



Lebanese Red Cross

Request for proposal

For

Audit of LRC

April 15, 2024

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Private and confidential

April 15,2024

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.

LRC is a neutral, impartial and independent organization. The status of public utility was granted under Decree No. 3039 and thus LRC became subject to annual external audits.

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, 38 medical social centers, 8 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 since the economic crisis of 2019, with less than 3.5 million USD of domestic budget. It relies heavily on external (foreign) funding to continue providing its vital life-saving services.

2. Scope of required services:

LRC is requesting an audit of its accounts at HQ level. No consolidation with the branches is currently being performed.

The services shall include:

- Examination of the records and financial statements including balance sheet, income statement, and cash flow statement.
- 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 Financial Report in both English and Arabic
- Submission of a management letter containing findings, recommendations, and opinions on the financial statements' accuracy and compliance.
- 2 spot checks: September to cover Q1 & Q2 – November to cover Q3.

The full year audit should start in mid-February of the following year and all the documents should be provided by end of February.

The contract will be for the 2025 fiscal year renewable at the same price for additional two years.



3. 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.

- Proposed Methodology, Approach and Implementation Plan – this section should demonstrate the Proposer’s response to the Terms of Reference by identifying the specific components proposed, how the requirements shall be addressed, as specified, point by point; providing a detailed description of the essential performance characteristics proposed.

- Auditors must certify, express an opinion, and quantify the net financial impact on each of the Financial statements’ components

- Auditors must indicate the risks associated with their findings and provide a categorization by risk in the MLP: High, Medium, or Low.

- Auditors must provide the monetary value of the Net Financial Impact of the qualification if the audit opinion on the Income Statement is Qualified, Adverse or Disclaimer



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- This audit standard requires that auditors, when expressing an opinion on this year's statements, consider the possible effect of a prior year opinion that has not been properly corrected or resolved.
 - Specific requirements:
 - Revenues to be reported as restricted/unrestricted and by currency and nature.
 - Salaries and charges funded by projects to be listed separately.
 - Statement of activity for two entities related to LRC – Nursing Faculty and Training Center
 - Financial statements by currency to be presented separately.

4. 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.
- 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 xxxxxx. No proposal shall be accepted after this date. Furthermore, LRC assumes no responsibility caused by mailing services or any other delivery service.



5. 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.

Yours faithfully,
Carine Taja

Finance Director
Lebanese Red Cross