

Amel Association International
Musseitbeh, Abu Shacra Street, Amel Bldg.
+ 961 1 317293/4
operations@amel.org

Terms of Reference (TOR) for the External Financial Auditors

P.311-2018-005

Psychosocial support for Elderly Affected by the Syrian crisis, Marjayoun District, West Bekaa, 2018-2019

Duration: 25-10-2018 till 31-01-2019

Total Budget: EUR 168,682,20,000

Background:

Amel is a Lebanese and non-sectarian NGO created in 1979. Amel has been working through 24 centers and 6 mobile medical units for more than 35 years in the poorest regions of Lebanon, from Beirut and its South Suburbs to Mount Lebanon, Bekaa and South Lebanon. Amel offers accessible services for all in following fields: medical, psychosocial, professional training, rural development, child protection and human rights promotion.

Intervention Summary:

In 2017, Amel and Caritas Germany initiated a partnership in relation with psycho-social support for elderly. The 8-months project, was launched in July 2017, benefited at least 500 older people (50% Syrian refugees, 50% Lebanese). Activities included community events, gardening, cooking, awareness sessions, and support provided by a psychologist. The project activities has been then extended for an additional 4 months, and ended in August 2018.

Building on this experience and given the needs and concerns of the older people community -including vulnerable Lebanese and Syrian Refugees- that may be neglected in the humanitarian response, the project has been redesigned and renewed starting November 2018 in Khiam (South Lebanon), and later expanded to include an additional center in Mashghara (West Bekaa) starting March 2019.

Psycho-social support programs including outreach, old age friendly activities and mental health support can be life-saving to isolated older people and or those with crisis-related symptoms of psychological trauma.

The project includes 6 different old age friendly activities: Cooking, gardening, loom weaving, art therapy, basic literacy and life-skills; in addition to a psychologist who is in charge of peer support groups/group activities and individual psychological counseling. Moreover the project has been designed to enhance older people wellbeing through community events and outings. A social worker is in charge of outreach and close coordination with the instructors on the session's implementation as per plan.

The project targets Lebanese and Syrian, male and female older people (60+) living in the catchment areas of Khiam (South Lebanon) and Mashghara (West Bekaa). The target for Khiam is 120 older people over 1

year of project implementation (4 cycles), and for Mashghara is 90 older people over 9 months of project implementation (3 cycles), making the overall target for the project 210 older people benefiting from the different activities. For each 3-month cycle, 30 new older people are outreached to participate in the 6 activities mentioned above and are divided into 2 groups (15 older people/ group), each group attends the center twice per week. The 2 groups have one joint outing, and one joint awareness session per month. A total of 11 community events are planned during the project lifetime in both locations.

Each group of 15 older people attends the center twice a week, and on each day, they attend the 2 planned sessions/activities (2 hours each), and break for a snack in between. They are also encouraged to seek support from the psychologist and see her individually, as well as participate in group activities with her.

Objective of the Audit:

1. The objective of the audit of Amel's financial statements is to enable the auditors to express an independent professional opinion on the financial position of Amel Association International and to ensure that the funds utilized to Amel's activities have been used for their intended purposes.
2. The books of accounts of Amel provide the basis for preparation of the Amel's Financial Statements. Proper books of accounts as required by law have been maintained by Amel and also maintain adequate internal controls and supporting documentation for the transactions.

Scope of the Audit

1. The audit will be carried out in accordance with the International Auditing Standards and will include tests and verification procedures as the auditors deem necessary.
2. The audit will verify all funds have been used in accordance with the established rules and regulations of Caritas Germany and Amel Association International and only for the purposes for which the funds were provided.
3. Verify that goods, works and services financed should be procured in accordance with Caritas Germany established rules and procedures.
4. Check all appropriate supporting documents, records and books of accounts relating to all activities. Clear linkages should exist between the books of accounts and the financial statements.
5. Verify the financial statements presented by Amel management in accordance with applicable accounting standards and give a true and fair view of the financial position of Amel and of its receipts and expenditures for the period ended on that date.
6. Present a comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions.
7. Express an opinion as to reasonableness of the financial statements in all material respects.
8. Include in the reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material in the financial statements.
9. Conduct entry and exit meeting with the Executive Director of PPD.
10. In addition to the audit report, the auditors will prepare a Management Letter on the following:
 - a. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
11. Bring to the Caritas Germany's attention any other matters that the auditors consider pertinent.

Audit Duration:

The audit work shall be completed within two weeks from the date of commencement of the audit.

Deliverables:

1. The Auditors on completion of the audit work will submit 5 (five) original copies of the Audit Report appended to the Financial Statements along with the reports to the attention of Caritas Germany.
2. Management letter in accordance with the scope of work described here before.

Qualification of the Audit Firm

The audit firms based in Lebanon having affiliation/membership with an internationally reputed audit firms will be eligible to apply.

Audit Fees:

The audit fees will be fixed through a competitive bidding process.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of the financial information. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibilities for the audit of the financial information

The Auditor's objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- c- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.