

ANNEXURE A

LAINGSBURG MUNICIPALITY

FORMAL WRITTEN PRICE QUOTATION

BID NOTICE: NOTICE NO. 50 – 2021

BID NUMBER: SCM-8-2: FWPQ: 02-05-2021

BID DESCRIPTION: PROVISION OF PROFESSIONAL ACCOUNTING SERVICES

1. Introduction

During the 2019/20 regulatory audit the municipality received a qualified audit opinion. The following financial reported line items was qualified:

- Payables from exchange transactions
- Inventory
- Unspent conditional grants
- Transfer revenue - Government grants and subsidies

The basis informing the respective qualifications are:

| No | Reported line item | Audit basis |
|----|--|---|
| 1. | Payables from exchange transactions | <ul style="list-style-type: none">• List of trade payables disagrees with trade payables according to the general ledger |
| 2. | Inventory | <ul style="list-style-type: none">• Issues and acquisitions could not be supported |
| 3. | Unspent conditional grants | <ul style="list-style-type: none">• Financial management grant was not used for its intended purpose leading to grant expenditure and the resultant revenue being overstated• Since no supporting documentation can be provided to justify the expenditure recorded against conditional grants, the unspent grants are understated• Since the grant expenditure is still not recorded against conditional grants, the unspent grants are overstated |
| 4. | Transfer revenue - Government grants and subsidies | <ul style="list-style-type: none">• Since the financial management grant was not used for its intended purpose, the unspent conditional grants are understated• Evidence could still not be provided for all payments and resultant revenue recognised in respect of MIG• As reported in the prior year management report, grant expenditure and resultant revenue are still not recorded in the financial statements |

2. Scope

- 2.1. Included in the municipalities 2020/21 audit improvement plan are activities to address these qualification areas.
- 2.2. In line with the audit improvement plan, the municipality looking to appoint a professional services firm to assist with the implementation of the work steps and the activities for each correction and restatement methodology and approach.
- 2.3. The implementation work to be performed will require creating the relevant schedules and working papers for the audit file and should allow for a clear audit trail to be created.
- 2.4. The quotation should be accompanied by the CV of the person that will lead this project, as well as three contactable references.
- 2.5. The proposed project lead should have experience with implementing methodologies and approaches to remove audit qualifications.

3. Evaluation Criteria

| item | Requirement | Score |
|-----------------------------------|--|------------|
| Expertise | Bidders must submit CV and certified copies of qualifications for the bid. | 50 |
| Experience | Bidder must attach proof of 3 appointment letters for 3 similar projects within Municipalities between 2016 and 2021 years (Points allocation: appointment letters, 10 points per project) | 30 |
| Methodology | Bidders must submit detailed Process Plan with time frames and costs / milestone for the project. Points allocation: Process Plan with time frames – 10 points, Breakdown of costs per milestone – 10 points. | 20 |
| Minimum Threshold required | | 70 |
| Total Points | | 100 |

Bids should score a minimum of **70%** for functionality in order to be considered for further evaluation.

The bids will be evaluated on the **80 / 20** preferential points system.