



ALFRED NZO
DISTRICT MUNICIPALITY

TERMS OF REFERENCE
ALFRED NZO DEVELOPMENT AGENCY'S
ANNUAL PERFORMANCE INFORMATION AND ANNUAL FINANCIAL
STATEMENTS REVIEWS FOR
2023/24 FINANCIAL YEAR

Issued and Prepared by:
Alfred Nzo District Municipality
ERF 1400 Ntsizwa Street
P/Bag x 511
Mount Ayliff
4735

Senior Manager: Municipal Manager – Zamide H. Sikhundla
Contact Person: Mr. Sakhiwo Nelani
Tel: 039 254 5108
Fax: 039 254 0343

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1 INTRODUCTION

In terms of section 45 of the Municipal Systems Act, No. 32 of 2000, audit of performance measurements- the results of performance measurements in terms of section 41 (1) (c) must be audited-

- a. as part of the municipality's internal audit processes; and
- b. annually by Auditor-General.

Furthermore, Section 14(1) (a) of the Municipal Planning and Performance Management Regulations 2001 stipulates that a Municipality must develop and implement mechanism, systems and processes for auditing the results of performance measurements as part of its internal auditing processes.

- b) Any auditing in terms of paragraph (a) must include assessment of the following:
 - i. The functionality of the municipality's performance management system;
 - ii. Whether performance management system complies with the act; and
 - iii. The extent to which the municipality's performance management systems are reliable in measuring performance municipalities on indicators referred to in regulation 9 and 10.
- c) A municipality's internal auditors must –
 - i. On continuous basis audit the performance measures of the municipality; and
 - ii. Submit quarterly reports on their audits to the municipal manager and performance audit committee referred to in sub regulation (2)

Furthermore section 166 (2) of the Municipal Finance Management Act, No 56 of 2003 also state that an audit committee is an independent advisory body which must- (b) review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.

1.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT

1.2.1 Overall objective

To review the credibility of the municipality's Annual Financial Statements and Annual performance Report before submission to the Audit and Performance Committee and Auditor General respectively.

1.2.2 Specific Objectives

- Raised audit observations, along with recommendations, through communication of audit findings pertaining to AFS and APR of Alfred Nzo Development Agency.
- Solicit Management Comments / responses
- Analyse and evaluate submitted management responses
- Prepare draft internal audit report with management responses
- Table draft internal audit report to the Internal Audit Manager, and discuss key observations
- Prepare final report for tabling to management and audit committee respectively.

2. SCOPE & EXTENT OF WORK

Quotations are invited from suitably qualified professional service providers to Review Annual Financial Statements and Annual Performance Report 2022-23. The service provider will focus on the following:

- Test the extent of alignment Annual Performance information Report with targets as set in Development Agency's Service Delivery and Budget Implementation Plan 2022-23,
- (Determine the extent of compliance with Performance Management Regulations and Municipal Systems Act.
- Determine the extent of compliance with Performance Management policy of the municipal entity.

- Verify the achieved targets as indicated in the Annual Performance Report.
- Test Completeness of Annual performance information report
- Also review the credibility of the municipal entity's Annual Financial Statements before submission to the Audit Committee and Auditor General respectively.
- Establish whether all disclosures are made in the Annual Financial Statements. This includes checking whether the statements reconcile with the trial balance as well as with supporting schedules. Also test the presentation and the extent of compliance to the applicable accounting standards and applicable legislation.

3. PROJECT TIME FRAME

The project time frame will be 14 days.

4. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES

- Raised audit observations, along with recommendations, through communication of audit findings
- Solicit Management Comments / responses
- Management responses
- Internal audit report with management responses
- Prepare final report for tabling to management and audit committee respectively.

5. STAKEHOLDERS CONSULTATION

- MANAGEMENT
- SCM UNIT
- BUDGET AND REPORTING SECTION

6. PROJECT MANAGEMENT

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 the work done will also be submitted to the Chief Audit Executive.

REPORTING MECHANISM

It is expected that regular progress reports will be submitted to Chief Audit Executive of Alfred Nzo District Municipality. The Project Manager has the right to change the frequency of reporting as and when necessary.

7. SUBMISSION OF QUATATION

Quotation must be placed in a sealed envelope and clearly marked: **“ALFRED NZO DEVELOPMENT AGENCY’S ANNUAL FINANCIAL STATEMENTS REVIEWS FOR 2022-23”** and placed in the tender box in the Alfred Nzo District Municipality not later than 10H00 on the _____.

8. CAPACITY TO EXECUTE THE WORK

Evaluation criteria of the quotation;

The quotations will be evaluated in two stages, namely:

- Stage 1- Capacity to Execute Work
- Stage 2- Price and Specific Goal

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

ITEM	Scoring
STAGE 1 OF EVALUATION – FUNCTIONALITY	100
• Previous Experience	50
• Capacity and Expertise	50
Total Scoring	100

Price and Preference

Bids or quotations will be evaluated according to the 80/20 Point System in compliance with Preferential Policy Act 5 of 2000 and Preferential Procurement Regulations 2022.

Preferential Procurement Goals	Proof to be attached to the Claim full Points	Points
Price	N/A	80
Specific Goal		20

Bidders will Score Specific Goals as follows:

Empowerment of Women	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must 51% or more	6
Youth	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	4
Disabled	Attach a Signed Letter from Health Practitioner	5
Black Owned Companies	Attach CK and ID Certified	5

	Copies of Directors Claiming Specific Goals for Bidders to obtain full points, the percentage of equity must be 51% or more	
Total Scoring		100

Previous Company Experience	Scoring
Traceable record for successful completion of Assurance reviews on Performance Information & Annual Financial Statements Reviews: 4 or more municipalities or government entities to the minimum value of R80 000.00. per project	50
Traceable record for successful completion of Assurance reviews on Performance Information & Annual Financial Statements Reviews: 3 government entities to the minimum value of R80 000.00. per project	40
Traceable record for successful completion of Assurance reviews on Performance Information & Annual Financial Statements Reviews: 2 municipalities or government entities to the minimum value of R80 000.00. per project	35
Traceable record for successful completion of Assurance reviews on Performance Information & Annual Financial Statements Reviews: 1 municipality or government entity to the minimum value of R80 000.00.	25

Total Scoring	50
<p>Note COMPULSORY attachments for verifying work done:</p> <ol style="list-style-type: none"> 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 4 Projects were done, 4 Assessments of bidder forms must be completed. 2. In ADDITION to the above, a traceable record will be evaluated on the basis of: <ul style="list-style-type: none"> -An Appointment Letter/ purchase Order 	

<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 [50]
A Project Team with the following areas of expertise:	
The Team Leader of the project must have NQF Level 8 Qualification in any of the following Auditing/ Internal Auditing/ Accounting and be a member of IIA or CA (SA) or ACCA Certified with 7 years of experience.	30
Team member with NQF Level 7 Qualification in Accounting, Auditing/ Internal Audit or equivalent, with 5 years of experience	20
<p>Total Scoring [30+20]</p> <p>NB: Attach CV and certified copies not older than 3 months for all qualifications</p>	[50]

For any queries regarding this tender, please contact Mr S Nelani – Chief Audit Executive for project related queries; and for Supply Chain Management contact Mr V. Cita on (039) 254 5134 during office hours.

Alfred Nzo district Municipality

Erf 1400 Ntsizwa Street

Mount Ayliff

4735

Yours in municipal administration,

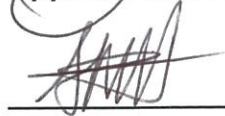


Mr. M. Vakalisa

IDP and PMS Manager

Recommendation by Specification Chairperson:

Approved/Not Approved



Mr. L. Mdutyana

Comments by Chairperson:

ANDBA's Annual Performance Report &
AFS Reviews 2023/24