

Open: 20th February 2013



MAKHUDUTHAMAGA LOCAL MUNICIPALITY

REQUEST FOR QUOTATIONS

Quotations are hereby invited from Service providers for provision on audit in supply chain management unit for Makhuduthamaga Municipality

SPECIFICATION FOR PROVISION OF AUDIT IN SUPPLY CHAIN MANAGEMENT UNIT

Engagement Scope

Audit project: Supply Chain Management Audit

Primary objectives are

1. To assess the efficiency and effectiveness of Supply Chain Management within the Municipality with focus on the timely provision of goods and services to end-users and payment to suppliers.
2. To give assurance that key management controls in place are adequate and effective to minimize the high risk areas that have been identified and agreed to with management during risk assessment process.
3. To give assurance that the transactions are performed timely, recorded accurately and completely and are properly authorized.
4. To make recommendations that which if implemented will improve the system of internal control.

Scope of work covers among other things the following:

1. Review of the supply chain management policies and procedures and ensure that these are in line with the Supply Chain Management Act, Preferential Procurement Policy Framework Act, and Municipal Finance Management Act.
2. Review of quotations sourcing, tendering processes and internal controls around the appointment of service providers
3. Review processes of monitoring suppliers performance
4. Review that levels of authorization are adhered to and that any changes are documented and properly authorized.
5. Review of receiving procedures to ensure that there is proper matching of goods receiving notes to invoices for payments. Including the controls over the acceptance of goods and rejection of mismatches.
6. Review of controls over items sent back for replacements or credit
7. Review the safekeeping of supporting documentations including suppliers' contracts.
8. Provide recommendations that address inherent risks and focus on potential for improved performance.

BUDGETED TIME ALLOCATION

This project is allocated a total of 160 hours as per our annual plan, and is planned to commence on 11th March 2013

Planning	30 Hours
Execution	90 Hours
Reporting	40 Hours
Total Hours	160 hours

The employer is the Makhuduthamaga Municipality represented by the Municipal Manager.

Completed and signed Quotations must be sealed in an envelope marked "**Provision for audit in supply chain management unit for Makhuduthamaga Municipality**". The closing date is **Wednesday the 27th of February 2013 at 12:00** and should be deposited in the tender box at Makhuduthamaga Local Municipality Offices in Jane Furse.

Preference will be given to those who are registered with the Municipality's database as in terms of Section 13(i) of SCM Policy. The following documents must be submitted with the quotations: A valid tax clearance issued by SARS, Company registration, Company profile (attach appointment letters for the work done), Proof of payment of Municipal services (for both the company and the directors), Joint Venture Agreement (If any), and the certified ID copies of Directors.

Bidders are requested to attach their B-BBEE status level certificate. The certificate must be issued by SANAS accredited agencies or registered auditors approved by the Independent Regulatory Board of Auditors (IRBA). The Municipality has the right to check the validity of the certificate.

Note: All copies must be certified. The certification must not be older than three months of the closing date.

No fax or email will be accepted

The municipality shall adjudicate and award tenders in accordance with the Preferential Procurement Policy Framework Act. 5/2000 and the revised Preferential Procurement Regulation as amended June 2011 on 80/20 points system where 80 points are for the price and 20 points for B-BBEE according to the said legislation.

For enquiries contact: 013 265 8600 or 013 265 1975

Supply Chain Management unit: Mr. M.A Malekana

Mrs. T.M. Mphele


