

## Call for External Audit Firm

### Interreg NEXT MED Programme 2021–2027

#### Project Covered by this Call

This call concerns the provision of **external audit services** for the following EU-funded project under the Interreg NEXT MED Programme:

- **RESWATER**

*Non-Conventional Water Resources for Resilient Urban Water Management*

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#### 1. Background

The above-mentioned project is co-funded by the European Union under the **Interreg NEXT MED Programme 2021–2027**, aiming to promote sustainable development, green transition, innovation, energy efficiency, environmental education, and competitiveness across the Mediterranean region.

In accordance with:

- EU Financial Regulations
- Interreg NEXT MED Programme rules and manuals
- Grant Contracts and their annexes

each partner is required to appoint an **independent External Audit Firm** to verify project expenditures, ensure compliance with eligibility rules, and support sound financial management throughout project implementation.

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#### 2. Objective of the Assignment

The objective of this assignment is to contract a **qualified and independent Audit Firm** to perform external audit and verification of expenditures for the above-mentioned project, ensuring that all reported costs:

- Are **eligible** under EU and Programme rules
- Comply with **public procurement, state aid**, and **no-profit** principles
- Are properly recorded, documented, and traceable

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### 3. Scope of Work

The External Audit Firm shall carry out, inter alia, the following tasks:

#### 3.1 Financial Verification

- Verify eligibility of expenditures in accordance with:
  - Grant Contract provisions
  - Interreg NEXT MED Programme manuals and guidelines
  - Applicable EU and national regulations
- Check consistency between:
  - Accounting records
  - Supporting documents
  - Financial reports submitted through the Programme system

#### 3.2 Compliance and Control

- Verify compliance with:
  - Public procurement rules (EU and national level)
  - State aid provisions
  - No-profit rule
- Ensure the existence of a complete and reliable **audit trail**

#### 3.3 Reporting and Certification

- Review and validate:
  - Interim and final financial reports
  - Expenditure declarations
- Issue audit reports and certifications in line with Programme requirements

#### 3.4 Risk and Irregularity Assessment

- Identify financial risks, ineligible expenditures, or irregularities
  - Provide recommendations for corrective measures
  - Support Lead Partners during audits, checks, or verifications conducted by:
    - Managing Authority
    - Joint Secretariat
    - EU or national control bodies
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#### 4. Deliverables

The Audit Firm shall provide, **in English**, all audit outputs required under the Agreement and applicable EU / Interreg NEXT MED regulations, including but not limited to the following:

##### 4.1 Annual External Audit Report

The Audit Firm shall prepare an annual External Audit Report covering all project components and activities as a single consolidated engagement.

The Audit Report shall include:

- An explicit professional opinion on whether the Project Financial Statements present a **true and fair view** of the Project's financial position and operations.
- Verification of compliance with:
  - EU Financial Regulations
  - Interreg NEXT MED procurement guidelines
  - Relevant statutory, contractual, and mandatory disclosure requirements stipulated in the Agreement.

The Project Financial Statements shall include, at minimum:

- Sources and Uses of Funds
- Cash Withdrawals
- Cash Forecasts
- Special Account Reconciliation

The External Audit Report shall be submitted through JEMS **no later than forty-five (45) days after the close of the fiscal year**, unless otherwise specified by the Programme authorities.

##### 4.2 Certification / Validation of Expenditures

Where required, the Audit Firm shall provide certification and/or validation of project expenditures in accordance with Programme rules and applicable EU regulations.

##### 4.3 Semi-Annual Financial Reviews

In addition to the annual audit, the Audit Firm shall conduct semi-annual reviews of Interim Financial Reports (IFRs).

Each semi-annual review shall provide a **negative assurance opinion** on whether the Interim Financial Reports present a true and fair view of the Project's financial status.

Semi-annual IFRs shall include, at minimum:

- Sources and Uses of Funds
- Cash Withdrawals
- Cash Forecasts
- Special Account Reconciliation

The semi-annual review report shall be submitted through JEMS **no later than forty-five (45) days after the end of the review period**, unless otherwise instructed.

#### **4.4 Findings, Recommendations, and Management Letter**

The Audit Firm shall prepare:

- Findings and recommendations reports, as applicable.
- A Management Letter highlighting any significant accounting, internal control, or compliance issues identified during the annual audit or semi-annual reviews.

The Management Letter shall include management responses and shall be made available to the Project's governing body in a timely manner and, in any case, **no later than two (2) weeks following issuance of the Audit or Review Report**.

Final Management Letters, incorporating management responses, shall be submitted to the Project Coordination Unit (PCU) in accordance with Programme requirements.

#### **4.5 Clarifications and Follow-Up Documentation**

The Audit Firm shall provide clarifications, supporting documentation, and follow-up responses upon request by the Project, Programme authorities, or controlling bodies.

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### **5. Required Qualifications and Experience**

The Audit Firm must meet **all** of the following requirements:

#### **A. Legal and Professional Status**

1. The Audit Firm must be a **legally registered audit firm** authorized to provide external audit services.
2. The External Auditor must be **registered in the General Register of Accountants and Auditors at the Ministry of Finance (Egypt)**.
3. The External Auditor must be a **Fellow of the Egyptian Society of Accountants and Auditors (ESAA)**.

#### **B. Institutional Capacity**

4. The Audit Firm must employ **no fewer than five (5) full-time staff members**.
5. The Audit Firm must have **audited the financial statements of at least three (3) joint-stock companies during the last five (5) years**.
6. The Audit Firm must confirm that **no previously audited financial statements have been re-issued or restated during the last five (5) years**.

#### **C. Legal and Financial Compliance**

7. The Audit Firm must have **fully paid all due taxes and social insurance contributions, with no outstanding liabilities, disputed amounts, or historical debts**.
8. The External Auditor and Audit Firm must have **no criminal or civil court judgments issued against them during the past five (5) years**.

#### **D. Experience with EU-Funded Projects**

9. Minimum **seven (7) years of proven experience in auditing EU-funded projects**.
10. Demonstrated experience with at least one of the following programmes:
  - Interreg
  - ENI CBC / ENPI
  - Other EU Territorial Cooperation Programmes

#### **E. Technical Competence**

11. Strong knowledge of:

- EU Financial Regulations (including Regulation (EU) 2021/1060 and related regulations)
  - Interreg Programme rules and procedures
  - Public procurement and financial control systems
12. Availability of **qualified audit staff with relevant professional certifications.**

#### **F. Declarations and Conflict of Interest**

12. Upon submission of the technical and financial offer, the External Auditor shall provide a **signed declaration confirming the absence of any conflict of interest** between the Audit Firm / External Auditor and the Egyptian project partner.
13. The External Auditor shall submit a **formal statement confirming that they have not exceeded the maximum allowable number of audited projects**, noting that **the maximum permitted number is two (2) projects per auditor.**

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#### **6. Independence and Ethical Standards**

- The Audit Firm must be fully **independent** from all project partners
- No involvement in project implementation or management
- Full compliance with EU rules on **conflict of interest, confidentiality, and good conduct**

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#### **7. Duration of the Assignment**

The contract duration shall correspond to the implementation periods of the project, as defined in their respective Grant Contracts, including any extensions approved by the Programme.

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#### **8. Application Procedure**

Interested Audit Firms are invited to submit the following documents:

- 1. Technical Offer**, including:

- Company profile and legal registration
- Description of relevant experience in EU-funded projects
- Proposed audit methodology and work plan

**2. Financial Offer**

**3. List of similar assignments and references**

**9. Submission of Bids and Validity Period**

Under penalty of rejection, bids must be submitted in full compliance with the provisions of these Terms of Reference.

Bids shall be submitted in a sealed envelope, either by registered mail, express courier, or direct hand delivery against receipt, no later than **7 March 2026**, to the following address:

**The Project General Director**

Professor Dr. Reham Mohamed ElKorashey  
Ministry of Water Resources and Irrigation (MWRI)  
Government District, New Administrative Capital  
Arab Republic of Egypt.

**Mobile:** +2 1002869934

**E-mail:** [reswater.mwri@gmail.com](mailto:reswater.mwri@gmail.com)  
[reham\\_korashy@nwrc.gov.eg](mailto:reham_korashy@nwrc.gov.eg)  
[reham\\_korashey@yahoo.com](mailto:reham_korashey@yahoo.com)

**The official date stamp shall constitute proof of timely delivery.**

**Any bids received after the deadline shall not be considered.**

**Bidders shall remain bound by their offers for a period of sixty (60) calendar days, starting from the day following the deadline for submission of bids.**

**Deadline for submission: [7-03-2026]**