

LETSEMENG LOCAL MUNICIPALITY

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KOFFIEFONTEIN
9986
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OFFICE OF THE MUNICIPAL MANAGER

ADVERT

Proposals are hereby invited from suitably qualified and experienced service providers for co-sourcing of internal audit services.

Proposals must be in a sealed envelope; labelled and addressed to the Municipal Manager as indicated below and must be placed in the tender box strictly on or before 12H00, on the 01 June 2012 at the following address:

Co-sourcing Internal Audit Function
Reception Area on the Ground Floor,
Letsemeng Local Municipality Offices,
7 Groottrek Street, Koffiefontein, 9986.

The proposals will be evaluated and adjudicated in line with the approved Supply Chain Management Policy of the municipality using 80/20 preference point system in line with the Preferential Procurement Policy Framework Act. The municipality is not bound to accept the lowest or any proposal and reserves the right to accept any proposal either wholly or a part thereof. Service providers are requested to download the terms of reference from the municipality's website at www.letsemeng.gov.za from 18 May 2012.

Enquiries can be directed to Internal Auditor: Mr. Obakeng Seseane at (053) 205 9200/9221 during office hours. Please note that short listed bidders may be invited to make presentations to the municipality.

Rev. IE. Poë
Municipal Manager

BACKGROUND

In terms of the Municipal Finance Management Act section 165, a municipality must establish and have an Internal Audit Unit (IAU). The responsibilities of the Unit are well documented in this act. Furthermore, the Unit must be allocated the necessary resources so that it can function effectively.

CURRENT STATUS

Currently the Unit consists of one person, namely the Internal Auditor (IA) who has a qualification in BTech in Internal Audit. The IA was appointed to this Unit during February 2010.

The Auditor General of South Africa (AGSA) raised an exception regarding the effectiveness and capacity of the Internal Audit Unit during the 2010-11 audit, in terms of the Unit fulfilling its legislative mandate.

AUDIT AND PERFORMANCE COMMITTEE (AC)

During the meeting that was held in March 2012, the Audit Committee made a recommendation that the Internal Audit function be co-sourced (i.e. services of Internal Auditors be sourced from external service providers to the Unit while the municipality get itself ready to appoint permanent officials).

SERVICES REQUIRED

The municipality hereby invite firms who have experience and expertise in internal auditing to second at least two officials to the IAU of Letsemeng Municipality. At least one official must have a more experience than our current IA for skills transfer purposes.

TERMS OF REFERENCE

The Internal Auditors will work hand-in-hand with the current IA, in line with approved audit plans.

1. Review current internal audit charter and working documents to ensure compliance to IIA standards and applicable legislations governing internal audit / internal audit unit;
2. Review of the current internal audit methodologies and other internal audit working documents;
3. Assist the Internal Auditor with development of audit program / objectives and system descriptions including a three year strategic audit plan (which will also include annual plan);

4. Any other internal audit function that might be required / requested by the Audit Committee or the municipality.

EXPERIENCE OF INTERNAL AUDITORS

Officials to be seconded to this project must hold a degree / BTech in Internal Audit and have at least three year experience in internal auditing. Companies which second Certified Internal Auditors to the project will be given priority depending on the cost thereon.

CV's of candidate to be seconded to the project must be submitted together with the proposal.

Please take note that candidates / officials to be seconded to this project might be interviewed by the Audit Committee (its delegate) or the municipality to determine the necessary skills and competence required.

DURATION

The duration of the project is expected to be approximately **six months starting from date of appointment**. Depending on when the municipality makes permanent appointments within the IAU, the contract may be extended accordingly on a month to month basis.

SUBMISSION OF PROPOSAL

Proposal clearly showing the cost must be marked for the attention of the Municipal Manager and be deposited in the tender box situated at the municipal offices in Koffiefontein as follows:

Co-sourcing of the Internal Audit Function
Letsemeng Local Municipality
7 Groottrek Street; Koffiefontein
9986

CLOSING DATE

Proposal must be submitted **on or before 12H00 on Friday, 01 June 2012**. No late; faxed; and e-mailed proposals will be accepted.

ENQUIRIES

All enquiries must be directed to the Internal Auditor: Mr. Obakeng Seseane at 053 205 9200 (9221) during office hours.

Rev.IE. Poöe
Municipal Manager
18 May 2012