

TERMS OF REFERENCE

THE YOUTH AND COMMUNITY TRANSFORMATION (YCT) AND YOUTH RESILIENCE AND INCLUSIVE SOCIAL EMPOWERMENT (YRISE) PROJECTS

CONSULTANCY for the END-OF-PROJECTS FINANCIAL AUDIT

Background

The Government of Belize (GOBZ) has requested assistance from the Caribbean Development Bank (CDB) in financing “a comprehensive social intervention, which would respond to the challenges facing vulnerable groups... particularly youth at-risk...” on the Southside of Belize City. Communities in that area are challenged by, *inter alia*, increasing crime, inadequate social infrastructure and limited access to social service. The Youth and Community Transformation Project (YCT Project) will address these challenges by supporting the expansion of, and access to, existing social services as well as the development and implementation of new services so as to reduce social exclusion among youth and families in the Collet, Lake Independence, Pickstock and Port Loyola divisions of Belize City. The YCT Project will *inter alia*, provide services to enhance literacy and adaptive life skills, support community security and improve inter-linkages and the sharing of best practices among participating agencies (PAs) working in those communities. In addition, the project will allow for the construction/rehabilitation of critical community infrastructure including a new resource centre in the Lake Independence area (the Lake Independence Resource Centre (LIRC) and the Wilton Cumberbatch playing field. The project is being implemented through the Ministry of Human Development Social Transformation and Poverty Alleviation (MHDSTPA).

During 2015, while the YCT Project was being implemented, GOBZ began to take a closer look at crime and citizen insecurity in districts outside of Belize City. Information from the Belize Police Department suggested that on average of all major crimes in the country, 22% were committed in the Cayo District and 11% in the Stann Creek District. These two districts account for the second and third highest rates of major crimes committed after Belize City. Consequently, the GOBZ applied to the CDB for financial support for a Technical Assistance (TA) project to assist the country in its efforts to plot a preventative crime reduction initiative targeting children, youth and their families in Dangriga, and San Ignacio/Santa Elena. The Youth Resilience and Inclusive Social Empowerment (YRISE) Project will expand access and coverage of some of the existing social programmes and introduce additional pilot programmes to complement interventions under consideration. The YRISE Project is also being implemented through MHDSTPA.

Basic Considerations for Projects Financed by International Agencies

In accordance with its agreements with the respective International Agencies, GOB must ensure that the funds loaned or granted for execution/implementation of projects by Project Implementation Unit (PIU)/Executing Agency (EA) are used with due attention to the factors of economy, effectiveness and

efficiency, and only for the purposes for which the financing was provided. Likewise, it is of utmost importance to have transparency in the use and accounting of the funds managed by each implementing agency not only for the funds obtained from external sources, but also for those from internal sources such as GOB's Budget. Transparency in managing the funds and goods entrusted to the management of public entities is of utmost importance because it allows the public servants to comply with their accountability duty: to account for the use of resources and the results of their administration.

It is therefore necessary that Government institutions that manage projects financed with resources from foreign financing, as well as Government funds, implement internal controls and financial information systems which will allow them to prepare periodic reports to show the financial situation and general administration of the projects, of the Government funds and of the institution as a whole. Normally, government or statutory institutions charged with implementing projects financed by international organisations must periodically prepare financial statements or reports regarding the entity as well as the projects financed by International Financing Institutions (IFIs). This allows for a global vision of all the funds managed by the institution and of the achievement of goals and objectives.

Transactions of projects financed by IFIs are required to be accounted for using the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and audited using the International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC), with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) or other accounting standards compatible with IASC's and in compliance with the conditions of the financing agreement with the relevant IFI.

One management letter is required by CDB for the YCT and YRISE Projects.

Procedures and Scope of the Audit

The audit should be performed in accordance with International Standards of Auditing, issued by the International Federation of Accountants (IFAC), and with the guidelines contained in the Bank publications mentioned above. Therefore, the audit must include adequate planning, the evaluation and testing of the internal control structure and systems, and obtaining sufficient objective evidence to allow the auditors to reach reasonable conclusions on which to base their opinions. The audit reports must include a summary of the main audit procedures used for planning the audit, evaluating the internal control structure, checking of the figures included in the financial statements and other reports subject to audit, and the evaluation of the compliance with terms of the applicable agreements, laws and regulations.

The auditors must be alert for situations or transactions that may indicate fraudulent, wasteful or illegal acts and expenditures. If such evidence exists, the auditors must contact a duly authorised representative of the Funding Sources, and exercise caution and due professional care in expanding their audit steps and procedures related to illegal acts.

The auditors should use the following paragraphs as a basis for preparing the audit programmes and planning the review. These guidelines should not be considered to include everything or to restrict the auditor in any way, nor should they discharge the auditor from the responsibility to exercise due care and professional judgment. The audit steps should be modified to adjust to local conditions, the specific design and implementation procedures of the PIU/EA and provisions of the loan and grant agreements. Any limitation in the scope of work must be communicated as soon as possible to a Funding Source representative.

Obtain preliminary information about the PIU/EA: The following is a list of documents that may be applicable to projects financed by Funding Sources. The auditors must select those that they consider necessary to perform the audit:

- The Loan Agreement (YCT and RISE Projects) between the CDB and GOB;
- The Grant Agreement (YCT and RISE Projects) Between CDB and GOB;
- The Disbursement Letter and aide memoire between CDB and GOB;
- Local Procurement (bidding) Regulations;
The PIU/EA financial and physical progress reports; plan or chart of accounts; description of the accounting systems; procurement policies and procedures; procedures for the receipt, storage and distribution of goods and material; and any other documentation that may be necessary for the successful completion of the audit;
- The YCT Project Operational Manual; and
- The Annual Work Plan and Budget.

- B. Examine the PIU financial statements, segregating the funds provided by the various funding agencies, including (a) the amounts budgeted by category and type of expenditure; (b) the funds received from the International Agencies during the period covered by the audit; (c) the expenses reported by the PIU as made during the period audited; and (d) the goods and technical assistance provided directly by Funding Sources.

The following considerations must also be taken into account for the review of the Statement of Requests for Reimbursement and the Designated Account Statement.

A. In designing the audit programme, the auditor must take into consideration the effectiveness and reliability of the accounting and administrative procedures and the internal controls, including those corresponding to the Statement of Requests for Reimbursement and the Designated Account Statement. These systems, including internal auditing, must be reviewed and evaluated to determine the degree of reliance that can be placed on them, and the extent of testing that the auditor needs to perform.

B. The auditor must evaluate the procedures for:

- a. safeguarding the assets through an adequate division of responsibilities between operational, custodial, accounting, and other functions, ensuring that these responsibilities are clearly defined and that there is sufficient personnel to perform each function effectively and efficiently;
 - b. ensuring that the assets and other resources are used in accordance with applicable instructions and regulations in an effective and economical manner;
 - c. ensuring that all transactions are recorded adequately and in a timely manner; and
- C. The auditor must obtain sufficient supporting evidence through the review of the accounting records and other probative documents, direct physical inspections, general observations, questions, and confirmations, including:
- a. tests to ensure that all assets and liabilities have been adequately recorded;
 - b. verification of balances for inventory accounts and other similar assets through physical inspection;
 - c. verification that the expenditures are in accordance with the budgetary provisions and in compliance with relevant regulations and guidelines;
 - d. arithmetic tests (e.g. for payrolls, or for verification of the proper percentage in the requests for reimbursement from Funding Sources);
 - e. review of the systems for committing funds and making payments, to verify and confirm the allotment and discharge by creditor; and of revenue collection, to ensure that all the payments for services have been received and accounted for, and that the accounts receivable have been recorded (such a verification should include an inspection of certificates and other means of confirmation of debtors and creditors);
 - f. verification of investments and cash on deposit through direct confirmations with banks, and by reviewing (or preparing) any corresponding reconciliations;
 - g. review of the data processing controls to determine if they are adequate;
 - h. verification of the financial statements against the main accounting records, and verification of these against the subsidiary records, vouchers, corresponding checks paid by Funding Sources, contracts, purchase orders, and other probative original documents; and

- i. verification that the costs of all goods and services procured from contractors and suppliers under the CDB loan have been paid for on the basis of certifications of expenditures prepared by independent consultants provided to PIU by CDB for each respective sub- project.

D. The auditor must verify the Statement of Application Requests for Reimbursement /Disbursement against the accounting records, supporting documentation, and physical inspections of the work performed and/or the goods and services procured. It must also determine whether the expenditures included in the requests for reimbursement are eligible for financing under the terms of the loan and grant agreements.

E. The auditor must verify: (a) whether the transactions included in the Designated Accounts Statement have been recorded correctly, including the reconciliation of the amount of interest received by the PIU/EA and paid by the funding sources where the account is maintained; (b) the balances of the Designated Accounts; and (c) that the operation and use of the account is in accordance with the loan agreement.

F. In cases when it is not feasible to apply certain types of tests necessary for an adequate observation based on International Standards of Auditing, the auditors must use alternative tests and procedures appropriate to the circumstances based on their professional judgment (even if local standards do not require it). For example, if the local banks do not return the canceled checks, the auditor should utilise alternate procedures to ensure that the checks were cashed by the payee.

G. The Management Letter must include comments and recommendations for improving financial and administrative systems and controls, as well as findings that require the attention of the PIU/EA.

Other Responsibilities of the Auditor

The auditor should comply with the following requirements:

A. Conduct entrance and exit conferences with the PIU/EA. The date of these meetings should be communicated to the Funding Sources representatives so that he/she can participate in them, if deemed necessary.

B. Plan the audit work so that preliminary reviews can be conducted during the period under review (including the first few months), with the purpose of evaluating the systems of internal control and communicating to the implementing unit in a timely manner any situations that merit the attention of management before the issuance of the final audit report.

C. Independently reference the audit report before issuing it. As part of their quality control, the auditors must independently reference the final drafts of the audit report and the Management Letter (which subsequently in this TOR are included in the term "the report"). Before referencing, the draft report must be adequately indexed and cross-referenced to the working papers. Each statement, date, number, amount and fact that appears in the report must be referenced to the corresponding working papers. The referencer must not be a member of the audit team and should report directly to the partner in charge of the audit.

The referencer must ensure that (a) the content of the report is supported by sufficient, competent and relevant evidence in the working papers; (b) the conclusions in the report are logical and related to the findings; and (c) the recommendations can be implemented and are directed to the cause of the problem or deficiency. The referencer must ensure that: the contents of the report comply with IFAC's International Auditing Standards; each audit objective has been satisfied; and the findings are related to the audit objectives. Each statement, number or amount must also be cross-referenced to the working papers. Any information presented in tables should also be verified, adding all the figures and amounts listed, and checking these against the applicable working papers.

All Auditor comments must be recorded in a summary sheet and resolved satisfactorily by the audit team or by the partner-in-charge. This summary sheet must be filed in the working papers together with the indexed report, and must be available for any quality control review by the Funding Sources.

D. Obtain a representation letter in accordance with International Auditing Standard No. 22 of IFAC, signed by the management of the EA.

E. Auditors must exercise sufficient and appropriate professional skepticism in the conduct of their audits, thus mitigating the risk of overseeing material errors in the Project financial statements going undetected and of incorrectly issuing an unqualified audit opinion. Auditors must minimise cases of such uncertainties when performing the audit work by performing third party confirmations among other risk mitigating measures, so that there is sufficient or reasonable assurance that the Project financial statements and reports are free from material misstatement. The auditor should not be limited to his/her level of testing nor be exempted from exercising due care and professional judgment.

Audit reports expected outputs/deliverables

Once the audit has been completed, the auditors will issue their opinion on the financial statements. All of the reports resulting from the project audit should be incorporated into one document. This report should contain the detail of the funds provided by the funding agencies, and uses of these funds, in both

BZ\$ and US\$, and should be addressed and delivered to PIU/EA. However, if the funding agencies representative requests, the auditor should send a copy of the audit report directly to such representative.

The auditor should deliver the YCT Project audit report to PIU/EA:

1. Draft audit report before May 30th, 2020
2. Final audit report before June 15th, 2020

The auditor should deliver the YRise Project audit reports to PIU/EA:

3. Draft audit report before October 30th, 2020
4. Final audit report before November 15th, 2020

The Consultant should proceed to deliver the services for Youth RISE upon satisfactory completion of the audit for YCT given by the PIU/EA.

The reports are to be issued in English, duly signed and bound, in original. The report should contain at least:

A. A title page, table of contents, a transmittal letter to the PIU/EA, and a summary that includes: (a) a background section with a general description of the Fund, the period covered, the objectives, and a clear identification of all the entities mentioned in the report; (b) the objectives and scope of the audit, and an clear explanation of the procedures performed (including alternate procedures when it was not possible to apply normal ones) and any limitation to the scope of the audit; (c) a brief summary of the audit results; costs or expenses questioned; internal control deficiencies; compliance with laws, regulations, guidelines and terms of the agreements; and the status of recommendations made in prior audits; and (d) a brief summary of the comments made by PIU/EA management with respect to the findings reported by the auditors.

B. The audit report and opinion on the financial statements, their corresponding notes and supplementary information. This section should include the financial statements along with their corresponding notes and attachments. Also, an opinion on the eligibility of expenditures reported and the correct use of the project funds.

C. The audit report and opinion on their understanding of the internal control structure for PIU/EA. At minimum the report should include: a) the scope of the work performed by the auditor to obtain an understanding of the internal control structure and to evaluate the control risk; (b) a discussion of the most important internal controls of the PIU/EA, including controls established to ensure compliance with the terms of the agreements and applicable laws and regulations that could materially impact the financial statements or the contribution of counterpart funds, detailed in the Project Operations Manual; c) the reportable conditions (those that have an impact on the financial statements), including the identification of material weaknesses in the internal control structure of the implementing unit. Conditions that are not reportable must be communicated to the Executing

Agency management in a separate letter, which should be referred to in the report and attached to it. These two documents (the report and the letter) satisfy the requirements of International Auditing Standard No. 6 and IFAC Statement No. 7.

In addition to the audit opinion, this report should detail reportable deficiencies in the internal control structure and/or deviations from the established controls detected for the period audited. For a better comprehension by readers, the findings must be reported in accordance with the following elements: condition, criteria, cause and effect. It is important that the findings also include a recommendation to help correct the cause. In those cases in which the auditors cannot identify the cause due to circumstances beyond their control, they should report the condition, the criteria and the possible effect, and furnish this information to management so that it may determine the cause and the effect, and implement timely and adequate corrective actions.

D. The audit report and opinion on PIU/EA's compliance with the terms of the loan and grant agreements and applicable laws, guidelines and regulations related to the PIU/EA financial activities. The report must contain a positive statement of what was verified and a negative statement of what was not tested. The instances of material noncompliance must be reported and discussed along with the corresponding findings. The instances of immaterial noncompliance must be communicated to the PIU/EA in a separate letter (which may be the same as for internal controls), that must be referred to in the report and attached to it. The preceding is consistent with IFAC International Auditing Standard No. 31.

This report should contain a detailed discussion of the important deviations detected in the period audited, described in findings that include the elements of: condition, criteria, cause and effect. This discussion should also include a recommendation that will aid in correcting the deficiencies. In those cases when the auditors cannot identify the cause due to circumstances beyond their control, they should report the condition, the criteria and the possible effect, so that management may determine the cause and the effect, and implement corrective actions.

This opinion should also cover counterpart contributions. The amounts not provided must be investigated and identified as cases of noncompliance by the Implementing Entity, the Borrower or the Grantee.

E. An audit report on the Statement(s) of Requests for Reimbursement for the period audited. The auditor must issue an opinion on the eligibility of the expenditures submitted for reimbursement, the adequacy of the control procedures and the correct use of the Loan and Grant funds.

F. An audit report and opinion on the Designated Account Statement for the period audited. The auditor must issue an opinion as to whether the DA Statement adequately reflects the flow of funds for the DA during the period audited, and if this activity has been only for purposes of the PIU/EA.

Inspection and Acceptance of the Audit Work and the Reports

The Funding Agencies are responsible for inspecting and accepting the audit report of the PIU/EA and may appoint an individual or company to carry out these activities, including the review of the working papers and the corresponding quality controls. If the Funding Agencies do not accept one or more reports due to deficiencies in the audit work, the auditor will carry out the necessary additional work at no additional cost to the PIU/EA or the Funding Agencies.

The representatives of the Funding Agencies may contact the auditors directly to request any additional information related to the audit. The auditors must satisfy such requests promptly.

If the Funding Agencies accept the audit report a letter will be sent to the PIU/EA indicating the actions suggested correcting the deficiencies encountered, if any, and asking that they be informed of any actions taken. The PIU/EA will also be informed of any aspects of the audit report that are not in compliance with the Terms of Reference, so that the auditor will correct this in subsequent audits.

****The Consultant should proceed to deliver the services for Youth RISE upon satisfactory completion of the audit for YCT given by the PIU/EA.**

Duration of Engagement and Legal Framework

The term of engagement will remain effective as per agreed time unless it is terminated, amended or superseded. The contract will make provision for changes to the specific requirements of the funding agencies should the need arise.

The firm needs to provide an explanation of how it would address the local legal framework (ie... taxes, social security, public financial management laws).

Caribbean Development Bank – Youth and Community Transformation (YCT) Project

PROJECT OBJECTIVE

The objective of the project is reduced vulnerability of children and youth to crime and gang membership in Collet, Lake Independence, Pickstock and Port Loyola divisions of Belize City. This will be achieved by providing services to enhance literacy and adaptive life skills, support conflict meditation and improve inter-linkages and the sharing of best practices among PAs working in those communities. The overall impact of the project is improved citizen and community security in Belize City.

PROJECT COMPONENTS

The project will expand access and coverage of some of the existing social programmes and will also introduce new pilot programmes which will be implemented and evaluated during the project

implementation period. The pilot programmes will then be considered for permanent inclusion within the suite of social services being offered through MHDSTPA and Ministry of Education (MOE). The proposed transformation programmes, indicating numbers of beneficiaries and PAs, whether they are expanded or new interventions and how sub-programmes are proposed to be structured in each instance. The project will consist of the following components:

1. **Transformation Programmes:**

These programmes encompass four main areas: the enhancement of basic literacy and numeracy skills, adaptive life skills, employability, and community support. Sub-components will be tailored to match the needs of different age groups in the communities. The programmes will be delivered at existing resource centres in each community and at a new facility, the Hub formerly known as LIRC, which will be constructed under the project.

(a) Basic Literacy and Numeracy:

- (i) **Family Pre-Literacy** – for parents and their children ages 0 to 4 years.
- (ii) **After-school Literacy** – for 5 to 8 year olds in after-school programmes.
- (iii) **Literacy Without Borders (LWB)** – for youth aged 14 to 19 years who have either dropped out of school or are vulnerable to dropping out.

(b) Adaptive Life Skills:

- (i) **Gang Resistance Education and Training (GREAT)** – for youth aged 11 to 15 years and their families.
- (ii) **The Self-Esteem, Conflict resolution, Anger Management and Independent Living Skills (SCAIS) Programme** – for youth ages 15 to 16 years.

(c) Employability Enhancement:

Youth Enterprise and Job Skills Training – support for an existing initiative providing life skills, employment training and apprentice attachments for at-risk young men from ages 14 to 17 years.

(d) Community Support:

- (i) **Conflict Mediators and Community Dialogues** – training and monitoring of peer mediators and community conflict mediators, as well as, the initiation of a community dialogue process to engage communities and demonstrate non-violent ways of resolving issues.
- (ii) **Sports and Expressive Arts for Development and Peace** – primarily for children and youth from ages 8 to 16 years, but through community participation, to include youth from 16 to 24 years old.

Included in each sub-component is support for the provision of snacks and lunches to beneficiaries attending the programmes as part of the workshops or events. These meals will be provided through community participation wherever possible.

Although every effort has been made to detail precisely all the activities included in this component of the project, it is recognised that the nature of work in these communities requires flexibility in order to respond to the changing environment. Consequently, it is anticipated that changes may be required to locations, PAs, resources or programme delivery mechanisms during the course of implementation. The project design will allow the flexibility to make these changes when necessary but within the context of the four overall elements of the Transformation Programmes.

2. **Community Infrastructure Development:**

- (a) Land (approximately 3.0 acres in the Lake Independence area, owned by GOBZ).
- (b) Building and Civil Works:
 - (i) Construction of a new, 21,000 sq ft, children-and-youth friendly resource centre – The Hub formerly known as LIRC.
 - (ii) Site preparation works for The Hub.
 - (iii) Construction of an access road to The Hub along with proposed Chetumal Extension.
 - (iv) Rehabilitation of the Wilton Cumberbatch Field in the Yarborough area of the Port Loyola Community.
 - (v) Fencing of the Samuel Haynes Institute of Excellence) in the Pickstock Community.
- (c) Consultancy services for construction of supervision and contract administration.

3. **Project Implementation Support:**

- (a) Furniture, equipment and learning materials.
- (b) Project Management – through a Project Implementation Unit (PIU). This sub-component also includes workshops and meetings to facilitate coordination, exchange information, and identify synergies and opportunities for sharing experiences among the participating agencies.
- (c) M&E – separate consultancy services to develop a project M&E system during implementation, and to assess project outputs and outcomes through mid-term and final evaluations.

- (d) Other Consultancy services to:
 - (i) prepare a Project Operations Manual (POM) and Community Participation Plan. This will include a Gender Equality Guidance Note (GEGN) to support the effective and systematic integration of gender equality as a cross-cutting issue in the Project and the other responses to citizen security in Belize City.
 - (ii) develop a project website to provide public information on project components and activities.
 - (iii) develop a beneficiary referral system..
- (e) **Conduct of mid-term and end-of-project financial audits.**

Caribbean Development Bank – Youth Resilience and Inclusive Social Empowerment (RISE) Project

PROJECT OBJECTIVE

The objective of the TA is enhanced resilience of children, youth and poor families in the communities of Dangriga and San Ignacio/Santa Elena to improve their life chances.

PROJECT COMPONENTS

The project will consist of the following components:

1. **Transformation Programmes:**

These programmes encompass four main areas: (a) the enhancement of basic literacy and numeracy skills; (b) adaptive life skills; (c) employability enhancement; and (d) community support. Sub-components will be designed to meet the needs of age groups in the target communities. The programmes will be delivered at existing resource centres in each community:

(a) **Basic Literacy and Numeracy:**

(i) **Family Pre-Literacy** – for parents and their children ages 0 to 4 years.

(ii) **After-school Literacy** – for 5 to 8 year olds in after-school programmes.

(iii) **Computer-Assisted Literacy (CAL)** – CAL focuses on the provision of an individual computer-assisted literacy education curriculum for youth aged 14 to 19 years who have either dropped out-of-school or vulnerable of dropping out-of-school.

(b) **Gender-sensitive Adaptive Life Skills:**

(i) **GREAT** – GREAT programmes targets children aged 11 to 15 years in the upper primary and high school levels. It is currently being run at primary schools both in Dangriga and San Ignacio/Santa Elena by a trained police officer from CPU.

(ii) **The Self-Esteem, Conflict resolution, Anger Management and Independent Living Skills (SCAIS) Programme** – for youth aged 15 to 16 years. SCAIS is a specialised life skills programme which builds adaptive life skills among vulnerable youth. The Programme uses mediums that cater to participants learning styles-auditory, tactile, visual, etc. in addition, the programme provides an opportunity for participants to learn and practice skills through interactive group discussions, role-plays, games and personal reflection.

- (iii) Sexual and Reproductive Health and Life Skills – expansion of initiatives that provide sexual and reproductive health information and focuses especially on the empowerment of girls between the ages of 14 to 24.
- (c) Employability Enhancement:
 - Youth Job Preparedness and Employment Training - support for an existing initiative that provide vocational skills, job preparedness and employment training as well as the creation that are sector specific and target both in and out-of-school youth.
- (d) Community Support:
 - (i) Sports and Expressive Arts for Development and Peace – primarily for children and youth from ages 8 to 16 years but, through community participation, to include youth from 16 to 20 years old.

Included in each sub-component is support for the provision of snacks and lunches to beneficiaries attending the programmes as part of the workshops or events. As a means of strengthening buy-in, these meals will be provided through community contribution, wherever possible.

Although every effort has been made to detail precisely all the activities included in the Transformation component of the project, it is recognised that the nature of work in these at-risk communities requires flexibility in order to respond to the dynamic nature of the environment. Consequently, it is anticipated that changes may be required to locations, PAs, resources or programme delivery mechanisms during the course of project implementation.

2. Enhancement of Therapeutic Responses

This component of the project will work directly with the Department of Human Services to strengthening the delivery of care and support of families and children who have interfaces with the child protection system due to child abuse and neglect. It will intervene in safe spaces in the Cayo and Stan Creek District for therapeutic support and in building the capacity of substitute care providers.

3. Wrap-around Services

Case Management services for targeted families in Dangriga and San Ignacio/Santa Elena:

This approach links with the social protection system and includes assessment of family needs, and development of family plan to attain health, education and economic objectives. In so doing, it will connect beneficiaries to a range of services required to address their need while being supported by social service professionals including a dedicated social worker. To ensure the effective implementation of the Wrap-Around Services, CRD will provide the technical support to the programme by applying its Level of Services Inventory (LSI) system to screen target families. The assessment score would determine the level of need. This would inform the

number of referrals and therefore the range of services required to holistically support beneficiaries. All PAs will be trained in the use of the LSI system in order to strengthen integration and coordination of services.

4. Project Implementation Support

Project implementation support will comprise the following:

- (i) Project Management – includes expansion of the current YCT Project Implementation Unit (PIU) by adding two full-time Assistant Project Coordinator (APCs) on each for Dangriga and San Ignacio/Santa Elena) to the overall project.
- (ii) Project vehicles – includes two project vehicles to enable the PIU staff to traverse the average 117 kilometres between Belize City and each target town, and to service the towns while there; and
- (iii) Furniture, equipment and learning materials – new and additional furniture, equipment and learning resources to enhance the learning environment.

Objective of the Audit

The objective of the audit is to enable the auditor to express an opinion on the Project Financial Statements (PFS) of the YOUTH AND COMMUNITY TRANSFORMATION (YCT) PROJECT AND THE YOUTH RESILIENCE AND INCLUSIVE SOCIAL EMPOWERMENT (RISE) PROJECT from its inception to its final terminal disbursement date.

The Project's accounting system (books and records) provides the basis for the preparation of the PFS, was established to record the financial transactions of the Project and is maintained by the Project's implementing agency of the Executing Agency, MINISTRY OF HUMAN DEVELOPMENT SOCIAL TRANSFORMATION AND POVERTY ALLEVIATION.

Scope

The audit will be conducted in accordance with International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC), with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and to relevant World Bank guidelines. In conducting the project audit, special attention should be paid to the following:

- a) External funds have been used in accordance with the conditions of the relevant general conditions, relevant financing agreements and disbursement letter, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;

- b) Counterpart funds have been provided and used in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and only for the purposes for which they were provided;
- c) Goods and services financed have been procured in accordance with the relevant general conditions, relevant financing agreements and disbursement letter;
- d) Necessary supporting documents, records, and accounts have been kept in respect of all Project ventures including expenditures reported via Summary Report or Statements of Expenditures (SOEs) or Designated Accounts (DAs). Clear linkages should exist between the accounting records and the financial reports presented to the Bank.
- e) DAs have been maintained in accordance with the provisions of the relevant general conditions, relevant financing agreements and disbursement letter.
- f) The Project Financial Statements (PFS) have been prepared in accordance with International Financial Reporting Standards and practices and relevant Caribbean Development Bank guidelines, and give a true and fair view of the financial position of the Project as of April 1st and of the resources and expenditures for the fiscal year ending .
- g) Review the compliance on each of the financial covenants in the Financial Management section of the Loan Agreement.

Project Financial Statements

The Project Financial Statements should include

- a) a Summary of Funds received, showing the CDB Project funds and counterpart funds separately.
- b) a Summary of Expenditures shown under the main project headings and by main categories of expenditures, both for the current fiscal year and accumulated to-date; compared with projections for the current fiscal year and to-date, in addition indicating variances, with explanation when/if there are significant variances.
- c) a Summary of Reports or SOEs used as the basis for the submission of withdrawal applications;
- d) A Statement of Designated Account; and
- e) A Balance Sheet showing Accumulated Funds of the Project, bank balances, other assets of the Project, and liabilities, if any.

Summary Reports or Statement of Expenditures

As part of the audit of the PFS, the auditor is required to audit all Summary Reports or SOEs used as the basis for the submission of withdrawal applications. These Summary Reports should be compared for project eligibility with the relevant general conditions, relevant financing agreements, and disbursement letter, and with reference to the Project Appraisal Document for guidance when considered necessary. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted in separate note disclosures and also in the

management letter, by the auditor. The Project Financial Statements (or included within the notes to the project financial statements) should be a schedule listing individual Summary Reports or SOEs (used as the basis of disbursement) withdrawal applications by specific reference number and amount.

The auditor should pay particular attention as to whether:

- a) The Summary Reports or SOEs have been prepared in accordance with the provisions of the relevant financing agreement;
- b) Expenditures have been made wholly and necessarily for the realisation of project objectives;
- c) Information and explanation necessary for the purpose of the audit have been obtained;
- d) Supporting records and documents necessary for the purpose of the audit have been retained; and
- e) The Summary Reports or SOEs can be relied upon to support the related withdrawal applications.

Designated Accounts

In conjunction with the audit of the Project Financial Statements, the auditor is also required to audit the activities of the Designated Accounts associated with the Project. The Designated Accounts usually comprise:

- a) Deposits and replenishments received from the Bank;
- b) Payments substantiated by withdrawal applications;
- c) Interest that may be earned from the balances and which belong to the borrower; and
- d) The remaining balances at the end of each fiscal year.

The auditor should pay particular attention as to the compliance with the Bank's procedures and the balances of the Designated Accounts at the end of the fiscal year (or period). The auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of the DAs in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls for this type of disbursement mechanism.

For this Project, the Designated Accounts are referred to in the Disbursement Letter attached to the Loan Agreement, and Disbursement Guidelines.

Audit Reports

The auditors will issue an audit opinion on both the YCT and YRISE Projects Financial Statements (refer to the "Project Financial Statements" paragraph above for a definition of the statements included therein).

In addition to the audit opinion, the auditor will prepare a "management letter," in which the auditor will:

- a) Give comments and observations on the accounting records, 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 recommendation for their improvement. These should be reported in accordance with the following elements: condition, criteria, cause and effect. It is important that the findings also include a recommendation to help correct the cause;
- c) Report on the lack of compliance of each financial covenant in the relevant financing agreement;
- d) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation of the project;
- e) Bring to the borrower's attention any other matters that the auditor considers pertinent; and
- f) Include management's comments in the final management letter.

The financial statements, including the audit opinion, and management letter should be received by the Project's Implementing Agency/Executing Agency (PIU/EA), no later than two weeks after the end of the audited fiscal year. The Project's implementing agency should then promptly forward two copies of the audited project financial statements (including audit opinion) and management letter to the Bank.

General

The responsibility for the preparation of financial statements including adequate disclosure is that of the PIU/EA. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the entity. As part of the audit process, the auditor will request from management written confirmation concerning representations made to the auditor in connection with the audit.

The PIU/EA will co-operate fully with the auditor and will make available to the auditor whatever records, documentation and other information is requested by the auditor in connection with the audit. The auditor should be given access to all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. Confirmation should also be obtained of amounts disbursed and outstanding at the Bank and of amounts disbursed under other donor agency.

The auditor should understand that working papers under Caribbean Development Bank projects can be subject to the review by Client's and/or Caribbean Development Bank-designated staff.

You can submit your expression of interest for this consultancy opportunity by emailing the YCT Project Coordinator at: projectcoordinator.yct@humandev.gob.bz by Friday June 12, 2020. Please include:

1. A cover letter, illustrating your experience
2. Copy of your Curriculum Vitae
3. Financial Proposal