



ALFRED NZO

DISRICT MUNICIPALITY

TERMS OF REFERENCE

**CONDUCT STRATEGIC and OPERATIONAL RISK ASSESSMENT - ANDM
2022/23 FINANCIAL YEAR**

Issued and Prepared by:

Alfred Nzo District Municipality

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Mount Ayliff

4735

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1 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 strategic and operational 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 strategic 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 Compliance Framework.

1.2 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 strategic and operational 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 Strategic and Operational risk assessment, the service provider is expected to:



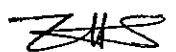
- a) Achieve a deep understanding of the municipality mission, vision, strategic goals and objectives and long term development plans as reflected in the Integrated Development Plan;
- b) A thoroughly understanding of the district and goal statements, strategies, systems capabilities and readiness as reflected in the 2022/2023 Council Strategic Plan Abridged Report;
- c) Gather views and data on Strategic and Operational 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 strategic 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 strategic risk profile;
- k) Develop a risk management action plan;
- l) Communicate the risk profile.

3. PROJECT TIME FRAME

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

4. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES

- a) Top ten strategic risks and their mitigating plans,
- b) Detailed operational 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 Strategic and Operational 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;

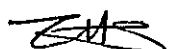
No information concerning the bid or award of the bid may be made available by the bidder to other parties without prior consultation and written approval from the municipality.

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: "Risk Assessment 2022_23 for **ANDM**" and placed in the bid box in the Alfred Nzo District Municipality not later than 10H00 on the_____.



8. EVALUATION CRITERIA

Evaluation criteria of the bid;

The bids will be evaluated in two stages, namely:

- Stage 1- Functionality
- Stage 2- Price

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

STAGE 1 OF EVALUATION – FUNCTIONALITY	
• Previous Experience	40
• Capacity and Expertise	40
• Methodology	20
STAGE 2 OF EVALUATION – PRICE	
Price	100

Previous Company Experience	Scoring
Note: The scoring in this section is not cumulative.	
Traceable record for successful carrying out 3 or more projects of strategic and operational risk assessments in municipal environment or any public sector institution to a minimum value of R100 000.00 each.	50
Traceable record for successful carrying out 2 projects of strategic and operational risk assessment in municipal environment or any public sector institution to a minimum value of R100 000.00 each.	30
Traceable record for successful carrying out 1 project of strategic and operational risk assessment in a municipal or any public sector institution to a minimum value of R100 000.00 .	20
Total Scoring	50
Note COMPULSORY attachments for verifying work done:	
1. The ANDM Assessment Bidder Form must be completed, stamped and signed by previous employer as a means of verifying references for each	

<p>project undertaken. If 3 Projects were done, 3 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"> - An appointment letter or - Official purchase order. 	
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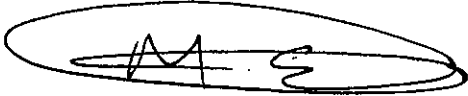
<p>Capacity and Expertise to Undertake the Project</p> <p>Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee</p>	Scoring
	[30]
<p>A Project Team with the following areas of expertise:</p>	[30]
<ul style="list-style-type: none"> • Must have a minimum of National Diploma (NQF Level 6) in Risk Management/Auditing/Internal Auditing/ Completed Articles coupled with post article experience. 	20
<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 ; 	10
<p>Total Scoring</p> <p>NB: Attach CV and certified copies not older than 3 months for all qualifications</p>	30
<p>Methodology</p>	[20]
<ul style="list-style-type: none"> • List and explain 10 key risks and their proposed mitigating strategies that are inherent in a municipality environment. 	20
<p>Total Scoring</p> <p style="text-align: right;">[50 + 30 + 20]</p>	100

For any queries regarding this bid, please contact Mr M. Khambula for project related queries; on (039) 254 5105/ 079 361 3267.

Supply Chain Management contact for SCM related queries at telephone number 039-254-5187- Ms L. Mbewu during office hours.

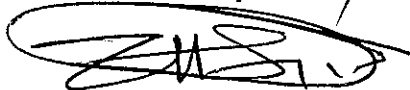
Alfred Nzo District Municipality
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Yours in municipal administration,



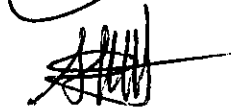
M KHAMBULA
MANAGER: RISK MANAGEMENT

Recommended/Not Recommended



Z.H SIKHUNDLA
MUNICIPAL MANAGER

Approved/Not Approved



Mr. L. Mdutyana
Specification Chairperson

Comments by Chairperson:

Approved- Conduct Strategic & Operational Risk Assessment - A+IAM

