Section 1. Instructions to Consultants

DATA SHEET

Paragraph Reference	
1.1	Name of the Client: Association for the Development of Rural Capacities (ADR) Method of selection: Least Cost Selection
1.2	Financial Proposal to be submitted together with Technical Proposal: Yes Name of the assignment is: Auditing Services for the MEDARTSAL Project.
1.3	A pre-proposal conference will be held: No The Client's representative is: Ali Ezzeddine Vice President & General Manager Association for the Development of Rural Capacities (ADR) Email: ali.ezzeddine@adr.org.lb info@adr.org.lb
1.4	The Client will provide the following inputs and facilities: - Access to the Books and accounting records - Office space for the auditors while conducting the audit
1.5	Proposals must remain valid 60 days after the submission closure date.
1.6	Clarifications may be requested not later than 10 days before the submission date from: Association for the Development of Rural Capacities - ADR Att: Ms. Hiba Fawaz – Agriculture Program Manager Piccadilly Center, 6th floor, office 601 – Hamra street Beirut, Lebanon Tel/Fax: +961-1-742046 email: hiba.fawaz@adr.org.lb
1.7	Proposals shall be submitted in the following language: English
1.8	Shortlisted Consultants may associate with other shortlisted Consultants: No

1.9	In his financial offer, the Consultant should price, among other activities deemed necessary for the assignment, the following three (3) activities of the three fiscal years, quoting each activity separately, as follows: Activity 1: the expenditure and revenue verification reports to the beneficiary, with its annexes for the Fiscal period 1, following the templates and procedures established in the annexes: • Annex I: description of the procedure. • Annex II: control checklist. • Annex II: template of individual report. • Annex IV: template of list findings. • Annex V: template of the report on suspected and/or established fraud. Activity 2: the expenditures and revenue verification reports to the Beneficiary, with its annexes for the Fiscal period 2 (annexes listed above in activity 1) Activity 3: the expenditures and revenue verification reports to the Beneficiary, with its annexes for the Fiscal period 3 (annexes listed in activity 1)
2.0	Reimbursable expenses (1) cost of printing and dispatching of the reports to be produced for the Services. (2) cost of such further items required for purposes of the Services not covered in the foregoing.
2.1	Amounts payable by the Client to the Consultant under the contract to be subject to local taxation: Yes The Client will: (a) reimburse the Consultant for any such taxes paid by the Consultant: No (b) pay such taxes on behalf of the Consultant: No
2.2	Consultant to state local cost in the national currency: Optional
2.3	Consultant must submit the original and 2 copies of the Technical Proposal, and the original of the Financial Proposal.
2.4	The Proposal submission address is: Association for the Development of Rural Capacities - ADR Att: Ms. Hiba Fawaz – Agriculture Program Manager Piccadilly Center, 6th floor, office 601 – Hamra street. Beirut, Lebanon Tel/Fax: +961-1-742046 e-mail: hiba.fawaz@adr.org.lb Proposals must be submitted in writing no later than the following date and time: **April 30th, 2020 16:00 Hrs Beirut time.**
2.5	Criteria, sub-criteria, and point system for the evaluation of Simplified Technical Proposals are:

	Points (i) Adequacy of the proposed technical approach, methodology and work plan in responding to the Terms of Reference: 30 (ii) Key professional staff qualifications and competence for the assignment: Total points for criterion (ii): 70 The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub-criteria and relevant percentage weights: 1) General qualifications 30 2) Adequacy for the assignment 60 3) Experience in region and language 10 Total weight: 100% Total points for the two criteria: 100 The minimum technical score required to pass is: 75 Points
2.6	The single currency for price conversions is: Euro The source of official selling rates is: The Lebanese Central Bank The date of exchange rates is: one day before the deadline set for bid submission
2.7	Expected date for commencement of consulting services: November 2020, at: ADR offices

Section 2. Technical Proposal - Standard Forms

TECH-1 Technical Proposal Submission Form

TECH-2 Consultant's Organization and Experience **(Not applicable)**

TECH-3 Comments or Suggestions on the Terms of Reference and on Counterpart Staff and Facilities to be Provided by the Client - **(Not applicable)**

TECH-4 Description of the Approach, Methodology and Work Plan for Performing the Assignment

TECH-5 Team Composition and Task Assignments

TECH-6 Curriculum Vitae (CV) for Proposed Professional Staff

TECH-7 Staffing Schedule

TECH-8 Work Schedule

FORM TECH-1 TECHNICAL PROPOSAL SUBMISSION FORM

[*Location, Date*]

To: Association for the Development of Rural Capacities (ADR)
Piccadilly Center, 6th floor, office 601
Hamra street, Beirut
Lebanon

Dear Sirs:

We, the undersigned, offer to provide the consulting services: "Auditing Services for the MEDARTSAL Project" in accordance with your Request for Proposal dated 13th April 2020 and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We are submitting our Proposal in association with: [*Insert a list with full name and address of each associated Consultant*.][1]

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If negotiations are held during the period of validity of the Proposal, i.e., before the date indicated in Paragraph Reference 1.5 of the Data Sheet, we undertake to negotiate based on the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in Paragraph Reference 7.2 of the Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain at your disposal,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____
Name and Title of Signatory: _____
Name of Firm: _____
Address: _____

1 [*Delete in case no association is foreseen.*]

FORM TECH-4 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

FORM TECH-5 TEAM COMPOSITION AND TASK ASSIGNMENTS

Professional Staff				
Name of Staff	Firm	Area of Expertise	Position Assigned	Task Assigned

FORM TECH-6 CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

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1. **Proposed Position** [*only one candidate shall be nominated for each position*]: _____

2. **Name of Firm** [*Insert name of firm proposing the staff*]: _____

   _____

3. **Name of Staff** [*Insert full name*]: _____

4. **Date of Birth**: _____ **Nationality**: _____

5. **Education** [*Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment*]: _____

   _____

6. **Membership of Professional Associations**: _____

   _____

7. **Other Training** [*Indicate significant training since degrees under 5 - Education were obtained*]: _____

   _____

8. **Countries of Work Experience**: [*List countries where staff has worked in the last ten years*]:_____

   _____

9. **Languages** [*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]: _____

   _____

10. **Employment Record** [*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

From [*Year*]: _____ To [*Year*]: _____

Employer: _____

Positions held: _____

11. Detailed Tasks Assigned	**12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned**
[*List all tasks to be performed under this assignment*]	[*Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.*] Name of assignment or project: _____ Year: _____ Location: _____ Client: _____ Main project features: _____ Positions held: _____ Activities performed: _____

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

_____ Date: _____

[Signature of staff member or authorized representative of the staff] *Day/Month/Year*

Full name of authorized representative: _____

FORM TECH-7 STAFFING SCHEDULE[1]

N°	Name of Staff		Staff input (in the form of a bar chart)[2] Mission 1														Total staff-day input		
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	Home	Field[3]	Total
Local																			
1	XXX	Home															8		8
		Field																2	2
2	YYY	Home															2		2
		Field																12	12
3																			
4																			
n																			
												Subtotal					10	14	24
Foreign																			
1	ZZZ	Home																	
		Field																5	5
2																			
3																			
n																			
												Subtotal						5	5
												Total					10	19	29

1 For Professional Staff the input should be indicated individually; for Support Staff it should be indicated by category (e.g.: draftsmen, clerical staff, etc.).
2 Days are counted from the start of the assignment. For each staff indicate separately staff input for home and field work.
3 Field work means work carried out at a place other than the Consultant's home office.

Full time input
Part time input

FORM TECH-8 WORK SCHEDULE

Mission 1														
N°	Activity	2020												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	n
1	Preparatory Work and Mobilization													
2	Reviewing Legal and contractual Basis and understanding the activities													
3	Studying the control systems													
4	Assessing Risk and setting audit strategy													
5	Preparing audit programs													
6	Conducting field work and analyzing, assessing, and discussing findings													
7	Issuing deliverables													

1 Duration of activities shall be indicated in the form of a bar chart.

Section 3. Financial Proposal - Standard Forms

[*Comments in brackets* [ ] *provide guidance to the shortlisted Consultants for the preparation of their Financial Proposals; they should not appear on the Financial Proposals to be submitted.*]

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under para. 3.6 of Section 2. Such Forms are to be used whichever is the selection method indicated in para. 4 of the Letter of Invitation.

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Costs

FIN-3 Breakdown of Costs by Activity

FIN-4 Breakdown of Remuneration

FIN-5 Reimbursable expenses

FORM FIN-1 FINANCIAL PROPOSAL SUBMISSION FORM

[*Location, Date*]

To: [*Name and address of Client*]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for MEDARTSAL Project Financial Audit in accordance with your Request for Proposal dated 13th April 2020 and our Technical Proposal. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures*[1]]. This amount is exclusive of the local taxes, which shall be identified during negotiations and shall be added to the above amount.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Paragraph Reference 1.5 of the Data Sheet.

Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below[2]:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____
Name and Title of Signatory: _____
Name of Firm: _____
Address: _____

1 Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2.
2 If applicable, replace this paragraph with: "No commissions or gratuities have been or are to be paid by us to agents relating to this Proposal and Contract execution."

FORM FIN-2 SUMMARY OF COSTS

Item	Costs			
	[*Indicate Foreign Currency # 1*][1]	[*Indicate Foreign Currency # 2*][1]	[*Indicate Foreign Currency # 3*][1]	**[*Indicate Local Currency*]**
Total Costs of Financial Proposal [2]				

1 Indicate between brackets the name of the foreign currency. Maximum of three currencies; use as many columns as needed and delete the others.

2 Indicate the total costs, net of local taxes, to be paid by the Client in each currency. Such total costs must coincide with the sum of the relevant Subtotals indicated in all Forms FIN-3 provided with the Proposal.

FORM FIN-3 BREAKDOWN OF COSTS BY ACTIVITY[1]

Activity Name (from TECH 8) [2]	**Description:**[3]
_____	_____
_____	_____

Cost component	**Costs**			
	[*Indicate Foreign Currency # 1*][4]	[*Indicate Foreign Currency # 2*][4]	[*Indicate Foreign Currency # 3*][4]	**[*Indicate Local Currency*]**
Remuneration[5]				
Reimbursable Expenses [5]				
Subtotals				

1 Consultant shall fill a separate Form FIN-3 for each activity listed in TECH-8(i.e.: 4 separate forms should be filled). For each currency, the sum of the relevant Subtotals of all Forms FIN-3 provided must coincide with the Total Costs of Financial Proposal indicated in Form FIN-2.
2 Names of activities should be the same as/or correspond to the ones indicated in the second column of Form TECH-8.
3 Short description of the activities whose cost breakdown is provided in this Form.
4 Indicate between brackets the name of the foreign currency. Use the same columns and currencies of Form FIN-2.
5 For each currency, Remuneration and Reimbursable Expenses must be calculated based on the unit rate \ cost indicated in Forms FIN-4, and FIN-5.

FORM FIN-4 BREAKDOWN OF REMUNERATION[1]

Name[2]	Position[3]	Staff-month Rate[4]
Foreign Staff		
		[*Home*] [*Field*]
Local Staff		
		[*Home*] [*Field*]

1 Form FIN-4 shall be filled in for the same Professional and Support Staff listed in Form TECH-7.
2 Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, clerical staff).
3 Positions of the Professional Staff shall coincide with the ones indicated in Form TECH-5.
4 Indicate separately staff-month rate and currency for home and field work.

FORM FIN-5 BREAKDOWN OF REIMBURSABLE EXPENSES

(This Form FIN-5 shall only be used when the Lump-Sum Form of Contract has been included in the RFP. Information to be provided in this Form shall only be used to establish payments to the Consultant for possible additional services requested by the Client)

N°	Description[1]	Unit	Unit Cost[2]
	Miscellaneous travel expenses	Trip	
	Communication costs between [*Insert place*] and [*Insert place*]		
	Drafting, reproduction of reports		
	Equipment, instruments, materials, supplies, etc.		
	Use of computers, software		
	Local transportation costs		
	Office rent, clerical assistance		

1 Delete items that are not applicable or add other items according to Paragraph Reference 3.6 of the Data Sheet.
2 Indicate unit cost and currency.

Section 4. Terms of Reference

1. BACKGROUND

The Project MEDARTSAL Funded by funded by the European Union under the ENI CBC Med Programme under the Thematic objective **A.1 BUSINESS AND SMES DEVELOPMENT** and the Priority **A.1.2: Strengthen and support euro-Mediterranean networks, clusters, consortia and value-chains in traditional sectors (agri-food, tourism, textile/clothing, etc.) and non-traditional sectors (innovative ideas solutions for urban development, eco-housing, sustainable water-related and other clean technologies, renewable energy, creative industries, etc.).**

MEDARTSAL project is implemented in 4 Mediterranean countries through a partnership of 8 partners from Italy, Spain, Lebanon and Tunisia. MEDARTSAL project aims to adopt coordinated actions to define and implement a MODEL FOR THE SUSTAINABLE MANAGEMENT OF ARTISANAL SALINAS, which will stimulate the local economy and territorial cohesion.

The total project budget is 3.299.001,13 EURO. The total contribution of the ENI CBC MED Programme amounts to 2.969.101,02 Euro (a maximum of 90% of the total project cost).

The 8 project's partners are in charge of implementing the project.

The Budget of the Association for the Development of Rural capacities from the overall budget is 523,781.61 EURO.

2. OBJECTIVE

The objective of the audit is to ensure compliance of expenditures under the MEDARTSAL project with the domestic law as well as their compliance with the Program requirements and provisions of the grant contract, including the valid version of the application form.

The audit is an expenditure and revenue verification procedure regarding the Individual Financial Report for the Grant Contract between ADR, CUEIM and the Managing Authority.

3. RESPONSIBILITIES

3.1 The Beneficiary is responsible for providing the Financial Report, as well as giving access to its accounting, supporting documents and project documentation and physical investments to the Auditor, so that the procedures described in annex I can take place in due time and without restrictions.

a. The Auditor is responsible for performing the agreed-upon procedures described in annex I with due care and full respect of the Code of Ethics therein indicated, as well as submitting the reports to the Beneficiary. Additionally, the Auditor shall submit the ad hoc report directly to the Managing Authority in case of fraud. The Auditor will attend the specific trainings and meetings for Auditors organized by the competent

Program bodies. The Managing Authority may request the termination of the auditors not attending to these events.

4. THE SCOPE OF VERIFICATION BY THE AUDITORS INCLUDES, IN PARTICULAR

1) verifying whether the progress report/final report has been filled in correctly regarding formal and accounting aspects.

2) verifying whether the expenditure declared complies with the grant application form, grant contract, partnership agreement, i.e. whether it has been planned in the project and is settled in accordance with the eligibility rules and within the correct expenditure category.

3) verifying whether the lead beneficiary has transferred funds to the project partner(s) in accordance with the grant application form, grant contract and partnership agreement.

4) verifying whether the substantive scope of the project is being implemented in accordance with the schedule of the grant contract, including whether the required indicators have been achieved.

5) verifying whether the costs, expenditure and revenue of the project as well as the equipment, intangible purchased assets and the construction works completed have been delivered and correctly recorded in the financial/accounting system of the project beneficiary.

6) verifying whether the contractors of services, deliveries and works under the project have been selected through the appropriate tender procedures, including compliance with the national public procurement law.

5 Guidelines on expenditure verification

7) verifying the compliance of the expenditure incurred with the national regulations and Program requirements (regulations on state aid, visibility, publicity, environment protection and equal opportunities, if applicable).

8) verifying documentation confirming the delivery of co-financed goods, services and construction works.

9) verifying whether the expenditure has been actually incurred and paid, except for simplified methods of expenditure settlement.

10) verifying whether a separate accounting system is kept or whether the appropriate accounting code is used for all transactions related to the project, except for simplified methods of expenditure settlement.

11) verifying whether the project implementation progress has been clearly and fully reflected in the reports and whether there is immediate access to the record of activities that have been completed, verifying the appropriate documentation of goods deliveries, service provision and construction works both in progress and finished.

12) verifying the complete tender documentation for contracts awarded under the project in accordance with the national bypassing law.

13) verifying the documentation of the selection of the subcontractor for contracts awarded under the project whose values are below the national thresholds for the application of public procurement procedures (taking into account the Program requirements for contracts).

14) verifying whether the award of contracts has complied with competition rules specified in Program documents.

15) verifying the method of archiving of project documentation.

16) verifying whether the project beneficiary has implemented recommendations following the controls and audits carried out and whether it has remedied the irregularities if any have been found.

The auditor shall verify expenditure based on audit procedures they are bound to observe, specified in the Program and in accordance with:

1) the International Standard on Related Services 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information, in the version issued by the International Federation of Accountants (IFAC).

2) The Code of Ethics for Professional Accountants developed and issued by the IFAC's International Ethics Standards Board for Accountants.

5. LANGUAGE

The language of the contract and of all written communications, including reports, between the Auditor and the Beneficiary shall be English.

6. IMPLEMENTATION OF TASKS AND DELAYS

7.1 The start date for implementation will be the date of signature of the contract between the auditor

7.2 The period for delivery of the reports to the Beneficiary is <30> calendar days from submission of each financial report by the Beneficiary.

7.3. Three Audit Mission are requested during the project lifetime. A Financial Audit is requested at the end of each project year

First Audit Period: 5/11/2019 till 5/11/2020

Second Audit Period: 5/11/2020 till 5/11/2021

Third Audit Period: 5/11/2021 till 4/11/2022

7. DELIVERABLES

AUDIT REPORT

7.1 The Auditor shall submit the expenditure and revenue verification reports to the Beneficiary, with its annexes, following the templates and procedures established in the annexes:

annex I: description of the procedure.
annex II: control checklist.
annex II: template of individual report.
annex III: template of list of findings.
annex IV: template of report on suspected and/or established fraud.

7.2 In case of identification of suspected and/or established fraud, the Auditor shall submit the report in annex IV without delay directly to the Managing Authority indicated in the grant contract. This report shall not be submitted to the Beneficiary.

8. AUDITOR QUALIFICATION

8.1. Auditor Independence

It is required that the auditors fulfil the independence requirements of the IFAC Code of Ethics for Professional Accountants. In addition, the auditor's independence is defined as their organizational independence from the institutional structures and the operations of the beneficiary, including activities carried out as part of the project. The objectivity and independence shall be infringed in case of provision of assurance, advisory or consulting services concerning the activities of the beneficiary within two years preceding the start of providing the project verification service, with the exception of providing services concerning the verification of projects financed from the European Neighborhood and Partnership Instrument and the European Neighborhood Instrument. The independence shall be breached by holding shares or other titles of ownership of the auditee. The objectivity shall be infringed by the occurrence of a conflict of interest, when the impartial and objective fulfilment of the function by the auditor is compromised due to family or emotional reasons, political sympathies or belonging to a state, an economic interest or any other common interest with the beneficiary being audited, providers of services to the verified project or entities involved in implementing the Program. Such situations shall include actions or relationships, which may be contrary to the beneficiary's interest. The auditor's independence and objectivity are seen as the need to avoid any situation that could lead to a conflict of interest, including the avoidance of situations in which even only a theoretical possibility exists that the personal interest may outweigh the result of the verification being conducted.

8.2. Auditors' qualifications

1) The auditor must fulfil at least one of the following requirements:

a) be a member of the national authority or body for accounting and audit, which is the member of the IFAC.

b) be a member of a national accounting or audit authority or entity. If this organisation is not an IFAC member, the auditor must undertake to execute work in accordance with IFAC standards and codes of ethics and must hold at least one of the following certificates: CIA, CGAP, ACCA, CIMA.

c) be registered as an auditor in the register of auditors maintained by the National Council of Statutory Auditors

2) When verifying public procurement, the auditor must, in addition, fulfil at least one of the following requirements:

a) have carried out controls of the correctness of at least 10 public procurement procedures covered by the public procurement law.

b) have provided at least 10 legal advisory services concerning the application of the public procurement law, including, among others, issuing written legal opinions, representing before the National Appeals Chamber.

3) has a knowledge of English at least at the B2 level according to the classification of the Common European Framework of Reference for Languages.

The qualifications listed in points 1 and 2 may be proven by two auditors (e.g., cooperating under the civil law with another auditor, a cooperation agreement, a firm with several auditors etc.), whereas each point must be fulfilled entirety by one auditor (i.e. situations in which e.g. one auditor confirms completing 5 controls and the other also confirms completing 5 controls will not be considered as the fulfilment of the above conditions).