



January 7, 2018  
PSA/LRA-044/FY17-18

# **REQUEST FOR EXPRESSIONS OF INTEREST (REOI)**

## **Provision of Consultant Services for Audits of the Liberian Shipping Industry**

Reference #: LRA/PRJ/QCBS/001/17-18

### **1. Background**

The LRA is mandated under the Liberia Revenue Authority Act of 2013 to administer and enforce revenue laws in accordance with the Liberia Revenue Code and other related legislations and regulations. Since its establishment in July 2014, LRA embarked on a massive transformation and modernization of tax administration to facilitate the execution of its mandate.

LRA has received funding from Open Society Initiative for West Africa (OSIWA) to undertake tax audit in the maritime sector. LRA intends to use the funds to engage the services of an independent and reputable professional accounting firm with appropriate expertise and experience in auditing the international shipping sector to conduct a comprehensive tax audit of the revenues due the Country under its Maritime Program. The selected firm will work alongside LRA's Large Tax Audit staff to execute the revenue audit and facilitate hands-on skills and knowledge transfer to strengthen the capacity of the designated LRA's auditors.

### **2. Objective of the Assignment**

The overarching objectives of the Tax Audit Compliance project covering the Maritime Sector are to conduct an effective risk-based tax audit of Liberia's Shipping Registry and to strengthen the capacity of the Large Tax Division Audit Section through practical skills transfer to LRA designated audit personnel. For each relevant tax period, the specific objectives include:

- a) To conduct a comprehensive audit of the AGENT and its activities for purposes of determining the extent of tax compliance with the Ratified Agreement(s) covering the audit period, the Liberia Revenue Code (LRC), Liberian Maritime Law (LML), and other legislations relevant to the AGENT's management of Liberia's Maritime program and primarily determine compliance with the payment and remittance of

**the true and fair share of revenue due Liberia from the program to the consolidated revenue account;**

- b) Verify the accuracy, completeness, integrity and reliability of all (i) DCO fees, (ii) Section 2.40 fees and expenses, (iii) corporate registration fees, (iv) Ship Registration fees and Change of Name fees, (v) Annual Tonnage taxes, and (vi) all other Taxes**
- c) Confirm the correct and timely remittance of all amounts due from the AGENT to the consolidated account in accordance with the Liberian Maritime Act, the Agreement between the GOL and the AGENT, and the Public Financial Management Act of 2009;**
- d) Identify any tax avoidance scheme, the correct tax position in relation to any such scheme, appropriate remedial actions to be taken; and**
- e) Strengthen the capacity of the LRA' tax auditors, particularly the ability of Large Tax Audit Section (LTAS) to conduct effective risk-based tax audits in the sector.**

### **3. Scope of the Assignment**

**This first phase of the Maritime Sector Tax Audit Compliance project will cover all periods agreed in this term of reference and shall consist of evaluation and review of compliance with relevant statutes governing all Liberian flag vessels and the Registry operated and managed by the AGENT to determine GOL's true and fair share of the revenues, fees, fines and penalties.**

### **4. Key Deliverables**

**The Firm's team of auditors will work alongside designated Large Tax Audit staff assigned to the team and the Assistant Commissioner for Large Tax Division throughout the audit process, from risk identification, analysis to planning, audit execution, reconciliation, reporting and closure. Key deliverables will include:**

- a) Project plan and timeline for the overall audit agreed with the Commissioner of Domestic Tax Department;**
- b) Audit report(s) for each assigned case that includes a detailed description of the extent of compliance with the provisions and requirements of the Liberia Revenue Code and other applicable laws and regulations, quantifying and qualifying all areas of non-compliance, and any other items relevant to documenting the audit;**
- c) Reconciling reports of amounts due (whether reported or unreported) from the AGENT to the Government of Liberia (GOL);**

- d) **Schedules of fully reconciled tax positions clearly indicating any taxes due in accordance with the Ratified Agreement(s), Liberia Revenue Code and other applicable legislation;**
- e) **Soft copies of all schedules, templates and financial models used during the audit and analysis;**
- f) **Management report highlighting key areas of non- compliance, any unresolved issues and areas for future audit/review focus;**

## **5. Qualification and Experience**

### **A. FIRM**

- I. **The Firm should be an accounting or auditing body of International repute;**
- II. **Must have at least seven (7) years experience in the area of Maritime or with shipping audits.**
- III. **Knowledge and understanding of taxation and Liberia Revenue Code.**

### **B. Expert(s)**

- I. **The Tax Manager should be:**
  - ▶ **Minimum Bachelor Degree and at least six (6) years' experience in providing tax audit services. Knowledge of the shipping industry is a plus.**
  - ▶ **Professional certification as an auditor.**
  - ▶ **Experience with IFAC standards, in particular International Standards on Auditing and with specific demonstrable experience in conducting tax audits.**
- II. **The Senior Tax Advisor/Auditor should be:**
  - ▶ **Qualified tax experts(s) with minimum Bachelor degree and at least four (4) years professional tax experience in public or private practice. Knowledge of the shipping industry is a plus.**

## **6. Duration, Deliverables and Administrative Arrangements**

- ✓ **The duration of the consultancy is three (3) months.**

- ✓ In the interest of ensuring quality assurance, the consultancy will have matrix reporting requirements at the technical level involving LRA Staff.

Expressions of interest are now invited from qualified firms to indicate their interest in providing the above-mentioned stated services.

Interested Firms must provide information indicating that they are qualified to perform the services (brief profile, description of similar assignments, experience in similar conditions, availability of appropriate skills, etc.). Firms will be selected in accordance with the procedures and provisions set out in the Public Procurement and Concessions Act (PPCA) revised Sept 2010.

Expressions of Interest must be clearly marked "Expression of Interest for the Provision of Consultant Services for Audits of the Liberian Shipping Industry" and delivered to the address below (by hand or e-mail).

Proposal must be submitted on or before Monday, January 29, 2018, 2:00 PM at the Liberia Revenue Authority Headquarters, ELWA Junction, Paynesville, Liberia

**Provision of Consultant Services for Audits of the Liberian Shipping Industry**

Liberia Revenue Authority

LRA Headquarters

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