

### **1.1.1 SCOPE OF WORK**

The panel is intended for a period of 36 Months and will provide as and when required services and support to the Internal Audit Unit. The department is responsible for an array of planning work and the scope of the contract will encompass three broad categories namely; Scope of work, Responsibilities of the Municipality and Responsibilities of the Service provider. These categories are further categorized as follows:

#### **1.1.1.1 SCOPE**

- a) Evaluate the adequacy of systems in the achievement of the municipal strategic and operational objectives.
- b) Examine systems and processes on the reliability and integrity of financial and operational information.
- c) Review effectiveness and efficiency of operations and programs.
- d) Assess controls adequacy in the safeguarding of municipal assets.
- e) Assess the level of municipal compliance with laws, regulations, policies, procedures, and contracts.
- f) Evaluate relevant systems, records, personnel, and physical properties, including those under the control of third parties of the municipality.
- g) Evaluate controls to in development of strategies, objectives, and risks of the municipality.
- h) Conduct special audit reviews as requested to evaluate risks, internal controls failure and governance process of the municipality.

**1.1.1.2 RESPONSIBILITY OF MUNICIPALITY**

- a) The internal audit report to be reported to Executive Management, Audit Committee and Council.
- b) That THLM auditable areas for the Municipality on period under review include any significant issues updated for all business operations.
- c) Management accounts to Audit Committee and Council on performance of the Service Provider for Audit work.
- d) That audit findings to be reported to Executive Management (including the Accounting Officer) and Audit Committee.
- e) That a report is produced on the auditable areas and management responds to the internal audit findings.
- f) That management to develop an action plan with timeframes for implementing on agreed recommendations.
- g) That management follow-up recommendations within six to twelve months of the audit report issue.
- h) That management advises Audit Committee on a regular basis the implementation of audit recommendations.
- i) That management reports to Audit Committee Chairperson any serious weaknesses, significant fraud or major accounting breakdown discovered during the normal course of audit work.
- j) That the Chief Audit Executive report to Audit Committee and Executive Management on the adequacy and effectiveness of risk management, internal control, governance processes economy, efficiency and effectiveness [value for money] within the THLM.
- k) That the Chief Audit Executive provides required assistance to Internal Audit Service Provider and monitor Service Providers' work as per co-sourced audit projects.
- l) That it be noted it that it remains the duty of management to ensure implementation, not the internal audit to determine whether or not to accept audit recommendations and to recognize and accept the risks of not taking action.

**1.1.1.3 RESPONSIBILITY OF SERVICE PROVIDER**

- a) To perform the audits project for periods as required and as per approved scope of the project the approved Internal Audit Plan.
- b) To work and co-ordinate the internal audit efforts with the Chief Audit Executive, Executive Management and the Audit Committee.
- c) To communicate the results of all the audit work done to the Chief Audit Executive and Audit Committee.
- d) To report to Chief Audit Executive and Audit Committee on performance against the actual work done.

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- e) To report directly to the Chief Audit Executive, Accounting Officer and Audit committee.

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- f) To communicate the Audit Methodology with Chief Audit Executive for standard Internal Audit Activity methodology.
- g) To co-ordinate and be part of combined assurance framework model plans with other internal and external providers of assurance.
- h) To execute duties and responsibilities as per audit engagement outlined in the Service Level Agreement.

**1.1.2 HEALTH AND SAFETY**

**1.1.2.1 Occupational Health and Safety Act 1994 (Act No. 85 of 1993)**

The Service Provider shall comply with the Occupational Health and Safety Act 1994 (Act No. 85 of 1993).

**4.2.2.3 PROTECTIVE EQUIPMENT**

The Service Provider shall always provide all trainees with all necessary full protective clothing for use where necessary.

**4.2.2.4 SPECIAL CONDITIONS**

The Council reserves the right to add to or omit any plant/material to or from this contract.

**4.2.2.5 FACILITIES**

The service provider will work with the municipality to avail all required facilities as per different projects.

**4.2.2.6 SUPPLY ALL TRAINING MATERIALS**

No training materials needed.

**4.2.2.7 COMMUNICATION**

The Service Provider is to provide his operational staff with cellular phone for communication and contact purposes for the duration of the contract.

**4.2.2.8 SUBCONTRACTING**

No subcontracting will be allowed.

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