

## TERMS OF REFERENCE



**ANDM/MM- OHS 01/2020-21**  
**INTERNAL AUDIT RISK-BASED: AUDIT OF OCCUPATIONAL HEALTH AND SAFETY AND COVID 19**  
**COMPLIANCE 2020-21**

**Issued and Prepared by:**  
**Alfred Nzo District Municipality**  
**ERF 1400 Ntsizwa Street**  
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**Mount Ayliff**  
**5735**

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## **1. BACKGROUND AND OVERVIEW OF THE PROJECT**

### **1.1 INTRODUCTION**

Section 165 of the MFMA requires that each municipality and each municipal entity must have an internal audit unit. The internal audit unit of a municipality or municipal entity must:

Prepare a risk based audit plan and an internal audit program for each financial year; Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:

- Internal audit;
- Internal controls;
- Accounting procedures and practices;
- Risk and risk management;
- Performance management;
- Loss control;
- Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- Perform any such other duties as may be assigned to it by the accounting officer.

Section 8(1) of Occupational Health and Safety Act of 1993, general duties of employers to their employee, provides that every employer shall provide and maintain, as far as is reasonably practical possible, a working environment that is safe and without risk to the health of his workers. Moreover, section 8(1)(e) also requires provision of such information, instructions, training and supervision as may be necessary to ensure that, as far as is reasonable practicably, health and safety of his employees.

### **1.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT**

#### **1.1.1 Overall objective**

The purpose and primary objective of this project is to test the extent of compliance with Occupational Health and Safety and COVID 19 regulations by ANDM.

### **1.1.2 Specific Objectives**

The Risk Based Combined Assurance Modality and Infrastructure will focus on the following specific matters:

- Evaluate the extent of adherence to Occupational health and safety processes
- Evaluation the extent compliance with COVID 19 regulations
- The extent of processes in place for Occupational health and safety,
- Raise observations, along with recommendations,
- Obtain comments regarding findings raised from relevant management,
- Analyze and evaluate submitted management responses,
- Prepare draft internal audit report with management responses,
- Table draft internal audit report to the Chief Audit Executive, and discuss key observations,
- Prepare final report for tabling to management and audit committee respectively.

### **2. SCOPE & extent of work**

The scope of this audit assignment shall be to examine the compliance of the ANDM with relevant Occupational Health and Safety regulations, and also to provide assurance on whether ANDM adequately complies with COVID 19 regulations. Further the service provider will assess management responses in terms of risks raised on ANDM Risk Register relating to occupational health and safety issues.

### **3. PROJECT TIME FRAME**

The project time-frame will be a month from the date of appointment of the service provider.

### **4. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES**

- Informal Audit queries
- Raised audit observations, along with recommendations, through communication of audit findings
- Prepare final report for tabling to management and audit committee respectively.
- Performance improvement plan relating to internal audit findings raised.

## 5. STAKEHOLDERS CONSULTATION

- MANAGEMENT
- SCM UNIT
- BUDGET AND REPORTING SECTION

## 6. PROJECT MANAGEMENT AND REPORTING MECHANISM

The entire project management exercise will be performed by Chief Audit Executive- Alfred Nzo District Municipality. Ongoing progress reports will be forwarded to the Chief Audit Executive. All invoices pertaining to work done will also be submitted to the Chief Audit Executive. The Project Manager has the right to change the frequency of reporting as and when necessary.

## 7. SUBMISSION OF BIDS

Proposals must be placed in a sealed envelope and clearly marked: **“INTERNAL AUDIT RISK-BASED: AUDIT OF OCCUPATIONAL HEALTH AND SAFETY AND COVID 19 COMPLIANCE 2020-21”** and be placed in the tender box in the Alfred Nzo District Municipality.

## 8. EVALUATION CRITERIA

Evaluation criteria of the quotation

**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.

**EXAMPLE:**

<b>STAGE 1 OF EVALUATION – FUNCTIONALITY</b>		<b>100</b>
• Previous Experience		<b>50</b>

• Capacity and Expertise	50
<b>STAGE 2 OF EVALUATION – PRICE &amp; PREFERENTIAL POINTS</b>	<b>100</b>
<b>BBBEE POINTS</b>	<b>20</b>
<b>Price</b>	<b>80</b>

<b>Previous Company Experience</b>	<b>Weighting</b>
<b>Note: The scoring in this section is not cumulative.</b>	
Traceable records for successful completion of Risk Based Internal Audit and Compliance Reviews in five institutions within public sector to the value of at least R 50 000.00 per assignment.	50
Traceable records for successful completion of Risk Based Internal Audit and Compliance Reviews in four institutions within public sector to the value of at least R 50 000.00 per assignment	40
Traceable records for successful completion of Risk Based Internal Audit Reviews and Development of Internal Audit Frameworks and policies in three institutions within public sector to the value of at least R 50 000.00 per assignment.	30
Traceable records for successful completion of Risk Based Internal Audit and Compliance Reviews in two institutions within public sector to the value of at least R 50 000.00 per assignment.	20
Traceable records for successful completion of Risk Based Internal Audit and Compliance Reviews in one institution within public sector to the value of at least R 50 000.00 per assignment.	10
Maximum Weighting Note <b>COMPULSORY</b> attachments for verifying work done: 1. The ANDM Assessment of Bidder Form must be completed, stamped	<b>50</b>

<p>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> <p>2. In ADDITION to the above, a traceable record will be evaluated on the basis of:</p> <ul style="list-style-type: none"> <li>- Appointment letter/ purchase Order.</li> </ul>	
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<b>Capacity and Expertise to Undertake the Project</b>	<b>Weighting</b>
<b>Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee</b>	<b>[50]</b>
<b>A Project Team with the following areas of expertise:</b>	<b>[30]</b>
The Team Leader of the project must be a Chartered Accountant (CA) or Certified Internal Auditor with minimum of 7 years' experience in the Auditing/ Internal Auditing or Accounting.	15
Team member with NQF Level 7 Qualification in Accounting, Auditing/ Internal Audit, couple with minimum of 5 years' experience in the Auditing/ Internal Auditing and Accounting.	10
All Team members must be registered with anyone of the following professional bodies: South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors (IIA), Association of Certified Chartered Accountants (ACCA) or Chartered Institute of Governance, Finance, Audit and Risk Officers (CIGFARO).  Attach proof of registration.	5

<b>Maximum Weighting</b> NB: Attach CV and certified copies of their qualifications not older than 6 months.	<b>30</b>
<b>Resources to execute the work</b>	<b>[20]</b>
2 Team members be on site along with their tools of trade (attached affidavit stating possession of tools of trade)	20
Team members be on site and work internal Audit Team in order to transfer skills. (Attached Transfer skills plan with timeframes)	10
<b>Maximum Weighting</b>	<b>20</b>
<b>Total Maximum Weighting</b> <b>[30 + 20]</b>	<b>50</b>



For any queries regarding this tender, please contact Mr S. Nelani: Chief Audit Executive for project related queries; on (039) 254 5108 or; Supply Chain Management contact for SCM related queries at telephone number 039-254-5134 during office hours.

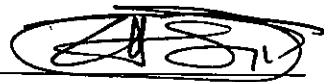
**Alfred Nzo district Municipality**

**Erf 1400 Ntsizwa Street**

**Mount Ayliff**

**4735**

Yours in municipal administration,



**Mr. Z.H. Sikhundla**

**MUNICIPAL MANAGER**

**Recommendation by Specification Chairperson:**

**Approved/Not Approved**

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**Mr. L. Mduyana**

**Comments by Chairperson:**

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