



Interreg
NEXT MED



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YIELD



TERMS OF REFERENCE (ToR)

FOR EXTERNAL EXPENDITURE VERIFICATION SERVICES

- **Project Acronym:** YIELD
- **Project Title:** Youth Innovators Entrepreneurship Launchpad for Deep Tech **Project Code:**A_Y_1.2_0618
- **Partner Name:** Academy of Scientific Research and Technology (ASRT)
- **Programme:** Interreg NEXT MED (2021-2027)

1. Background

1.1. Project Context

The **Academy of Scientific Research and Technology (ASRT)** is a partner in the project "**YIELD – Youth Innovators Entrepreneurship Launchpad for Deep Tech**" (Project Code: **A_Y_1.2_0618**), funded under the **Interreg NEXT MED Programme** (2021-2027). The project falls under **Priority 1** ("A more competitive and smarter Mediterranean") and **Specific Objective 1.2** ("Sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments").

1.2. Project Description

YIELD aims to address the high youth unemployment rates in the Mediterranean region by fostering a new generation of "Deep Tech" entrepreneurs. The project creates a transnational ecosystem to support young innovators (aged 18–30) in transforming advanced technologies into sustainable business solutions, specifically within the **Blue, Green, and Circular Economy (BGCE)** sectors.

The project methodology involves establishing challenge-based networks, providing specialized entrepreneurial acceleration training, and facilitating "Envoy Missions" to connect young startups with industry leaders across borders.

1.3. Partnership Consortium

The project is implemented by a cross-border consortium led by the **University of Ioannina (Greece)**. As the Egyptian partner (PP4), **ASRT** plays a critical role in implementing the project activities in Egypt, including the coordination of Work Package 4 (Joint Entrepreneurship Acceleration Training) and supporting local youth innovators.

The partnership includes:

- **Lead Partner:** University of Ioannina (Greece)
- **PP1:** KiNNO Innovation Intermediaries (Greece)
- **PP2:** Jordan University of Science and Technology (Jordan)
- **PP3:** VITECO S.r.l. (Italy)
- **PP4: Academy of Scientific Research and Technology (Egypt)**
- **PP5:** Leaders Organization (Palestine)

1.4. Rationale for the Assignment

As a beneficiary of EU funds, ASRT is required to submit an **Expenditure Verification Report** for each financial reporting period. This verification must be conducted by an external, independent, and qualified auditor to ensure that the costs claimed are real, accurate, and eligible in accordance with the Grant Contract and the Interreg NEXT MED Programme Rules.

- **Duration:** [3/9/2025] to [2/9/2027]

2. Objective of the Assignment

The ASRT requires an external auditor to perform an **Expenditure Verification** of the project financial reports. The objective is to verify that the expenditure claimed is real, accurate, and eligible in accordance with the Grant Contract and Programme Rules. The engagement will be performed as an "Agreed-upon Procedures" engagement in accordance with **ISRS 4400**.

3. Eligibility & Qualification Criteria (Mandatory)

In accordance with the regulations set by the Egyptian Ministry of Finance for the Interreg NEXT MED Programme, the Audit Firm must prove compliance with the following criteria. **Failure to meet any single criterion will result in disqualification.**

3.1 Professional Registration

- **Ministry Registry:** The auditor must be registered in the **General Registry of Accountants and Auditors** at the Ministry of Finance.
- **ESAA Fellowship:** The Engagement Partner signing the report must be a Fellow of the **Egyptian Society of Accountants & Auditors (ESAA)**.

3.2 Technical Experience

- **Corporate Experience:** The firm must have audited the financial statements of at least **three (3) Joint-Stock Companies** in the last five (5) years or at least 3 development projects funded from the EU and /or ENI CBC MED or any international development funders
- **Firm Capacity:** The audit firm must currently employ no fewer than **five (5) employees**.

3.3 Quality & Financial Standing

- **No Re-issuance:** The firm must declare that no financial statements audited by them have been re-issued (corrected) in the last five years due to errors.
- **Tax & Insurance Compliance:** The firm must have fully paid all taxes and social insurance obligations. There must be no old debts or disputed amounts.
- **Clean Legal Record:** No judicial rulings have been issued against the firm or the auditor in the last five years.

3.4 Conflict of Interest & Independence

- The auditor must submit a **Declaration of No Conflict of Interest** with the ASRT or the YIELD project partners.

4. Operational Constraints

4.1 Workload Cap (Maximum Number of Projects)

- The Auditor is not permitted to audit more than **two (2) projects** within the Interreg NEXT MED framework simultaneously. The firm must declare the number of ongoing projects they are currently auditing under this programme.

4.2 Currency of the Contract

- **Egyptian Pounds Only:** In strict compliance with **Article 212 of the Central Bank and Banking Sector Law No. 194 of 2020**, all financial offers and subsequent payments must be in **Egyptian Pounds (EGP)**.
- **Prohibition:** Dealing in foreign currency between ASRT and the Auditor is strictly prohibited. The Interreg Grant Contract does not provide an exemption for internal Egyptian transactions.

5. Scope of Work

The Auditor shall:

1. **Verify** the expenditure declared in the financial reports.

2. Conduct **On-the-Spot Checks** at ASRT premises to reconcile original documents (invoices, payrolls, proofs of payment).
3. Verify compliance with **Public Procurement Law (Law 182/2018)** and the Programme's procurement rules (Annex IV).
4. Issue the **Expenditure Verification Report (EVR)** and the **Control Checklist** using the mandatory templates.

6. Contracting Process (CCP Approval)

The selection and contracting process includes a mandatory external approval step:

1. **Evaluation:** ASRT evaluates offers based on the criteria above.
2. **CCP Approval:** Before signing the contract, ASRT must send the selected Auditor's file to the **Control Contact Point (CCP)** for approval.
3. **Contract Signature:** The contract is signed only after receiving CCP clearance.
4. **Notification:** ASRT sends a copy of the signed contract to the CCP.

7. Deliverables & Timeline

For each reporting period, the auditor must submit the following documents in **English**:

1. **Expenditure Verification Report (EVR):** Using the mandatory template provided by the Programme.
2. **Control Checklist:** A detailed checklist signed by the auditor confirming specific checks.
3. **List of Findings:** Detailing any ineligible or doubtful costs.
4. **Final Report:** Signed and stamped EVR + Control Checklist (in English).

Timeline: The auditor must submit the draft report within **15 calendar days** of receiving the financial report and supporting documents from the Project Manager.

8. Evaluation of Offers

Offers will be evaluated on a Pass/Fail basis for the Mandatory Eligibility Criteria (Section 3), followed by a technical and financial scoring.

Submission Requirements:

- Copy of Tax Card and Commercial Register.
- Copy of ESAA Membership Certificate.
- List of 3 Joint-Stock Companies audited (with dates).
- Certificate of Tax/Social Insurance payment.
- Declaration of Staff Count (min. 5).
- **Financial Offer in EGP.**

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