



# Lebanese Red Cross

Request for proposal

For

Audit of LRC's Primary Healthcare Scale-Up Program

July 2024

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**Private and confidential**

July 5, 2024

To whom it may concern

Dear Sir or Madam,

The Lebanese Red Cross (hereinafter referred to as “LRC”) seeks to invite your company to submit a proposal for the provision of audit services as per the details described in the Scope section.

### **1. Introduction to LRC**

The Lebanese Red Cross (“LRC” or the “Society”) is a humanitarian organization established on July 9, 1945 as an independent national society. In 1946, it was recognized by the State as a public non-profit organization and as an auxiliary to the medical service of the Lebanese Army. It is also a member of the International Federation of the Red Cross and Red Crescent.

LRC is a neutral, impartial and independent organization. The status of public utility was granted to LRC under Decree No. 3039 and made the organization subject to audit.

The Lebanese Red Cross (LRC) is the largest national humanitarian organization in Lebanon; it has 32 branches across the country and more than 7,000 active volunteers and members. LRC has 48 Emergency Medical Services (EMS) centers, 4 Dispatch centers operating the national medical emergency hotline “140”, 36 medical social centers, 5 mobile medical units, 33 youth clubs, 13 blood transfusion centers, 6 nursing institutes and 14 Disaster Management Units (DMU).

While LRC provides services to more than 500,000 persons per year, it is severely underfunded with less than 3.5 million USD of budget raised domestically since the onset of the economic crisis in late 2019. It relies heavily on external (foreign) funding that is provided especially during times of crisis (July 2006 war, ongoing Syrian refugee crisis...).

## 2. Introduction to the Primary Healthcare Scale-Up Program

On the 1<sup>st</sup> of January 2023, the Lebanese Red Cross (LRC), formally launched its Primary Healthcare Scale-up Program, with the objective of increasing both the reach and quality of its primary healthcare services. This program was launched in response to the massive economic crisis that has affected Lebanon since 2019 and that has severely reduced access of the population to primary healthcare services.

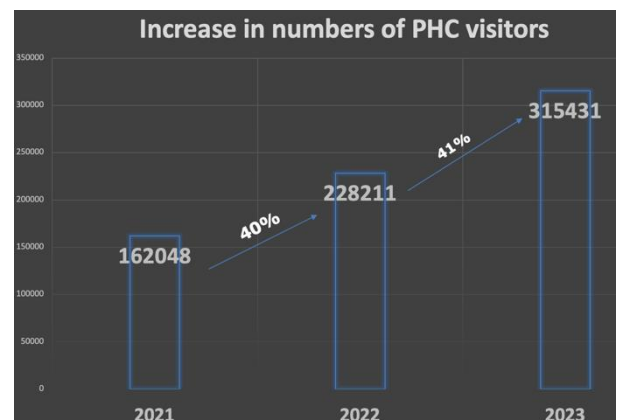
The LRC operates 36 Primary Healthcare centers (PHCs), and 8 Mobile Medical Units. Most LRC's centers had relatively low numbers of patients, and did not meet quality standards as set by the WHO and the Lebanese Ministry of Public Health. The LRC, at the outset, shall ensure that at least 24 of its healthcare centers meet the quality standards and can gain accreditation, and that its centers are providing high quality healthcare services to as many people as possible, in order to alleviate the suffering of the population and improve health outcomes.

This strategy is aligned with the strategy of the Ministry of Public Health, which, in response to the economic crisis, is trying to strengthen the primary healthcare system in Lebanon.

Achieving these objectives will require from LRC to strengthen its capacities and systems both at the national level and at the local PHC level. In this report, we shall list these capacities and describe what has been achieved to date, and what will the focus of the next period be.

During the first year of full implementation (2023), 110,000 patients benefitted from primary healthcare services in LRC centers. This is an increase of 62 percent compared to 2021. More tellingly, the number of attendees (patient visits), doubled compared 2021, reaching a total of 322,000 patient visits for the first year of implementation.

Eight Primary Healthcare Centers (PHCs) were specifically focused on for quality improvement measures. Of these, 5 PHCs are now fully staffed according to the accreditation standards, and the remaining 3 are missing one or two positions with recruitment ongoing.



### 3. Localization and consolidation

A particularity of this program is that both LRC and its partners are striving to apply the localization principles (Grand Bargain, 2016 Humanitarian Summit), and to use this as a case study to show the value of locally-led action. Prior to this program, multiple partners were supporting Primary Healthcare in LRC through the old project-based approach. This meant that LRC had one or more projects with each of the partners, each subject to different rules. Some of the negative of this approach include but are not limited to:

- LRC staff focusing on reporting and coordination rather than on actual implementation
- High overhead costs both on LRC side and on the side of partners
- Fragmented, ineffective approach
- Lack of sustainability

With the Primary Healthcare Scale-Up program, LRC has radically changed the approach, with a single program proposal, a single logframe and a single budget, to which all partners are invited to participate. This has allowed the Medico-Social department to focus on scale and quality within a single national program, and to reduce fragmentation and time wasted on redundant reporting and coordination.

However, the transition from the project based approach to the program based approach is not a simple one due to the policies, procedures, and rules of the multiple partners and their own back-donors. Some partners have adopted or are experimenting with localization approaches, and some other partners are still adhering to the project-based approach, but trying to make it fit into LRC's program with as much flexibility as possible.

This transition will continue during the next 2 years of implementation, and will have to be taken into consideration in the audit approach are reports.



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#### 4. Scope of required services:

##### Objective:

The primary objective of the audit is to assess the financial management, operational efficiency, compliance with regulations, and overall effectiveness of the " PHC scale up Services" program.

Specific goals include:

- Verifying the accuracy and completeness of financial records.
- Evaluating the efficiency and effectiveness of resource utilization.
- Ensuring compliance with relevant laws, regulations, and policies.

##### Scope of work:

The audit will cover different periods of the project implementation, focusing on financial, and compliance aspects.

Financial Audit

- Review financial statements, accounting records, and supporting documents.
- Verify the accuracy and completeness of financial transactions.
- Assess the adequacy of internal controls and financial management systems.
- Evaluate budgetary controls and adherence to the approved budget.

Compliance Audit

- Ensure compliance with applicable laws, regulations, and contractual obligations.
- Assess compliance with donor requirements and reporting obligations.

The audit periods are as follows:

1. First Audit: From **January 1, 2023** till December 31,2023
2. Second Audit: From January 1, 2024 till December 31, 2024
3. Third Audit: From January 1, 2025 till December 31, 2025

The second and third audits should include a summary for the beginning of the project till the end of the second period in addition to the stand alone financial reports of the year.

For the first year the audit report should be submitted by end of **August 2024**, for the following years the audit report should be provided by end of February of the following year noting that 2 spot checks visits should be taking place (in August & in November).



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The services shall include:

- Assessment of accounting policies and practices for adherence to relevant accounting standards (IFRS)
- Verification of compliance with applicable laws, regulations, and contractual agreements.
- Evaluation of internal controls and risk management processes.
- Submission of a consolidated Financial Report in English that includes the contributions per partner
- Submission of a management letter containing findings, recommendations, and opinions on the financial statements' accuracy and compliance



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## 5. Requirements:

- A brief introduction of the organization (size, number of staff, related network firms, membership with a professional organization, organizational chart, experience)
- The CVs of the staff responsible for performing the audit holding CPA is a requirement.
- The firm should have robust quality control procedures in place to ensure the accuracy and reliability of audit engagements. This may include internal review processes, adherence to professional ethics, and continuous professional development programs for staff.
- The firm should demonstrate sufficient experience and expertise in conducting external audits for organizations of similar size, complexity, and industry. This includes showcasing past audit engagements by providing a minimum of three references to the provision of similar services to previous clients (please provide names, addresses, telephone numbers and email addresses)
- The firm should be independent and free from any conflicts of interest that may impair their ability to perform an unbiased audit. They should disclose any potential conflicts and demonstrate measures taken to maintain objectivity.
- The firm must respect and maintain confidentiality regarding sensitive financial information and other proprietary data of LRC.

## 6. Bidding Conditions & Procedures

- The proposal should be submitted in English. Moreover, it should bear your organization's official stamp and be signed by its legal representative.
- The prices indicated in the proposal should be in US\$.
- Any proposal that does not explicitly state the associated prices of services may be automatically disqualified.
- Any request for clarification concerning the RFP document should be communicated in writing. The reply will be circulated to all bidders without revealing the identity of the requesting organization.





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- Proposals submitted should be valid for 90 calendar days, starting from the RFP date. However, LRC reserves the right to extend this period at its sole discretion.
  - This RFP contains no contractual offer of any kind. Proposals submitted will be considered as offers and hence, LRC reserves the right to accept, reject or negotiate any offer received.
  - Proposals shall be submitted in closed envelopes to the LRC headquarters at Spears, Kantari Street, Red Cross building.
  - All proposals should be received prior to July 20,2024. No proposal shall be accepted after this date. Furthermore, LRC assumes no responsibility caused by mailing services or any other delivery service.

## 7. Submission Requirements

- Proposals should respond to **all** requirements stated in the RFP in all its sections. LRC reserves the right to reject any partial proposals received.
- Proposals shall be evaluated based on compliance with technical requirements (as per the scope section), organization's past experience and references, in addition to financial consideration.