Request Details

PR No: 10251311 Type: ZDER - Deviation RQ
Cost Centre: 1686 - Grp Tax (FINANCE SUPPORT SERVICES: FINANCE: GROUP SERVICES)
Vendor: 100922 - DELOITTE CONSULTING
Description: AFS Tax Assurance Review
Practitioner: 931 - EDITH MAVUNDA
Amount: 2,500,000.00 ZAR

BACKGROUND

The request is to do quality assurance services on the company#s annual financial statements and taxes for audit purposes. The request is for Deloitte Consulting to provide quality assurance services on the annual financial statement#s disclosure in linewith the trial balance , tax balances, computation and supplementary schedules for audit purposes.

Group Finance has specialist for annual financial statements and Tax computations in which they prepare and review. The result of the lean team resulted in audit findings during a high-pressured yearend audit and a specialized assurance provider is required to provide quality assurance on financial statement so as to alleviate the number of audit findings.

The request is for a quality assurance and review of the company annual financial statements, all taxes services, provision of technical opinions as well as ad hoc requests/services as required by business.

REASON

Following the implementation of s189, the position of tax manager was deemed to be redundant and the tax specialist reporting to the position served as business and subject matter experts in the respective tax areas they perform. As a result, the tax department has seen a number of audit findings.

* A company SAB < (> &<)> T (Nexia)was sourced through an nor procurement process for the 2024/25 financial year audit and it failed during the critical time of the audit.

Another procurement process was commenced which did not bear any results and the severity of the audit findings especially in the Tax

depart are on the brink of qualification which will be a setback for the SABC stability.

Normal procurement process has been put out in the market for tax quality assurance services for at least three times with no success previously and one company was appointed after the 4th attempt, and the company did not perform to the satisfaction.

This resulted in poor support provided in the quality assurance services and audit support during the year end audit.

The new RFQ was issued to the market in January and after evaluation there were no suitable company was appointed whilst the audit is upon us.

SCOPE OF WORK

Review of the annual financial statements,

Review of all disclosures and corresponding supporting schedules

Review of the income tax calc#s accuracy in terms of theIncome Tax Act

Review of the deferred tax calculation

Review of detailed journals

Any other review of tax over and above those transactions relating to Income Tax

Review of VAT and PAYE for the year

Technical Opinions

Ad hoc requests/services

COST EFFECTIVENESS

Cost effectiveness is derived from the understanding of the client and the familiarity with the SABC annual financial statements and tax. Furthermore, the comprehensive understanding and familiarity of the source of the numbers and the flow of transactions aids in the time taken to provide the necessary quality assurance on the taxes balances and computations.

LEGAL IMPLICATIONS

NONE

RISK & MITIGATIONS

The business is at a risk that should these services not be secured, more audit findings that could lead to an adverse or qualified audit opinion which will be e regression to the SABC trying to stabilize.

RECOMMENDATION

Based on the motivation provided, the business unit requests that:

The Head of Governance, Compliance and Support approves the deviation request to appoint Deloitte Consulting for the provision of tax and annual financial statements assurance review, for a period of thirty (30) months, starting 01 March 2026 until 31 August 2028. At an estimated amount of R2 500 000.00 excl VAT

The Head of SCM Governance to duly sign the award letter.

The Legal department draft the agreement to this effect.

NATURE OF DEVIATION

Sole

VENDOR SELECTION

Deloitte Consulting was selected as it has a vast knowledge and expertise in the accounting and auditing field and one of the top 4 audit firms in South Africa. Deloitte Consulting has extensive prior experience in the industry as they have previously served as tax experts for the SABC audit, where they gather sufficient appropriate knowledge and understanding of SABC Operations. During this time, they provided services to the SABC such as financial statements and tax will be an added advantage as they have knowledge of the challenges and processes that need to be followed to correct and implement. With their expertise they know the pressure periods and will hit the ground running. With the significant tax findings that the organisation has been faced with over the years, it is of paramount importance to appoint a company that assist the SABC mitigate the exposure to audit finding as well as prevent future findings.

PERIOD

01 MARCH 2026 TO 31 AUGUST 2028

PURPOSE

The purpose of this submission is to request approval to deviate from normal procurement processes and appoint Deloitte Consulting for the provision of tax and annual financial statements assurance review, for a period of thirty (30) months, starting 01 March 2026 until 31 August

2028. At an estimated amount of R2 500 000.00 excl VAT

APPROVERS AND REVIEWERS

Date Actioned	User Name	Actioned By Full Name
16.02.2026	MMOTONGS	STANLEY LETSOGO MMOTONG
18.02.2026	MANITSHANAB	BAKHE MANITSHANA
18.02.2026	MTHEMBUMS	MICHAEL SENZOSENKOSI MTHEMBU
23.02.2026	MTHEMBUMS	MICHAEL SENZOSENKOSI MTHEMBU
25.03.2026	PILLAYR02	REESHA KASIPERSHAD