

TERMS OF REFERENCE (ToR)

**for the Selection of the Controller responsible for
Management Verifications**

Interreg NEXT MED Programme 2021–2027

Project: A_T_3.2_0496 – SALAM

Partner: University of Balamand (PP3)

1. Background and Legal Framework

The project “**Social, sustAinable and inclUsive heAlth care systems in Med area (SALAM)**” – **Ref. A_T_3.2_0496** is funded under the **Interreg NEXT MED Programme 2021–2027**, co-funded by the European Union.

Caritas Lebanon participates as Project Partner 5 (PP5).

The present Terms of Reference are drafted in full compliance with:

- The Interreg NEXT MED Grant Contract
- The Interreg NEXT MED Project Implementation Manual (PIM)
- The Interreg NEXT MED Guide on Controls and related programme guidance documentsThe Description of Management and Control System (DMCS)
- Regulation (EU) 2021/1059 and Regulation (EU) 2021/1060
- Applicable Lebanese legislation

The Controller will be responsible for verifying the legality and regularity of the expenditure declared by Caritas Lebanon and for confirming that such expenditure complies with the Programme rules, the Grant Contract and the applicable national regulations.

2. Subject and Scope of the Assignment

The Controller shall perform management verifications, including risk-based management verifications, of the expenditure declared by Caritas Lebanon under the SALAM project.

The Controller shall verify:

- Delivery of goods and services financed;
- Accuracy and reliability of declared expenditure;
- Legality and regularity of costs;
- Compliance with Programme rules, national legislation and Grant Contract provisions;
- That an adequate audit trail exists for all expenditure declared by the partner, ensuring that supporting documentation allows the identification of the expenditure, the related activity and the payment.

The Controller shall issue an **Expenditure Verification Report** using the official template provided by the Managing Authority.

The engagement does not constitute a statutory audit opinion.

3. Verification Methodology

3.1. Administrative Verification

The Controller shall perform 100% administrative verification of declared expenditure to ensure that costs:

The Controller shall perform administrative verifications following the Risk-Based Management Verification (RBMV) methodology defined by the Interreg NEXT MED Programme.

- Were incurred within the eligible implementation period;
- Were paid;
- Are directly linked to approved activities;
- Are foreseen in the approved budget or authorized by the MA;
- Are supported by adequate documentation;
- Are legally and fiscally compliant in accordance with applicable national legislation;
- Are recorded in a separate or clearly identifiable accounting system;
- Are compliant with co-financing rules;
- Do not receive overlapping or double co-financing from other EU or international financial instruments;
- Are consistent with the approved Application Form, the Subsidy Contract and any approved amendments.

The controller shall select expenditure items through risk-based sampling in accordance with the minimum sampling coverage established by the Programme for Lebanon.

3.2. Eligibility Compliance

The Controller shall verify compliance with Chapter 6 of the PIM, including:

- Cost category rules;
- Staff cost limits;
- Flat-rate calculations;
- Procurement compliance;
- State aid rules;
- Visibility obligations;
- Absence of ineligible costs.

3.3. Risk-Based Management Verifications (RBMV)

In accordance with Chapter 8 of the PIM, the Controller shall:

- Apply Risk-Based Management Verification methodology;
- Perform risk-based sampling of supporting documents;
- Extend checks in case of irregularities;
- Document the methodology applied in the report.

3.4. On-the-Spot Checks

Where necessary, the Controller shall verify:

- Physical existence of equipment;
- Infrastructure and works;
- Progress of project activities;
- Compliance with visibility requirements.

- The Controller shall provide support during audits, evaluations or checks carried out by the Managing Authority, Audit Authority, European Commission or national control bodies, during project implementation and after its completion, with regard to the administrative, accounting and financial aspects of the SALAM project.

4. Reporting and JEMS

All reporting shall follow Interreg NEXT MED procedures.

- Reporting is conducted through **JEMS (Joint electronic Monitoring System)**.
- The Controller shall verify that required supporting documents are uploaded in JEMS.
- The Expenditure Verification Report must be compatible with JEMS submission procedures.
- Reporting deadlines must be respected.
- Clarifications requested via JEMS by MA or JS must be addressed without delay.
- The Controller shall participate in training sessions organized by the Managing Authority or Joint Secretariat where required.

The Controller shall upload the control documentation in the Joint Electronic Monitoring System (Jems), including the control report, checklist and control certificate required for the validation of expenditure.

The first Expenditure Verification Report must be ready within two (2) months after the first six (6) months of project implementation.

All documentation related to the expenditure verification, including working papers and supporting documents, shall be retained for at least five (5) years from 31 December of the year in which the final payment by the Managing Authority is made, in accordance with Interreg NEXT MED Program requirements.

5. Professional Requirements and Duration

The Controller must:

- Be an auditing firm registered with the Lebanese Association of Certified Public Accountants (LACPA), in accordance with Law No. 364/1994 organising the profession of Certified Public Accountants in Lebanon;
- Be a registered statutory auditor or member of a national accounting or auditing body which is a member of IFAC, or commit to apply IFAC standards and the IESBA Code of Ethics;
- Be legally authorized to conduct audits under Lebanese law;
- Be fully independent from Caritas Lebanon and free from any conflict of interest in relation to the SALAM project. The Controller shall declare the absence of any conflict of interest that could compromise their independence in performing the verification tasks

- Have a minimum of five (5) years of professional experience in audit, agreed-upon procedures and/or financial verification engagements;
- Demonstrate experience in audits, verifications or AUP engagements of EU-funded or internationally funded projects (experience with Interreg programs is considered an asset);
- Possess sufficient knowledge of Interreg NEXT MED eligibility rules, procurement rules, financial reporting requirements and applicable Lebanese legislation (taxation, labor law, social security, accounting and reporting standards);
- Be fluent in English.

The selection of the controller is subject to prior endorsement by the Presidency of the Council of Ministers acting as Control Contact Point (CCP) before the signature of the audit contract.

The assignment covers all interim reports, the final report, and any post-closure controls required by Program authorities.