



ALFRED NZO
DISTRICT MUNICIPALITY

TERMS OF REFERENCE

ICT and Fraud Risk Assessment

2020/2021 FINANCIAL YEAR

Issued and Prepared by:

Alfred Nzo District Municipality

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

.1 INTRODUCTION

In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

In fulfilling the above statutory requirement, ANDM seeks to obtain the services of suitably service provider to assist with facilitation of the ICT and Fraud risk assessment for the district in line with existing methodology, Risk Management Strategy, Risk Management Policy and Framework. The service provider is also expected to transfer skills to ANDM staff in relation to the development and implementation of the ICT & Fraud risk mitigating plans.

The service provider will directly report to the Municipal Manager and will work closely with the Risk and Compliance Manager in relation to the coordination, development and compiling of the risk registers.

.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT

1.2.1 Overall Objective

Bids are invited from suitably qualified professional service providers to prepare and submit proposals to facilitate the ICT and Fraud risk assessment and compile risk profiles for the municipality.

1.2.2 Specific Objectives

A well- managed and coordinated project that will deliver the following:

- Identification of threats and risks hindering the achievement of objectives;
- Identification of opportunities that will enhance the delivery of services to ANDM communities;
- Formulation of strategies to manage risks to be within acceptable levels.

2. SCOPE & EXTENT OF WORK

In terms of assisting the municipality in conducting ICT and Fraud risk assessment, the service provider is expected to:

- a) Achieve a deep understanding of the municipality mission, vision, strategic goals, ICT governance & policies, COBIT Framework and objectives and long term development plans as reflected in the Integrated Development Plan;
- b) A thoroughly understanding of the district and goal statements, strategies, systems capabilities and readiness as reflected in the 2020/2021 Council Strategic Plan Abridged Report;
- c) Gather views and data on ICT and Fraud risks;
- d) Review and update the current risk registers i.e. Covid-19, fraud, and ICT and Strategic risk to ensure harmonisation;
- e) Facilitate a session of identifying inherent risks that pose a threat to the municipality;
- f) Facilitate a session of assisting management, councillors to identify the current controls in place to mitigate possible ICT and Fraud) risks identified;
- g) Facilitate a session of identifying current and desired residual risks and their possible impacts on the municipality;
- h) Facilitate a session for the municipality to put in place sound controls to mitigate the risks to be within the municipality's risk appetite and risk tolerance levels;
- i) Prepare a preliminary risk profile;
- j) Validate and finalize the ICT and Fraud) risk profile;
- k) Develop a risk management action plan;
- l) Communicate the risk profile

2.1. Key Focus Areas

- IT governance;
- Service Level Management;
- Security management;
- User account management;
- Program management;
- IT service continuity;
- Physical and environmental controls

3. PROJECT CONTRACT PERIOD

The project contract period will be one month from the date of appointment of the service provider, which is anticipated to take place at the end of September 2020.

4. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES

- a) Top ten strategic ICT & Fraud risks and their mitigating plans,
- b) Detailed ICT & Fraud risk profiles for each business unit;
- c) Submit the progress and a close out report to the Municipal Manager and the Risk Manager;
- d) A well- managed and coordinated project that will deliver credible ICT and Fraud risk registers.

5. GENERAL CONDITIONS

The following should be noted by interested parties:

- a) In-depth knowledge and understanding of the Local Government Sector Legislation and public sector institutions;
- b) Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in the municipality;
- c) Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from the municipality;
- d) On completion or termination of the agreement, all materials and products must be handed over to the municipality;

No information concerning the bid or award of the bid may be made available by the bidder to other parties without prior consultation and written approval from the municipality.

6. REPORTING MECHANISM

The successful service provider will work with the Risk Management Unit. The service provider will have to develop a methodology and project plan that will clearly outline the deliverables, key milestones, and project management arrangements

7. SUBMISSION OF BIDS

- Proposals must be placed in a sealed envelope and clearly marked: "ICT & FRAUD RISK ASSESSMENT for **ANDM**" and placed in the tender box in the Alfred Nzo District Municipality not later than 10H00 on the_____.

8. EVALUATION CRITERIA

Evaluation criteria of the bids;

The bids will be evaluated in two stages, namely:

- Stage 1- Functionality
- Stage 2- Price and BBBEE Points

Only Bidders who score 70% or more on stage 1 would be evaluated further and therefore eligible for the award.

ITEM	Weight
STAGE 1 OF EVALUATION – FUNCTIONALITY	100
• Previous Experience	40
• Capacity and Expertise	40
• Methodology	20
STAGE 2 OF EVALUATION – PRICE & PREFERENTIAL POINTS	100
BBBEE POINTS	20
Price	80

Previous Company Experience	Weighting
Traceable record for successful completion of ICT and Fraud projects in a minimum of 5 and above municipalities or any public sector institutions	40
Traceable record for successful completion of ICT and Fraud projects in a minimum of 3-4 municipalities or any public sector institutions	25
Traceable record for successful completion of ICT and Fraud projects in a minimum of 1-2 municipalities or any public sector institutions	15
<p style="text-align: center;">Maximum Weighting</p> <p>Note COMPULSORY attachments for verifying work done:</p> <p>1. The ANDM Assessment Bidder Form must be completed, stamped and signed by previous employer as a means of verifying references for each project undertaken. If 5 Projects were done, 5 Assessment bidder forms must be completed.</p>	40

<p>2. OR , a traceable record will be evaluated on the basis of:</p> <p>- An appointment letter or official purchase order specifying the contract amount for each project completed.</p>	
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<p>Capacity and Expertise to Undertake the Project</p> <p>Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee</p>	<p>Weighting</p> <p>[40]</p>
<p>A Project Team with the following areas of expertise:</p>	<p>[40]</p>
<ul style="list-style-type: none"> • Must have a minimum of National Diploma (NQF Level 6) in Risk Management or Auditing or Internal Auditing or Auditor General Articles with a minimum of five years' experience, 	<p>20</p>
<ul style="list-style-type: none"> • One or more of people assigned to this project must be registered to relevant Professional Body or Proof of registration of the company with Professional Body; i.e. IRMSA,, SAICA, IIA ; 	<p>20</p>
<p>Maximum Weighting</p> <p>NB: Attach CV and certified copies not older than 3 months for all qualifications.</p>	<p>40</p>
<p>Methodology</p>	<p>[20]</p>
<ul style="list-style-type: none"> • List business units/ processes highly susceptible to fraud and corruption in the municipal environment; 	<p>5</p>
<ul style="list-style-type: none"> • Describe IT governance in the municipal context and provide examples; 	<p>5</p>
<ul style="list-style-type: none"> • Describe Security Management and provide examples; 	<p>5</p>
<ul style="list-style-type: none"> • Describe IT service continuity and provide examples of an adequate IT service continuity in the municipal environment; 	<p>5</p>
<p>Maximum Weighting</p>	<p>20</p>

Total Maximum Weighting [40 + 20]	60
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For any queries regarding this tender, please contact Mr M. Khambula for project related queries; on (039) 254 5294;

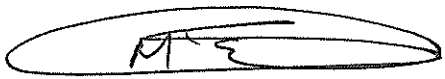
Supply Chain Management contact for SCM related queries at telephone number 039-254-5134 during office hours.

Alfred Nzo District Municipality


Erf 1400 Ntsizwa Street

Mount Ayliff

4735



M KHAMBULA
MANAGER: RISK MANAGEMENT



Z.H SIKHUNDLA
MUNICIPAL MANAGER

Recommendation by Specification Chairperson:

Approved/Not Approved



Mr. L. Mdutyana

Comments by Chairperson:

Approved
