![Alfred Nzo District Municipality logo]

ALFRED NZO
DISTRICT MUNICIPALITY

TERMS OF REFERENCE

INFORMATION AND COMMUNICATION TECHNOLOGY ASSURANCE VIEWS

2023/24 FINANCIAL YEAR

Issued and Prepared by:

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1 INTRODUCTION

Information Communication Technology (ICT) Governance has been described as the effective and efficient management of ICT resources and processes to facilitate the achievement of Municipal goals and objectives. The ICT Governance Institute describes ICT Governance as, "...the responsibility of the Council and Executive Management."

ICT Governance has risen in importance because of the widening gulf between what the organization expects and what ICT delivers. ICT has grown to be seen as a cost centre with growing benefits to the organisation ICT serves. A Governance of ICT framework is meant to align ICT functions to the organisational goals, minimise the risk ICT introduces and ensure that there is value in the investment made in ICT.

The view that ICT should be governed and managed at all levels within a given organisational structure is supported by internationally accepted good practice and standards. These practices and standards are defined in the King III Code of Good Governance, ISO 38500 Standard for the Corporate Governance of ICT and other best practice ICT Process Frameworks, which forms the basis of this document.

Translated into a municipal operating environment the corporate governance of ICT places a very specific responsibility on the Council and Management within a municipality to ensure that the decision making process for ICT related investments and the operational efficiencies of the municipalities ICT environments remain transparent and are upheld. This accountability enables the municipality to align the delivery of ICT services with the municipality's Integrated Development Plans and strategic goals.

The Council and Management of municipalities need to extend their governance functions to include the Corporate Governance of ICT. In the execution of the Corporate

Governance of ICT, they should provide the necessary strategies, architectures, plans, frameworks, policies, structures, procedures, processes, mechanisms and controls, and culture which are in compliance with the best practise ICT Governance Frameworks.

To strengthen the Corporate Governance of ICT further, responsibility for the decision making of ICT programmes and projects should be placed at a strategic level in the municipality. The Corporate Governance of ICT is a continuous function that should be embedded in all operations of a municipality, from Council and Management level to all areas within a municipality including ICT service delivery.

Furthermore section 165 (1), provides that each municipality and each municipal entity must have an internal audit unit, subject to subsection 3. Section 2 of the same Act, states that the Internal Audit Unit of a Municipality or Municipal Entity must-

(a) Prepare a risk based audit plan and an internal audit program for each financial year;
(b) Advise the Accounting Officer and report to the Audit Committee on the implementation of Internal Audit Plan and matters relating to-
   (i)   Internal Audit
   (ii)   Internal controls
   (iii)   Accounting procedures and practises
   (iv)   Risk and risk management
   (v)   Performance management
   (vi)   Loss controls; and
   (vii) 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

The purpose and primary objective of this project is to test controls relating to ANDM ICT environment, and also document recommendations to address any weakness identified

during the execution of this internal audit. For the purpose of sustainable and continuous improvement, the following will also be performed.

1.2.2 Specific Objectives

- Raise audit observations, along with recommendations, through communication of audit findings pertaining to ICT environment.
- 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 Chief Audit Executive, and discuss key observations
- Prepare final report for tabling to management and audit and performance committee respectively.
- Skills transfer to capacitate ANDM internal auditors.

2 SCOPE & EXTENT OF WORK

Quotations are invited from suitably qualified professional service providers to prepare and submit proposals to undertake the following

- ❖ Application access controls – Segregation of duties, Database & Application access etc.
- ❖ Maintenance access – Vendor engineers.
- ❖ Physical access – Permissions, logging, exception reporting & alerts.
- ❖ Environmental controls – Fire protection, AC monitoring etc.
- ❖ Fault resolution mechanism.
- ❖ Folder sharing and Back-up controls – Safeguard critical information on local desktops

❖ Incidences of violations in last year & corrective actions taken

Software Change Control

It must include:

❖ User awareness

❖ Processing of new feature requests

❖ Fault reporting / tracking mechanism & process for resolutions

❖ Testing of New releases / Bug-fixes – Testing process (automation level)

❖ Version Control – History, Change Management process etc.

❖ Development / Test/ Production environment – Segregation of duties

❖ New release in Production – Promotion, Release note approvals

❖ Production issues / disruptions reported during last year & corrective actions taken

Data communication / Network controls

It must include:

❖ Network Administration – Redundancy, Monitoring, breakdown resolution etc.

❖ WAN Management – Connectivity provisions for business continuity.

❖ Encryption - Router based as well as during transmission

❖ Connection Permissions – Restriction on need to have basis

❖ Fallback mechanism – Dial-up connections controls etc.

❖ Hardware based Signing Process

❖ Incidences of access violations in last year & corrective actions taken

Security Controls – General office infrastructure

It must include:

- ❖ Security Policy & quality of implementation
- ❖ LAN security control and monitoring
- ❖ OS & Database Security controls & monitoring
- ❖ Internet connection controls – Firewall protection, Intrusion Detection System, Access rights and privileges.
- ❖ Virus protection – Controls to mitigate the Virus attacks / Outbreaks.
- ❖ Incidences of security violations in last year & corrective actions taken

Access policy and controls

Electronic Document controls

General Access controls

Business Continuity / Disaster Recovery Facilities

It must include:

- ❖ BCP manual, including Business Impact Analysis, Risk Assessment and DR process
- ❖ Implementation of policies
- ❖ Back-up procedures and recovery mechanism using back-ups.
- ❖ Storage of Back-up (Remote site, DRS etc.)
- ❖ Redundancy – Equipment, Network, Site etc.
- ❖ DRS installation and Drills - Management statement on targeted resumption capability (in terms of time required & extent of loss of data)
- ❖ Evidence of achieving the set targets during the DRS drills in the event of various disaster scenarios.
- ❖ Debrief / review of any actual event when the DR/BCP was invoked during the year

IT Support & IT Asset Management

It must include:

❖ Utilization monitoring– including report of prior year utilization
❖ Capacity planning – including projection of business volumes
❖ IT (S/W, H/W & N/W) Assets, Licenses & maintenance contracts
❖ Insurance
❖ Disposal – Equipment, Media, etc.

Entity Specific Software

Performing Post implementation system reviews (new system installed Telemetry, PayDay)

3 FOLLOW UP

- The auditor is required to audit whether the previous audit results and recommendations of the audit were implemented successfully by making a follow up audit. **PROJECT TIME FRAME**

The project time frame will be 30 days from the date of appointment of the service provider.

5 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 and performance committee respectively.
- Proof of skills transfer to ANDM internal auditors

6   STAKEHOLDERS CONSULTATION

- MANAGEMENT
- SCM UNIT
- BUDGET AND REPORTING SECTION

7   PROJECT MANAGEMENT

The entire project management exercise will be performed by Chief Audit Executive of Alfred Nzo District Municipality. Ongoing progress reports will be forwarded to the Chief Audit Executive.

8   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.

9   SUBMISSION OF BIDS

Quotations must be emailed to tenders@andm.gov.za, referenced with bid number. Failure to do so will lead to disqualification.

NB no Drop Box or Links will be accepted

10   CAPACITY TO EXECUTE THE WORK

Evaluation criteria of the Quotations;

The Quotations will be evaluated in two stages, namely:

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

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

ITEM	Scoring
STAGE 1 OF EVALUATION – CAPACITY TO EXECUTE THE WORK	100
• **Previous Experience**	50
• **Capacity and Expertise**	50
Total Scoring	100

Price and Preference

Quotations will be evaluated according to the 80/20 Point System in compliance with Preferential Procurement Policy Act (5/2000) and Preferential Procurement Regulations 2022.

Preferential Procurement Goals	Proof to be Attached to 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 be 51% or more	5
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
Rural	Attach Proof of Residence of the Business or Lease Agreement	4
Disabled	Attach a Signed Letter from Health Practitioner	4
Black Owned Companies	Attach CK and ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	3
Total Scoring		**100**

Previous Company Experience Note: The scoring in this section is not cumulative	Scoring
Traceable record for successful completion of 4 or more Information System Audits: in public sector with a minimum value of R150 000.00 per project	50
Traceable record for successful completion of 3 Information System Audits: in public sector with a minimum value of R150 000.00 per project.	40

Traceable record for successful completion of 2 Information System Audits: in public sector with a minimum value of R150 000.00 per project	30
Traceable record for successful completion of 1 Information System Audit: in public sector with a minimum value of R150 000.00.	20

Total Scoring
 	
Note COMPULSORY attachments for verifying work done:
 	
    1. The ANDM Assessment Bidder Form must be completed, stamped, and signed by the previous employer as a means of verifying references for each project undertaken. If 5 Projects were done, 5 Assessment bidder forms must be completed.
 	
    2. In ADDITION to the above, a traceable record will be evaluated on the basis of:
 	
    - An Appointment Letter or Official Purchase Order-
	50

Capacity and Expertise to Undertake the Project Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee	Scoring
A Project Team with the following areas of expertise:	
The Team Leader of the project must have NQF Level 8 in ICT related qualification and be Certified as Information System Auditor (CISA) with 7 years' experience in Auditing	25

Team member with NQF Level 7 Qualification in Accounting, Auditing/ Internal Audit or equivalent, couple with minimum of 5 years' experience in the Auditing/ Internal Auditing in public sector	15
All Team members be registered with relevant professional body, anyone of the following : Institute of Internal Auditors, or ACCA or SAICA or ICASA and team leader to provide proof of CISA membership. Proof of registration be attached.Proof of registration be attached.	10
Total Scoring **NB: Attach CV and certified copies not older than 3 months for all qualifications**	50

For any queries regarding this tender, please contact Mr. S. Nelani 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

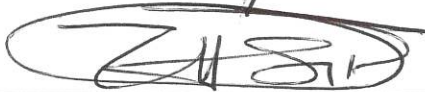**Erf 1400 Ntsizwa Street**

Mount Ayliff

4735

Yours in municipal administration,

(signature)

Mr N. R. Xolo

DIRECTOR: STRATEGIC GOVERNANCE

DATE .... 04/12/2023 ....

Approved/Not Approved

(signature)

ZAMILE .H. SIKHUNDLA

MUNICIPAL MANAGER

Date of Approval .... 06/12/2023 ....

Comments:

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