



Main Street  
Creighton, 3263

P.O Box 62

Creighton 3263

Phone: +27 39 833 1038

Fax: +27 39 833 1179

Email: mailbox@ndz.gov.za

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**ADDENDUM FOR PANEL OF FIVE INTERNAL AUDIT (IA) SERVICE PROVIDERS FOR  
PERIOD OF 3 YEARS (36 MONTHS)  
BID NO: MM-B054/21/22**

**Date: 09/02/2023**

The addendum serves to correct the specification on page 8 bullet 5 had an incomplete sentence under the **BID REQUIREMENTS/CONDITIONS OF BID** topic.  
Under functionality on page 14, we have corrected point to be given to the service provider if they have No project methodology, no demonstration of knowledge of the subject matter.

We had corrected the specification on page 8 and corrected the functionality on page14.  
**See attached corrected document list.**

**RECOMMENDED BY:**

**MISS N.HOLIWE  
SCM MANAGER**

**APPROVED BY:**

**MR. N.C. VEZI  
MUNICIPAL MANAGER**

**I acknowledge receipt of this Addendum No.1**

Name:.....

Signature:.....

Date:.....

Name of Tenderer (Company Name):.....

## **SPECIFICATION**

The municipality is currently looking to establish a panel for Internal Audit Services for a period of three years (36 months).

### **PROJECT SCOPE**

The scope of the project shall entail the following in line with the requirements set out in the Municipal Finance Management Act, 56 of 2003:

#### **INTERNAL AUDIT SERVICES**

The Internal Audit of a municipality must: -

- Prepare a risk-based audit plan and an internal audit program for each financial year
- Advise the Accounting Officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
  - i. Internal audit
  - ii. Internal controls
  - iii. Accounting procedures and practices
  - iv. Risk and risk management
  - v. Performance management
  - vi. Loss control and
  - vii. Compliance with applicable legislations

The unit must:-

- Be independent of the activities that are audited; and
- Have access to the financial records and other relevant information of NDZ Local Municipality.

### **CONDUCT OF WORK**

The scope of the Internal Audit function includes the points listed below. However, should any other function be regarded as imperative by the bidder, it should be added and clearly defined:

- ✓ Assist in the assessment of key areas of risks for the NDZ Local Municipality and present a report to the Internal Audit Manager for review.

- ✓ The planning, execution and reporting of audit assignments allocated by the Internal Audit Manager in line with the approved Risk-based Internal Audit Plan.
- ✓ Implementing strict project management techniques and meeting of deadlines in consideration of reporting timelines to the Audit Committee
- ✓ Comply with the internal audit standards, codes of conduct and ethics that are promulgated from time to time by the Institute of Internal Auditors
- ✓ Pro-actively provide advice to the Internal Audit Manager on the internal control environment, to continuously improve and address root causes identified in the execution of internal audit reviews
- ✓ Provide continuous specialist services in respect of Information Technology, Financials Statements (GRAP) and Risk Management.
- ✓ Perform ad-hoc assignments not covered by the plan as and when requested and report to Internal Audit Manager accordingly.
- ✓ Maintain sufficient records to support the work performed which will assist to attaining positive results in a Quality Assurance Review
- ✓ The bidder must demonstrate the capability to perform Consulting Services in accordance with the Institute of Internal Audit Standards and Practice; and any relevant legislations.
- ✓ Transfer of skills to enable Internal Auditors to acquire the skills and knowledge.

### **Combined Assurance**

- Exposure to the Combined Assurance Model
- Facilitate the implementation of the Combined Assurance Process for the municipality

## **BID REQUIREMENTS/CONDITIONS OF BID**

Interested parties must submit proposals that include the following consideration:

- The methodology to be followed to achieve the terms of reference;
- An envisaged timetable for the completion of the project;
- Company profile depicting experience in similar assignments
- Curriculum Vitae of personnel to be involved in the assignment detailing expertise and career history;
- 2 CIAs are required for this bid
- A certificate in Business Continuity Management
- External Quality Assurance review including the highlights thereof.

### **General conditions**

The following should be noted by interested parties:

- Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in the municipality.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from the municipality.

- On completion or termination of the agreement, all materials and products must be handed over to the municipality.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from the municipality.



**Mrs N Vakalisa**

**MANAGER: STRATEGIC MANAGER**



**MR N.C. VEZI**

**MUNICIPAL MANAGER**

**REQUEST FOR BIDS: PANEL OF FIVE INTERNAL AUDIT SERVICE PROVIDERS FOR A PERIOD OF 3 YEARS (36 MONTHS)**

**EVALUATION CRITERIA**

All quotations submitted will be evaluated on three categories:

- Functionality (technical content)
- Compliance with BEE goals

**Bids will be evaluated in accordance with Preferential Procurement Policy Framework Act (PPPFA), using 80/20 split.**

- The point's breakdown is as indicated below:
- For functionality, the following criteria will be applicable and the maximum value of each criterion is indicated as below:

<b>CRITERIA FOR FUNCTIONALITY</b>	<b>Max. Points</b>	<b>Basis for Points Allocation</b>	<b>Verification Method</b>
<b>Relevant Experience in a similar</b>  Service Provider to have conducted a similar project	<b>30</b>	<ul style="list-style-type: none"> <li>• 4 X completed similar projects in IA /Forensic/ Risk Management or Business Continuity Management in the public sector.</li> <li>• External Quality Assurance.</li> <li>• 10 years' experience</li> <li>• Bidder to submit order/appointment and letters of reference</li> </ul>	<ul style="list-style-type: none"> <li>• Order/Appointment and Letter of references.</li> </ul>
	<b>20</b>	<ul style="list-style-type: none"> <li>• 3 X completed similar projects in IA /Forensic/ Risk Management or Business Continuity Management in the public sector.</li> <li>• External Quality Assurance,</li> <li>• 7 years' Experience.</li> <li>• Bidder to submit order/appointment and letters of reference</li> </ul>	<ul style="list-style-type: none"> <li>• Order/Appointment and Letter of references.</li> </ul>
	<b>10</b>	<ul style="list-style-type: none"> <li>• 2 X completed similar projects in IA /Forensic/ Risk Management or Business Continuity Management in the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Order/Appointment and Letter of references.</li> </ul>

		<ul style="list-style-type: none"> <li>External Quality Assurance,</li> <li>5 years' experience</li> <li>Bidder to submit order/appointment and letters of reference.</li> </ul>	
<b>Total Points</b>			
<b>KEY PERSONNEL</b>	<b>Max. Points</b>	<b>Years of Experience and Qualifications</b>	<b>Detailed CV and Qualifications</b>
<b>Team Leader with master's degree in Internal Auditing &amp; Certified Internal Auditor</b>	<b>30</b>	<ul style="list-style-type: none"> <li>15 years' experience and master's degree in Internal Auditing &amp; Certified Internal Auditor</li> <li>A Certificate in Business Continuity Management</li> <li>Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
	<b>20</b>	<ul style="list-style-type: none"> <li>7 years' experience and master's degree in Internal Auditing &amp; Certified Internal Auditor</li> <li>A Certificate in Business Continuity Management</li> <li>Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
	<b>10</b>	<ul style="list-style-type: none"> <li>5 years' experience and master's degree in Internal Auditing &amp; Certified Internal Auditor</li> <li>A Certificate in Business Continuity Management</li> <li>Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
	<b>0</b>	<ul style="list-style-type: none"> <li>less than 5 years' experience and no master's degree in Internal Auditing &amp; not Certified Internal Auditor</li> <li>No Certificate in Business Continuity Management</li> <li>No Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	

Executors with degree in Internal Auditing	10	<ul style="list-style-type: none"> <li>5 years' experience and degree in Internal Auditing &amp; Certified Internal Auditor</li> <li>Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
	7	<ul style="list-style-type: none"> <li>3 years' experience and degree in Internal Auditing &amp; Certified Internal Auditor</li> <li>Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
	5	<ul style="list-style-type: none"> <li>2 years' experience and degree in Internal Auditing &amp; Certified Internal Auditor</li> <li>Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
	0	<ul style="list-style-type: none"> <li>less than 2 years' experience and no degree in Internal Auditing</li> <li>No Certificate in Business Continuity Management</li> <li>No Membership of the Institute of Internal Auditors, Institute of Risk Management South Africa</li> </ul>	Attach CV and proof of qualifications (Certified copies)
<b>Total Points</b>			
Approach and methodology	30	Clear, conceptually relevant and informative IA methodology with demonstration of knowledge of the subject, including the IA Competence Framework and Combined Assurance.	Proposal document
	20	Ambiguous IA methodology with no clear demonstration of knowledge of the subject with no a project plan	Proposal document
	0	No project methodology no demonstration of knowledge of the subject matter.	Proposal document
<b>Total Points</b>			