



NKANGALA DISTRICT MUNICIPALITY



SCOPE OF WORK

APPOINTMENT OF A PANEL OF CO-SOURCED PROFESIONAL SERVICE PROVIDER INTERNAL AUDIT SERVICES FOR NKANGALA DISTRICT MUNICIPALITIES AS AND WHEN NEEDED FOR A PERIOD OF 36 MONTHS. (RE-ADVERT)

PURPOSE

The purpose of this tender/bid is to appoint a panel of accredited service providers to render audit services for different audit projects to Nkangala District Municipality for a period of thirty-six (36) months.

DETAILED SPECIFICATION

The service provider will be required to provide the following:

- i. Progress report on each project allocated on weekly basis to the CAE.
- ii. Allocate at least two auditors to be station on site to conduct the audits.
- iii. All internal audit work needs to performed as per respective municipalities methodology.

SCOPE OF WORK

Information Communication Technology Audit

- IT contract management
- IT security management including not limited to
 - IT security policy
 - Firewall management
 - Patch management
 - Anti-virus
- User Access controls.
- Problem/ help desk management
- Program change management
- IT service continuity, including backup and recovery of system.
- Facilities and environmental controls and
- Review interfaces (Financial, HR, Payroll and banking services)



SUPPLY CHAIN AUDIT

- Review compliance with MFMA, Treasury regulations and Preferred Procurement Policy framework.
- Review compliance with the Supply Chain management policies and procedures
- Evaluate of adequacy and effectiveness of controls over supply chain management
- Review whether there are procurement plans in place and that management implemented the plans.
- Whether the SCM is compliance with applicable regulations.
- Whether municipal employees and councillors declared conflict of interest as well supply chain management officials signed the code of conduct for SCM officials.
- Whether there is proper segregation of duties
- Whether supply chain management committees are established and functioning services.
- Whether approved delegation of authority is in place and complied with.
- Review controls over contract management and completeness.
- Review effectiveness of SCM committees

SPECIFIC DELIVERABLES AND MILESTONES

Deliverables

- **Audit report must be submitted that is in line with the respective municipality audit methodology.**

The audit firm must comply with the following requirements to be considered: -

- a) Must have adequate staff compliments to ensure skills transfer.

PROJECT TIMELINES

- 8.1. The service providers will be appointed to the Nkangala District Municipality Panel for a period of thirty-six (36) months, subject to the performance of the Service Provider(s).
- 8.2. The performance of appointed service provider(s) will be reviewed after completion of a project.



EXPERTISE REQUIREMENTS

- 9.1. The team leader must be registered with the relevant professional body namely SAICA (as a chartered Accountant) or IIA (as a Certified Internal Auditor), ACCA Certified Accountant as Chartered Accountant for SCM audit and be registered with ISACA as a Certified Information Systems Auditor for ICT audit.

MANDATORY REQUIREMENTS

- 10.1. Bidders must comply with the requirements and submit all required document(s) indicated hereunder with the bid documents at the closing date and time of bid. This phase is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified.
- 10.2. Bidders are required to be registered on the Central Supplier Database (CSD) and the Nkangala District Municipality shall verify the bidder's tax compliance status through the Central Supplier Database. Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database. It is therefore a condition of this bid that the tax matters of the bidder be in order at any point in time from the closing date of the bid. This bid will only be awarded to a bidder(s) whose tax status on Central Supplier Database is compliant.
- 10.3. Please note that no awards will be made to persons in service of the state as identified on the MBD 4 – Declaration of Interest form read together with the verification reports generated from the Central Supplier Database.
- 10.4. The service provider must submit a vetting report on all employees that will be deployed for the projects.

REPORTING

The Service Provider will be required to prepare and present progress reports coinciding with each of the agreed milestones. Where considered necessary the Service Provider will also be expected to compile reports and presentations for other bodies as required by Nkangala District Municipality. The Service Provider will be expected to keep financial records and other appropriate records on claims to be submitted for travelling and accommodation.

DELIVERABLES

Funding is made available by Nkangala District Municipality for the project. Service Providers in their proposals are to set out their approach, methodology. Payments will be made on invoices submitted for work completed. On receipt of invoices rendered the service provider should allow at least 4 weeks for the payments to be processed.

DOCUMENTATION AND CONFIDENTIALITY

Information and data which is generated in the context of the project; may not be made available to any third



party without prior permission of the Municipal Manager. All project material shall be presented in both hard copy and electronic format.

NON – APPOINTMENT

Nkangala District Municipality has a right not to make an appointment should it find that proposals received do not meet the specified criteria / requirements and is not compelled to accept the lowest quotation.

AREAS OF EXPERTISE CRITERIA AND REQUIREMENTS

Prospective audit providers must submit the following for evaluation purposes:

- a. Proof registration and certification with the relevant professional bodies.
- b. Attach a proof of qualifications for auditors (CV's and certificates) proving projects that were executed by each staff members.
- c. Proof of letter of good standing with the relevant professional bodies.

OTHER CONDITIONS

Handling of audit information shall be done in full compliance with the provisions of the POPI Act.

EVALUATION

- 17.1. Tenders are going to be evaluated in accordance with the procedures established in Supply Chain Management as stipulated in the Tender Data. The capacity and the capability of tenderers who submitted offers will be established and those that did not have the capability and capacity to carry out the contract will be **eliminated**.
- 17.2. Evaluation **Method** will entail the balance between **financial offer, preferences, and technical specifications on 80/20 evaluation criteria** as prescribe by Supply Chain Management Policy, will be adopted.
- 17.3. The following steps will be followed in evaluation: -
 - i. Determination of whether tender offers are complete.
 - ii. Determination of whether tender offers are responsive.
 - iii. Determination of the reasonableness of tender offers.
 - iv. Confirmation of the eligibility of preferential points claimed by tenderers.
 - v. Determination of quality of tenderers.
 - vi. Awarding of points for financial offer.
 - vii. Ranking of tenderers according to the total points (Financial + Preferential) accumulated.
 - viii. Performance of risk analysis by checking the credit record of the tenderers.