

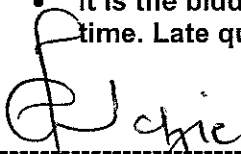


## REQUEST FOR QUOTATION

<b>REQUEST DATE:</b>	04/03/2021
<b>DEPARTMENT:</b>	INTERNAL AUDIT –MUNICIPAL MANAGER
<b>RFQ number</b>	RFQ 20-21/34
<b>CLOSING DATE:</b>	11/03/2021 at 12pm
<b>COMPULSORY REQUIREMENTS</b>	<p>1.PROOF OF REGISTRASATION IIASA/SAICA/ICASA  2.REFERENCE LETTER  3.QUALITY ASSURANCE CERTIFICATE/RELATED  4.MBD 4 (DECLARATION OF INTEREST)  5.PROOF OF CSD REGISTRATION  6.TAX STATUS PIN</p> <p><b>MBD 4 can be obtainable from the municipality's supply chain office</b></p>
<b>Other requirements</b>	BBBEE certificate
<b>COMPULSORY BRIEFING SESSION:</b>	N/A
<b>RFQ ENQUIRIES:</b>	SCM OFFICE 058 913 8300
<b>SUBMISSION OF QOUTES:</b>	<p>Complete Quotations can be delivered using any of the methods mentioned on or before the closing date and time to any of the following addresses:</p> <p>Physical address (1) : c/o Kuhn &amp; Prinsloo street, Vrede, 9835 at supply chain office</p> <p>Physical address (2) : 41 Piet Retief street, Warden, 9890 at cashier office</p> <p>Physical address (3) : 48 Voortrekker street, Memel,2970 at cashier office</p> <p>Postal address: Private bag x 5, Vrede, 9835  Email to: <a href="mailto:scm@phumelela.gov.za">scm@phumelela.gov.za</a>  : demand.officer@phumelela.gov.za</p>
<b>DESCRIPTION OF GOODS/SERVICES:</b>	<b>INTERNAL AUDIT ACTIVITY</b> <b>External Quality Assessment Review:</b> <b>(Refer to Scope for Details)</b>

## **CONDITIONS**

- **Quotations above R30 000 will be evaluated on the basis of the 80:20 point system as stipulated in the Preferential Procurement Policy Framework Act (Act number 5 of 2000) together with all its regulations and the Supply Chain Management Policy of the municipality**
- **It is the company's responsibility to submit a valid BBBEE certificate, failure to do so will result in the company receiving 0 points for preferential points**
- **All purchases will be made through an official order form. Therefore no goods must be delivered or services rendered before an official order has been forwarded to and accepted by the successful bidder**
- **To participate in the municipality's quotation process for the procurement of goods and/or services, vendors **MUST** be registered and compliant on the central supplier database (CSD).**
- **Prices quoted must include delivery charges and goods must be delivered to the address indicated on the FRQ page.**
- **The municipality reserves the right to increase or reduce the quantity**
- **It is the bidder's responsibility to ensure that the quote reaches the municipality in time. Late quotations will not be accepted**



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Mrs NF Malatjie

**Municipal Manager**

Crn: Kuhn & Prinsloo Street  
VREDE, 9835  
Tel: 058 913 8300



Private Bag x 5  
VREDE, 9835  
Fax: 058 913 2317

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**RE: EXTERNAL QUALITY ASSESSMENT –INTERNAL AUDIT ACTIVITY**

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**PROJECT NAME: REQUEST FOR QOTATION (RFQ) – EXTERNAL QUALITY ASSURANCE ASSESSMENT REVIEW (QAR) FOR THE INTERNAL AUDIT ACTIVITY.**

### **INTRODUCTION**

- 1 The Municipality has established an internal audit function in accordance with Section 165 (1) of the Municipal Finance Management Act, 2003 (Act 1 of 2003) which requires that each municipality and each municipal entity must have an internal audit unit, subject to subsection (3). The internal audit function referred to in subsection (1) may be outsourced if the municipality or municipal entity requires assistance to develop its internal capacity and the council of the municipality or the board of directors of the entity has determined that this is feasible or cost-effective
- 2 According to Treasury Regulations paragraph 3.2.6 the Internal Audit function must be conducted in accordance with the standards set by the Institute of Internal Auditors (IIA). According to IIA Standard 1312, External assessments of the Internal Audit function must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. The External assessment for Phumelela Municipality was never conducted since the establishment of the internal audit function which is more than 5 years since its inception; the Internal Audit is therefore now due for an external assessment and this has been consistently raised by the Audit General as non-compliance.
- 3 The Municipality requires the services of a competent and independent external reviewer(s) to evaluate compliance with Standards, the use of successful practices, and the efficiency and effectiveness of the Internal Audit (IA) activity.

- 4 The service provider will be required to conduct the quality assessment in line with the latest Institute of Internal Auditors Framework of External Quality Assessment Activities.
- 5 The approved service provider(s) must have the capacity, functional skills and experience, to provide the services required.

## **TERMS OF REFERENCE**

The basic objectives that should be achieved in this Quality Assessment contract are:

- i. Assess the efficiency and effectiveness of the Internal Audit (IA) activity in light of its charter, the expectations of the Audit Committee (oversight body), executive management, and the Chief Audit Executive (CAE). Consider the IA activity's current needs and objectives, as well as the future direction and goals on the Municipality. Appraise the risk to the municipality if IA activity is performing at less than effective level or is not in conformance to one or more of the IIA Standards.
- ii. Provide an opinion on the IA activity's conformance to the spirit and intent of the IIA Standards.
- iii. Identify opportunities and offer ideas and counsel to the CAE and staff for improving their performance and that of the IA activity, raising the value added to management and the Audit Committee.

## **SCOPE OF WORK**

- 6 The scope of the External Quality Assessment (QA) should go beyond just determining whether the IA activity conforms to the IIA Standards and its own charter, plans, policies and procedures. The approach should encompass the role and relationships of the IA activity in the municipality governance process and the processes adopted for managing the internal audit practice and resources.

6.1 The scope includes the following key elements of professional Internal Audit Practice:

- i. The expectations of the IA activity expressed by the oversight group, executive management, and its management of operational and support units.
- ii. The Municipality control environment and the CAE's practice environment.
- iii. The focus on evaluating enterprise risk, assessing organizational controls, and including aspects of the governance process in audit plans to assure that audit activities add value to the Municipality.

- iv. The integration of internal auditing into the Municipality governance process, including the attendant relationships and communications between and among the key groups Involved In that process and allgning audit objectives and plans with the strategic objectives of the Municipality as a whole.
  - v. The IIA Standards.
  - vi. The mix of knowledge, experience, and discipline among the staff, including staff focus on process improvement and value-added activities.
- 6.2 The elements should be applied with considerable flexibility, and bearing in mind all other elements of governance and management control. The most important consideration is to ensure that, while the reviewers bring their independence and objectivity to the work, the external QA is tailored to the particular needs and desires of the CAE, Senior Management, and the Audit Committee.

## **OUTPUTS, TIMING AND REPORTING**

7. Summary of Issues, Recommendations, and Closing Conference:
- Issues should be brought to the attention of the CAE as they come up throughout the QA and discussed as appropriate. The closing conference should hold no surprises but should be regarded as an opportunity to summarise and formalize the views of the QA team and the CAE.
  - The QA team's should prepare a written summary of issues that require attention and of the successful practices, observations, and recommendations for those attending the closing conference.
  - No conclusions or recommendations should be included in the final QA report that were not presented or discussed at the closing conference.
8. Reporting:
- After the closing conference, the service provider is to prepare a draft report with recommendations and send it to the CAE for response.
  - The final report, in conjunction with the CAE's response or action plan, should be addressed to the CAE with copies included to be distributed to the Chairperson of the Audit Committee and the Accounting Officer. The Service Provider will be expected to discuss the final report with the Audit Committee.
9. The successful service provider(s) must be in a position to commence work within one week (7 days) of the awarding of the contract.

10. Timing of reviews will be mutually agreed upon between the Internal Audit Unit, other stake holders and service provider(s).

11. When deadlines are set, it will be expected of the successful service provider(s) to deliver the required services in a set timeframe, provided that these instructions are issued timeously. It will be expected of the successful service provider not to exceed six (6) weeks in the conduct of and reporting on their review for the financial year.

## **DURATION**

The successful bidder(s) will be expected to provide the QAR services to the municipality at between 15 March 2021 and 15 April 2021.

## **FEES AND DISBURSEMENTS**

12. Fees must be quoted at an hourly rate for the different levels of proposed resources to be utilized. A total cost must also be indicated on the quotation.

13. All fees quoted must be inclusive of VAT.

14. The total fee quoted must be further broken down to reflect,

- a. Fees for QA planning, performance and, reporting.
- b. Disbursements, and
- c. VAT.

15. The fees for QA planning, performance, and reporting must include a schedule which will reflect the number of persons who will be taking part in the engagement, their roles/positions; their hourly rates; hours to be spent, and eventually the total cost per person.

## **INTERNAL AUDIT UNIT**