



## REQUEST FOR EXPRESSION OF INTEREST

### Assignment title: LCN External Audit of EOL Project 2022

#### Invitation

Lesotho Council of NGO's (LCN) invites Applications from eligible local auditing firms to submit separate **Technical** and **Financial** proposals for **LCN External Audit of its Education Out Loud Project (EOL 2022)**. Interested firms must provide information indicating that they are qualified to perform the services (Brochures, legal status, Valid Tax Clearance, membership with relevant professional bodies, description of previous similar assignments, Lead time, experience in similar conditions, and availability of appropriate technical skills among staff). The CVs of the leading Auditors must be attached to the proposal.

#### Detailed Terms of Reference are as below:

1. The auditor shall be appointed by the administrator of the organisation following a strict procurement process assuring that competitive and independent quotations were obtained.
2. The auditor must be a chartered accountant or poses a similar education and title in the specific country and must be able to conduct the audit in accordance with national laws and the International Standards on Auditing (ISA).

#### Objectives of the Audit

- a. The objective of the audit of the GRANTEE financial statements is to enable the auditors to express an independent professional opinion on the financial position of GRANTEE and to ensure that the funds utilized for EOL funded activities have been used for their intended purposes.
- b. The books of accounts of the GRANTEE provide the basis for preparation of the GRANTEE's Financial Statements. Proper books of accounts as required by law have been maintained by the GRANTEE, and the GRANTEE has also maintained adequate internal controls and supporting documentation for the transactions.

## Scope of Audit

The scope of audit is the project audit of the *OC1 EOL grant agreement* for the 2022 calendar year. The organisation management must provide the auditor access to the grant agreement and all related documents (annexes, reports, and any other relevant documents that the auditor may deem important to the audit).

3. The audit of financial transactions will be based on spot check examinations of the quality of voucher material and its correct recording in the books, with a view, among other things, to assessing its significance and risk.
4. The auditor shall verify:
  - 4.1. that the accounts and reconciliations are correct and accurate and do not contain significant errors or omissions
  - 4.2. that the financial provisions (accounting policies) contained in agreements with local regulations and Oxfam have been complied with
  - 4.3. that the transactions comprised by the accounts are in conformity with the conditions and general objectives for the grants as agreed with Oxfam IBIS and the budget.
5. The following are examples of the performance areas that the organisation must practise satisfactorily, and that the auditor will inspect, most likely through random spot checks.
  - 5.1. The procedures and control mechanisms related to approval of vouchers are satisfactory. The approval of a voucher must ensure that the voucher is based on thrift.
  - 5.2. Payroll costs for individual staff are reasonable when compared with relevant comparable organisations, salary statistics, guidelines, or the like.
  - 5.3. If the organisation has multiple donors, its shared costs should be reasonably allocated to OC1 when compared with other grants.
  - 5.4. Competitive quotations are being obtained in relation to procurement of goods and services.
  - 5.5. Available assets are being kept in an appropriate manner and according to rules and regulations.
6. Additionally, the auditor will assess and comment on any exchange rate gain or loss generated at the end of the calendar year.
7. Due diligence:

The auditors are to assess the grantee's progress on closing due diligence findings since the last assessment, either by the previous audit or as conducted by the relevant Regional Management Unit.

8. Presentation of financial figures in home currency and USD

The financial statement is to be presented in the grantee's local or home currency with corresponding figures in USD. As for the foreign exchange rate, EOL has used fund transfer rate for reporting, fundamentally the FIFO method.

9. Languages

The audit report is to be submitted in English.

## 10. Legal barriers to making financial documentation available online

EOL would like the auditors view of whether there is anything preventing EOL demanding from grantees to make financial documentation available online, such as in a cloud storage solution. The grantee can continue to keep a hard copy archive, which is very likely also demanded by national law.

11. The organisation's management is required to provide the auditor with any information that may be considered material for assessment of the accounts and of the organisation's administration of the grant. Similarly, the organisation management should provide the auditor access to initiating any other examination that s/he considers necessary and ensure that the auditor receives the information and assistance needed for performing the audit. If possible, the auditor shall perform its audit physically at the organisation's premises.

### **Audit Duration**

The audit work shall be completed within 3 weeks of commencement date, and deliverables presented within 5 business days thereafter.

### **Audit Deliverables**

1. The Auditors on completion of the audit work will submit 2 (two) original copies of the Audit Report appended to the Financial Statements along with the reports
2. Management letter in accordance with the scope of work described here in the TOR.

The auditor's statement must be issued in accordance with the ISA 700 or 800 (revised).

### **SUBMISSION**

The applications should be Emailed to: [recruitment@lcn.org.ls](mailto:recruitment@lcn.org.ls) by **12<sup>th</sup> January 2023** with the "EOL EXTERNAL AUDIT 2022" as the Subject line. Only shortlisted proposals will be contacted. For further clarification, Finance and Administration Manager can be reached at [fam@lcn.org.ls](mailto:fam@lcn.org.ls) / **22317205** before **12<sup>th</sup> January 2023**. Late submissions will not be accepted