



Terms of References (ToRs) for External Auditors audit

This is an advert to solicit LCN external Auditors that will be contracted for two years, with an option to extend two more final years.

1. The auditor shall be appointed following a strict procurement process assuring that competition, fairness and credibility are obtained.
2. The auditor must be a chartered accountant or poses a similar education and title and must be able to conduct the audit in accordance with Lesotho laws and the International Standards on Auditing (ISA).

OBJECTIVE OF THE AUDIT

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

SCOPE OF AUDIT

The scope of audit is LCN overall audit for each calendar year 2023/2024 until 2024/2025. LCN fiscal year runs from October to December. LCN management shall provide the auditor access to the grant agreements 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 adequate 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 have been complied with
 - 4.3. that the transactions comprised by the accounts are in conformity with the conditions and general contents of LCN policies.
5. The following are examples of the performance areas that the organisation must practice satisfactorily, and that the auditor will inspect as well as do checks sufficiently.

- 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, established policies and procedures for compliance and other accounting routines.
- 5.3. Competitive quotations are being obtained in relation to procurement of goods and services.
- 5.4. Available assets are being kept in an appropriate manner and according to rules and regulations.
- 5.5. Project materials and equipment such computers and phones are properly recorded, maintained in *Asset register* and it is included in annual audit report.

6. Presentation of financial figures in local currency

The financial statement is to be presented in local currency with corresponding figures.

7. Languages

The audit report is to be submitted in *English*.

8. Similarly, LCN management shall 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.

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).

9. Right of Admission

LCN reserves the right of choice of a firm and or the right to withdraw the advert should there be no matching firm.

10. Submission

Submission should be send to: recruitment@lcn.org.ls or hand delivered to LCN offices House NO 544, Hoohlo Extension by **12:00noon [19th July 2024]**.

LCN reserves the right of choice of a consultant/s and/or firm and the right to withdraw the advert if the no one meets the criteria.