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TERMS OF REFERENCE

REQUEST FOR QUOTATIONS FOR INTERIM FINANCIAL STATEMENTS QUALITY REVIEW SERVICES FOR KOBWA

CLOSING DATE OF SUBMISSIONS: 14TH OCTOBER 2024

DOCUMENTS MUST BE SUBMITTED AS FOLLOWS:

Email: zanele.duba@kobwa.co.za

Cc: siyanda.zembe@kobwa.co.za



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BACKGROUND

The Komati Basin Water Authority (KOBWA) was established as a bi-national agency in terms of the Treaty for the purpose of implementing Phase 1 of the development. Phase 1 comprises the design, construction, operation and maintenance of the Driekoppies Dam on the Lomati River in RSA (Phase 1a), and the Maguga Dam on the Komati River in Eswatini (Phase 1b).

The Treaty provides for the development and utilisation of the water resources of the Komati River Basin from its headwaters in RSA to the confluence with the Crocodile River at Komatipoort. The Komati River Basin is an international drainage basin that is a source of water for the Republic of South Africa, the Kingdom of Eswatini and the Republic of Mozambique. The Basin comprises a total area of 11,087 km² up to the confluence of the Komati and the Crocodile rivers at Komatipoort, with a mean annual run-off of 1,438 million cubic meters.


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SECTION 1: REQUEST FOR QUOTATION(S)

INTRODUCTION


Interested, competent and experienced consultant(s) are invited to submit a Quotation for Interim Financial Statements Quality Review Services for the Komati Basin Water Authority (KOBWA). Quotations would form the basis for negotiations and an agreement between the successful service provider (consultant) and KOBWA. The purpose of the services requested is to, jointly with the KOBWA Internal Audit Team, render comprehensive Interim Financial Statements (IFS) Quality Review Services to KOBWA which comply with Generally Recognized Accounting Practices. KOBWA in particular requires services to suit the nature of its corporate business being a bi-national agency for Eswatini and South Africa on Water Management.

To assist service providers in preparing quotations, the following are enclosed:

Supplementary Information (Section 2),

Scope of Services (Sections 3), and

Additional Information (Appendix A).

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1. Quotation Consideration(s):

1.1 KOBWA Supplier Database Requirements

All service providers are required to be registered on KOBWA supplier database. Refer to the attached supplier database form.

1.2 Consultant(s) Expertise Requirements

FUNCTIONALITY CRITERIA	RATINGS	WEIGHT
Experience <ul style="list-style-type: none"> ▪ Consultant(s) GRAP IFS/AFS quality review experience ▪ Attached CV and/or summarised GRAP client list (industry sufficient, no names of clients) 	<ul style="list-style-type: none"> ▪ Between 0 – 5 years: 10 ▪ Between 6-10 years: 20 ▪ More than 10 years: 30 	30
Consultant Competency <ul style="list-style-type: none"> ▪ Accredited Professional Registrations (SAICA, SAIPA, and/or IIA) ▪ GRAP specific training/certification 	<ul style="list-style-type: none"> ▪ Valid professional registration: 20 ▪ Evidence of GRAP training: 10 	30
Proposed Plan <ul style="list-style-type: none"> ▪ Technical Aspects 	<ul style="list-style-type: none"> ▪ Proposal project plan: 20 ▪ Illustration of risk management and internal control measures understanding:10 	30
References / Testimonials <ul style="list-style-type: none"> ▪ Contactable references and Testimonial(s) 	<ul style="list-style-type: none"> ▪ Provide two (2) contactable references and brief testimonial(s) bearing a date of not more than 12 months: (5 points for each reference). 	10
Total		100

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1.3. Pricing

Resource(s)	Hour rate per resource	Number of hours	Total Cost (VATExcl.)
Lead Consultant Name: ▪			
Other Resource Name: (N/A if none)			
Disbursements			
Sub-Total (VAT Excl.)			
VAT			
Total Fees (VAT Incl.)			


Prices quoted should be in either RSA Rand or Eswatini Lilangeni. Costs for preparing the quotation and for any negotiations are not reimbursable. If the service provider is awarded, only the quoted price will be applicable.

Any request for more information or clarifications should be made in writing as follows:

Ms Zanele Duba – Internal Audit

E-mail: zanele.duba@kobwa.co.za

Copy: siyanda.zembe@kobwa.co.za

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SECTION 2: SUPPLEMENTARY INFORMATION

2.1 General:

2.1.1 Timelines

Submission/Closing date:	14 th October 2024
Commencement of services:	Appointment Date
Estimated Timeframe:	11 th – 29 th November 2024. Three (03) weeks.
Review period(s):	2024/25 Financial Year Interim (6 months) Financial Statements (IFS). (Q1: April to June 2024; Q2: July to September 2024)

2.2 Services Proposal:

2.2.1 Description of Proposed Services


This section provides for the clear and concise description of the services proposed. The scope of services and time-frames are to be defined in complete detail.

2.2.2 Consultant(s) Experience in the Industry

Consultant(s) are to provide concise information on relevant experience on GRAP.

2.2.3 Implementation, manpower and work program schedule

- a) The IFS internal audit review will run for a period of three (03) weeks.
 - i. Week 1 – Inception Meeting & Engagement Planning. This includes the drafting of an IFS internal audit programme with clear audit procedures/steps.
 - ii. Week 2 – Engagement Performance (execution)
 - iii. Week 3 – Engagement Performance Completion & Results Communication. Results Communication must include, amongst other things,
 - the compilation of a draft internal audit report with value adding recommendations, advising and guiding KOBWA management on best corrective measures to implement.


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- the discussion of audit findings with relevant process owner(s)/management and obtaining management corrective action responses (with action date(s) and responsible person); and
 - the compilation and issuing of a final internal audit report to relevant management and the Chief Executive Officer, reflecting value adding recommendations and management corrective action plans.
- b) The consultant is expected to align their availability to dates indicated in paragraph 2.1.1 above.
- c) The consultant is expected to impart skills to the internal audit function team of two (02) officials as part of their deliverables.
- d) The consultant is expected to advise and guide management on best financial controls and corrective measures for identified weaknesses, as part of their deliverables.
- e) It is envisaged that the consultant is engaged through online platforms as far as possible. Physical meetings must be agreed upon by both parties and communicated in advance.

2.3 Financial Proposal

An agreement will be awarded on the basis of consultant and reimbursable costs as indicated in the pricing schedule of Section 1, paragraph 1.3.

Consultants should note that there is an estimated 30 days payment period for all invoices submitted.

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SECTION 3: SCOPE OF SERVICES

3.1. OVERALL OBJECTIVES OF THE INTERNAL AUDIT

The overall objectives of the internal audit review are –


- Express an audit opinion on the Interim Financial Statement (**GRAP compliant**).
- To examine KOBWA's interim financial statements (IFS), accounting records, and internal controls over financial reporting.
- Obtain reasonable assurance on the accuracy, validity, completeness and reliability of financial reporting.
- To test if risk management and internal control measures are adequate and adhered to in the first two quarters of the KOBWA 2024/25 financial year.
- To provide information to management and the board regarding compliance or non-compliance with internal control measures.
- Advice on efficiency and effectiveness of internal controls through audit recommendations.
- Advise on the appropriateness of the action plan addressing the audit outcomes.

3.2 SCOPE OF WORK – INTERNAL AUDIT FUNCTION (IAF) WITH CONSULTANT(S)

The services must test if KOBWA's policies and procedures are in compliance with GRAP and any legislation applicable in both countries, including appropriate governance principles and Treaty requirements.

3.3 EXPECTED OUTPUT / DELIVERABLES - IAF WITH CONSULTANT(S)

- Compile a scoping report at inception to ensure mutual agreement regarding outputs, deliverables and time frames;
- A proposed implementation plan, including timeframes and cost implication for all proposed activities.
- A skills impartation plan or schedule for the KOBWA IAF team.
- Minutes of audit related meetings with relevant process owners/management.
- File of audit working papers files, with clear audit procedures and evidence supporting audit findings.

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- A detailed draft IFS internal audit report with value adding recommendations.
- A detailed final IFS internal audit report, with management corrective responses and timelines.


3.4 DURATION

The services rendering mandate is expected to be undertaken as indicated in Section 2.

3.5 MANAGEMENT AND ADMINISTRATION PROCESS

KOBWA Chief Audit Executive (CAE) will be the contact person for this project. The Consultant will engage with the CAE directly to ensure that desired objectives are met.

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APPENDIX A- ADDITIONAL INFORMATION

Confidentiality of Information

All quotations submitted by consultants shall be held in strict confidence and will not be revealed to any other party.

All Information pertaining to the KOBWA obtained by the consultant as a result of participation in this project is confidential and must not be disclosed without written authorisation from the KOBWA.

Acceptance of Terms

All terms and conditions of this Invitation to Quote are deemed to be accepted by the consultant(s) and incorporated by reference in their quotation, except such conditions and provisions that are expressly excluded. There will be an opportunity to review these conditions upon selection of the successful consultant and during subsequent inception meeting.