

REQUEST FOR EXPRESSIONS OF INTEREST INDIVIDUAL CONSULTANT

CAPACITATION OF LRA ON AUDITING FINANCIAL 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 financial sector.

The 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 financial industry;
- Assist the LRA Auditors with the identification and Implementation actionable and effective measures to enforce financial transparency and compliance in the financial industry;
- Advice on measures that will create transparent and accountable financial sector governance;
- Enhance the scope and effectiveness of audits and revenue recovery from the financial 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 financial sector Taxpayers, including their financial records and third parties;
- Investigate and recommend adjustments on tax concessions offered to financial sector companies which result in a reduction of taxation income from those companies;
- Investigate and implement measures to ensure security of product and financial transparency from production to final point of sale;
- Assist, advice and train GOL representatives on how best to protect the GOL interests and financial returns in financial sector companies and ensure that the 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 financial companies, specifically in valuation skills;
- Perform in-depth analysis of sales data, processes, systems, security an, quality and value, and report any anomalies or negative trends;
- The expert will analyse information including financial records as submitted by the financial sector companies as well as other third party information, to confirm accuracy of the value, qualities and quantities financial sector products declared at the point of sale,
- Confirm that the product sales figures correspond to the value, qualities and quantities declared during exports, 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 financial sector;
- 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 financial companies and perform quality financial sector 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 financial sector 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 financial sector;
 - Develop an understanding of international relationships and operations of financial sector 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 financial sector tax audits:
- Specifically the Expert will be deployed to do the following with regards to mining 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 Individual 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 financial sector.

Attn: Mr. Rakokoana Makoa: Lesotho Tax Modernisation Project
Email: R.Makoa@lra.org.ls / or call +266 22313796/+266 52215791

Lesotho Revenue Authority
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