

TERMS OF REFERENCES FOR COMPILATION OF ANNUAL FINANCIAL STATEMENTS OF KWASANI LOCAL MUNICIPALITY

OVERALL OBJECTIVES

1.1. In awarding this proposal, the Kwa Sani Local Municipality expects to, at minimum, achieve the following objectives:

1.1.1. Compile Annual Financial Statements for the 2013/14 financial year that fully complies with the applicable Generally Recognised Accounting Practice (GRAP) standards;

1.1.2. Improved audit evidence and well prepared audit files in line with the National Treasury guidelines;

1.1.3. Skills transfer to key employees within the Budget & Treasury Office who will be seconded to the project;

1.1.4. Maintain the current audit opinion (i.e. Unqualified audit opinion for 2012/13).

1.2. Prospective service providers must demonstrate specific experience in providing the services required by Kwa Sani Municipality with regard to Annual Financial Statements preparation.

Furthermore, prospective service providers must demonstrate that they have a proven track record in compiling Annual Financial Statements for municipalities, more specifically local municipalities.

2. OTHER IMPORTANT MATTERS

2.1. Only one proposal per Prospective Service Provider will be considered;

2.2. Your company will also be expected to present its proposal to the Municipality (should the need arise) at the date, time and place which will be determined by the municipality should your company be short-listed. Travelling cost to this effect will be borne by the Prospective Service Provider;

2.3. The Municipality will make available the Management Report and audit report for 2012/13 upon request to assist you with your proposal (note should be taken that this documents are strictly confidential and are provided to assist prospective service providers with their proposal and should be used for this purpose only);

2.4. If your company is successful, it will be expected to enter into a service level agreement with the Municipality, prior to commencement of the work. The Municipality reserves the right to cancel the any appointment made with a Service Provider who is not willing to conclude a Service Level Agreement with the Municipality in this regard;

2.5. No faxed or e-mailed proposals will be accepted and the municipality is not bound to accept the lowest proposal and reserves the right to accept the proposal wholly or partially;

2.6. Prospective Service Providers who are not registered on the database of service providers of Kwa Sani Municipality must promptly apply by completing the vendor / database registration form which is obtainable from the municipality's website (www.kwasani.co.za) and submit it together with their proposal;

2.7. Failure to comply with the above mentioned conditions may invalidate your proposal.

3. SCOPE OF WORK

3.1. Review of the financial records/transaction, preparation of reconciliations not in place and assistance with adjustment journals to ensure accuracy / correctness of the Trial Balance figures;

3.2. Review the asset register to ensure accuracy and completeness. The AFS Service Provider will have an obligation to advise the municipality on any gaps / discrepancies identified in the Asset Register that can lead to a qualification / disclaimer;

3.3. Compile the Annual Financial Statements for 2013/14 for submission to Auditor General of South Africa by the 31 July 2014. Draft set of Annual Financial Statements must be ready by 31st July 2014 for submission to the Audit Committee; service providers should take note that the financial statements submitted to the Audit Committee must be the close set of representation of the financial set to be submitted on the 29th August 2014 to the Auditor General of South Africa.

3.4. Annual Financial Statements (including notes, workings and schedules) will have to be compiled / done on CaseWare software which will be provided by the municipality. Therefore, it is essential that Prospective Service Providers are well conversant with this software;

3.5. Compilation of audit files for 2013/14 in line with National Treasury guidelines;

3.6. Addressing audit queries raised by Auditor General during audit (that is on the 2013/14 AFS) and adjust accordingly where necessary / as agreed upon with the AG;

3.7. Detailed skills transfer program for the purpose of skills transfer to municipal officials who will be seconded to this project.

Invalid or non-submission of the following documents will render the proposal disqualified

- Original Valid Tax Clearance Certificate
- Certified copies of originals of company registration documents and ID documents of members
- Company Profile with contactable references
- CV's of professional staff for the project
- JV agreement (if applicable)

STAGE 1: FUNCTIONALITY

Previous experience in Compilation of Annual Financial Statements Minimum 2 years. (2yrs =10, 3-4yrs =20 and 5 and above=30)

30

Methodology	10
Relevant Qualifications (Minimum Bachelours degree in Commerce)	5
List of successful implementation (minimum two) qualify for 5 points.	5

Bidders who score less than 80% on functionality will not be considered further for stage 2.

STAGE 2

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2011 (PPPFA) POINTS WILL BE AWARDED AS FOLLOWS:

CRITERIA	POINTS
Price	80
B-BBEE Status Level of Contribution	20

Bidders will be evaluated in terms of the Supply Chain Management policy of the KwaSani Municipality and the lowest tender will not necessarily be accepted and the right to accept the whole or part of Bid or not to consider any Bidder not suitably endorsed is fully reserved by the KwaSani Municipality.

Completed proposals in black ink and clearly marked "**Compilation of Financial Statements**" must be placed in the tender box, Kwa Sani Municipality Building, Reception area, 32 Arbuckle street, Himeville, 3256, not later than 12H00 on 5th July 2014 at which hour and date proposals will be open in public.

Telegraphic , telephonic , telefax ,facsimile ,email and late tenders will not be accepted. NB: The Municipality reserves the right not to appoint and is not compelled to take the lowest and can withdraw the Bid at any time.

Terms of reference are available on website (www.kwasani.co.za)

All queries must be submitted to Mr Mketsu 033 702 3000 or cfo@kwasani.co.za