

# M Putsoa & Associates

## Chartered Accountants and Business Consultants

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24<sup>th</sup> September 2020

Chairman of the Board of Directors  
Leseli hub (Pty) Ltd  
Metcash Building  
Maseru.

Dear Sir,

### MANAGEMENT LETTER FOR THE YEARS ENDED 31<sup>ST</sup> MARCH 2019 AND 2020

#### 1. INTRODUCTION

We submit to the Board matters arising out of our audit for the years ended 31<sup>st</sup> March 2019 and 2020 for the attention of Management.

The Management's role is to put in place reliable internal control system culminating in safeguarding the assets of the Company. In fulfilling the above mentioned responsibility, estimates and judgments, by Management, are required to assess the expected benefits and related costs of internal control policies and procedures. The purpose is to have reliable internal control systems that provide Management with reasonable assurance that the Company's assets are safeguarded against loss from unauthorized use or disposition, and that the daily transactions are accordingly approved by Management and recorded properly in the books of accounts to facilitate production of annual financial statements in accordance with the International Accounting Standards.

Due to the fact that there is always an inherent risk that the internal control system may not detect all irregularities and errors and may not be detected regardless of how sound the internal control structure is, the audit was, therefore, not meant to uncover all irregularities and weaknesses in the system of internal controls.

The Company still does not have any accounting policies and regulations and it is thus operating on the strength of those officers assigned to manage the Company.



## 2. ACCOUNTING AND INTERNAL CONTROLS

The accounting records are kept on spreadsheets which have been designed by the officers in charge and understood to a great extent by them. However, all efforts have been made to keep a good record of all transaction in the business. This poses the danger of creating problems when the current Directors have to change and new ones may not be able to cope in following those spreadsheets.

The advertising and marketing industry has developed the software called Pastel, Quick Books and Oracles which is specifically designed to deal with any the type of business including the business Leseli hub (Pty) Ltd is engaged in. Therefore consider for use.

## 3. RECEIVABLES


The Spreadsheet system used here makes it difficult to accurately trace the receivables from members. A software like Pastel can do this very efficiently.

## 4. BANK STATEMENTS

The Bank reconciliation must be done monthly in order to keep the good track record of what's going on in the bank account.

## 5. REPORTING

We are aware that the Committee is expected to report to senior management on a regular basis. To make things easy for those who have to report, a reporting template has to be designed or the software referred to above has a reporting module.

  
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M. Putsoa & Associates

