

REQUEST FOR EXPRESSIONS OF INTEREST

INDIVIDUAL CONSULTANT

CAPACITATION OF LRA ON AUDITING TELECOMMUNICATION SECTOR KINGDOM OF LESOTHO LESOTHO TAX MODERNISATION PROJECT

Financing Agreement reference: 2100150038494
Sector: Tax Administration
Project ID No.: P-LS-KF0-003



The Government of the Kingdom of Lesotho has received financing from the African Development Bank towards implementation of the Lesotho Tax Modernisation Project and intends to apply part of the agreed amount for this grant to payments under the contract: An Individual Consultant for capacitation of Lesotho Revenue Authority (LRA) Auditors and Investigators on telecommunication sector.

The Individual Consultant's services included under this project are as follows:

- Provide training and help advance the delivery of strategic objectives to meet the LRA's operational, training and development strategy within the telecommunication industry.
- Assist the LRA Auditors with the identification and implementation of actionable and effective measures to enforce financial transparency and compliance in the telecommunication industry by way of auditing and analysing the services providers; systems, processes, procedures and compliance from production through to final sales, including; inventory and security controls and ensure optimal revenue is achieved by producers not only in Lesotho but also at point of sale, to verify the integrity of systems, security of product, prevent collusion and ensure that the maximum prices are realised for the rough diamonds of Lesotho.
- Advise on measures that will create transparent and accountable telecommunication sector governance.
- Enhance the scope and effectiveness of audits and revenue recovery from the telecommunication sector.
- Establish and implement mechanisms for full disclosure of verifiable production and financial performance data.
- Improve audit procedures and processes including risk selection and analysis methodology.
- Accurately analyse information provided by telecommunication suppliers including financial records of mining companies and third parties.
- Investigate and recommend adjustments on tax concessions offered to telecommunication companies which result in a reduction of taxation income from telecommunication companies.
- Investigate and implement measures to ensure security of product and financial transparency from production to final point of sale.
- Assist, advise and train GOL representatives on how best to protect the GOL interests and financial returns in telecommunication companies and ensure that those companies are at all times acting in good faith and in the best interests of the people of Lesotho.
- Assess and monitor in-country transfer of skills and knowledge by telecommunication companies, specifically in valuation skills.
- Perform in-depth analysis of sales data, processes, systems, security, quality and value, and report any anomalies or negative trends.
- Audit processes and sales values of non "arms-length" transactions by producers or their agents, in which the GOL retained a financial interest through manufacturing, from rough to final polished sale.
- The telecommunication expert will analyse information including financial records as submitted by the suppliers as well as other third party information, to confirm accuracy of the value, qualities and quantities of telecommunication products declared at the point of sale.
- Confirm that the product sales figures correspond to the value, qualities and quantities declared during export, and compare data to historic sales values.
- Assist the LRA to forge effective communication and cooperation linkages within Government between various ministries and statutory agencies with roles in the telecommunication industry.
- Help foster regional cooperation with other Tax Authorities to facilitate the exchange of knowledge and experience.
- Capacitate the LRA Auditors with the relevant skills, tools and techniques for them to be able to monitor, audit, evaluate production and financial performance of telecommunication companies and perform quality telecommunication tax audits. The Expert will be required to do on the job training to up skill LRA Audit Team: i.e.
 - Hand-hold LRA Audit Team to conduct quality telecommunication tax audits;
 - Identify the LRA Audit Team's skills gaps during hand-holding;
 - Deliver appropriate training. Such training should position the LRA Audit Team, technically, to deal with tax avoidances/ evasion issues/schemes including Transfer Pricing, Thin Capitalisation and other related avoidance schemes prevalent in the telecommunication Sector.
 - Develop an understanding of international relationships and operations of telecommunication companies and their affiliates within the LRA.
 - Strengthen auditor's ability to recognise and prevent trade mispricing, collusion, value manipulation and transfer-pricing practices.
 - Develop an in-depth understanding within the LRA, of the market drivers, industry players, the complex dynamics, intricacies, strengths, vulnerabilities in order to block the loop-holes exploited along the entire diamond pipeline.
- Specifically the Expert will be deployed to do the following with regards to telecommunication sector tax audits:
 - (a) **Tax Issues Identification. i.e. assist the LRA Audit team to;**
 - Identify potential tax issues or problems
 - Determine the underlying reasons/motives for such tax issues
 - Use relevant approaches/systems to determine taxes due
 - (b) **Tax Issues Development. i.e. assist LRA Audit Team to;**
 - Build on the tax issue identified, follow it through and determine tax consequences thereon
 - Ask the right questions for the purposes of conducting quality audits,
 - Analyse the responses from the Taxpayers,
 - Analyse the Taxpayers records effectively,
 - Request the relevant records/ documents.

The above services are to be provided to Lesotho Revenue Authority from **July 2018 to July 2019**.

The Lesotho Revenue Authority now invites eligible consultants to indicate their interest in providing these services. Interested consultants must provide information through the Curriculum Vitae indicating that they are qualified to perform the services. Eligibility criteria, establishment of the short-list and the selection procedure shall be in accordance with the Procurement Policy and Methodology for the African Development Bank Group Funded Operations, dated October 2015, which is available on the Bank's website at <http://www.afdb.org>. Interested consultants may obtain further information at the address below during office hours 08:00 hours to 16:30 hours.

Expressions of interest must be delivered to the address below by **08 June 2018 at 16:30** and mention An Individual Consultant for capacitation of LRA Auditors and Investigators on telecommunication sector.

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