



**ALFRED NZO**  
DISTRICT MUNICIPALITY

**TERMS OF REFERENCE**

**INTERNAL AUDIT RISK-BASED: AUDIT OF OCCUPATIONAL HEALTH AND  
SAFETY MEASURES AND COMPLIANCE WITH COVID 19 REGULATIONS  
2021-22 [ANDA]**

**Issued and Prepared by:**

**Alfred Nzo District Municipality**

**ERF 1400 Ntsizwa Street**

**Mount Ayliff**

**4735**

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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 that the provide 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**

### **1.2.1. 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 Alfred Nzo Development Agency (ANDA).

### **1.2.2. 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 of the extent compliance with COVID 19 regulations
- The extent of processes in place for raised observations, along with recommendations
- Confirm Accuracy of the raised observation with the relevant managers
- 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.
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## **2. SCOPE & EXTENT OF WORK**

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

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

The project time-frame will be a two months 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.

### **5. STAKEHOLDERS CONSULTATION**

- MANAGEMENT
- SCM UNIT
- BUDGET AND REPORTING SECTION
- AUDIT AND PERFORMANCE COMMITTEE

### **6. PROJECT MANAGEMENT**

The entire project management exercise will be performed by Chief Audit Executive- Alfred Nzo Development. Ongoing progress reports will forwarded to the Chief Audit Executive. All invoices pertaining to the work done will also be submitted to the Chief Audit Executive.

### **7. REPORTING MECHANISM**

The progress reports will be submitted to Chief Audit Executive of Alfred Nzo Development Agency bi weekly. The Project Manager has the right to change the frequency of reporting as and when necessary.

## 8. SUBMISSION OF BIDS

Quotations must be placed in a sealed envelope and clearly marked: "Quotations –*Internal Audit Risk-Based: Audit of Occupational Health and Safety Measures And Compliance with Covid 19 Regulations 2021-22 [ANDA]* and placed in the tender box in the Alfred Nzo District Municipality not later than 10H00 on the \_\_\_\_\_.

## 9. EVALUATION CRITERIA

Evaluation criteria of the quotations;

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

<b>Previous Company Experience</b>	<b>Scoring</b>
<b>Note: The scoring in this section is not cumulative</b>	

Traceable record for successful completion of Risk Based Internal Audit and Compliance reviews in 3 public sector institutions or state owned entities.	50
Traceable record for successful completion of Risk Based Internal Audit and Compliance reviews in 2 public sector institutions or state owned entities.	30
Traceable record for successful completion of Risk Based Internal Audit and Compliance reviews in 1 public sector institution or state owned entity.	10
<p style="text-align: center;"><b>Total Scoring</b></p> <p><b>Note COMPULSORY attachments for verifying work done:</b></p> <p><b>1. The ANDM Assessment of Bidder Form must be completed, stamped and signed by previous employer as a means of verifying references for each project undertaken. If 3 Projects were done, 3 Assessment bidder forms must be completed.</b></p> <p><b>2. In ADDITION to the above, a traceable record will be evaluated on the basis of:</b></p> <p><b>- Appointment letter/ purchase Order</b></p>	50

<b>Capacity and Expertise to Undertake the Project</b>	<b>Scoring</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 Bcom Hon. Degree / Postgraduate Diploma in Accounting Science with minimum 5 years' experience in the Auditing/ Internal Auditing and Accounting in public sector environment.	20
Team member with NQF Level 7 Qualification in Accounting, Auditing/ Internal Audit or equivalent , couple with minimum of 3 years' experience in the Auditing/ Internal Auditing and Accounting in public sector environment	15
A team member must be registered in one or more 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), South African Institute of Professional Accountants (SAIPA)  Attach proof of registration.	15
<b>Total Scoring [20+15+15]</b>  NB: Attach CV and certified copies of their qualifications not older than 6 months.	<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**

Approved/Not Approved 

**Mr. L. Mdutyana**

**Comments by Chairperson:**

*Audit of occupational health & safety  
measures and compliance with Covid-19  
regulations*