



## **TERMS OF REFERENCE FOR AFS PREPARATIONS 2024**

## **1. Background**

The Waterberg TVET College (WTC) is an institution governed by the Continuing Education and Training Act of 2006. The Minister of Higher Education and Training is the Executive Authority, and the WTC Council is the Accounting Authority of the WTC. The WTC is governed by the Council appointed by the Minister of Higher Education and Training.

1.1. The Waterberg TVET College seeks to appoint a recognized accounting firm to prepare the annual financial statements for the college for the year end 31 December 2024 financial year.

## **2. Purpose and objectives**

2.1. The purpose of this project is to compile Annual Financial Statements for the year end 31 December 2024 financial year that fully comply with the applicable GRAP standards, with the objective to achieve an unqualified audit opinion. This project is aimed at ensuring compliance with the Continuing Education and Training Act 2006 as well as SCOA where one of the key requirements is well prepared audit files in line with the National Treasury guideline.

## **3. Expected outcomes**

The expected outcomes of the project is a credible set of Annual Financial Statements that are free from material misstatements submitted to the office of the Auditor General by the 31<sup>st</sup> March 2025 in accordance with GRAP standards.

## **4. Scope of work**

The scope of work will entail the following:

- Review of financial records/transactions, preparation of reconciliations not in place and assistance with adjustment journals to ensure accuracy/correctness of the Trial balance figures
- Preparation of GRAP compliant draft AFS for 2024 which are submitted by the 10<sup>th</sup> February 2025 to management for quality assurance. Taking into consideration all requirements set out by the GRAP Standards.
- Addressing audit queries raised by the Auditor General during audit and adjust accordingly where necessary as agreed upon with the AG.
- Develop a detailed skills transfer program for the purpose of transferring skills to College officials who will be seconded to the project.
- Establish whether the general ledger aligns with the Trial balance in line with applicable accounting standards.
- Establish whether all disclosures are made in the Annual Financial Statements. This includes checking whether the statements reconcile with the trial balance as well as supporting schedules.

- Perform completeness check of opening balances. Completeness check will be vital, to make sure that all requirements are met and performed.
- Eliminating all qualification issues raised by the Auditor General in previous years.
- Provision of support to the College in any manner that may be needed in relation to this project
- The service provider is required to make themselves available until 31 May 2025 and when the College requires, in order to outline or clarify any communication of audit findings.

## 5. Functional requirements

The WTC requires services of a service provider for the preparation of GRAP compliant Annual Financial statements for the year ending 31 December 2024:

Qualifications and experience required

- The project Team Leader
  - The team leader of the project must be a Chartered Accountant (CA) SA registered with the South African Institute of Chartered Accountants with at least 7 years' experience as a registered CA (SA). Attach CV and proof of registration.
- 1 team members
  - Must be registered with applicable bodies and have a minimum of honours degree or postgraduate qualification in Commerce majoring in:
  - Accounting, auditing/finance or equivalent, coupled with a minimum of 3 years practical experience in preparing Annual Financial Statements. Attach CV and proof of registration
- The service provider
  - Must have an experience and knowledge of preparing and reviewing GRAP Compliant AFS of a College for a minimum of 5 projects.
  - Attach 3 appointment letters and reference letters indicating project that was successfully completed and timeously signed by the Client.
  - must demonstrate a proven track record of having assisted clients improve institutional audit opinion for at least 2 clients. Attach reference letter from client.
  - Experience in TVET sector

## 6. Deliverables

- Inception report which will include Project plan, methodology, budget breakdown and project reporting mechanism
- GRAP Compliant Annual Financial statements 2024 Financial year
- Audit file
- Incorporation of inputs of management, internal audit and the Audit committee

- Response to AG Audit queries and findings
- Preparation of Close-out report
- Signing of Service Level Agreement

## 7. Evaluation criteria

The bids will be evaluated in two stages, namely;

- Stage 1 – Functionality
- Stage 2 – Price and BBBEE points

Only bidders who score 70% or more on stage 1 would be evaluated further and therefore eligible for the award.

Item	Weight
<b>Stage 1 of Evaluation - Functionality</b>	<b>100</b>
Previous experience	30
TVET sector experience	20
Capacity and expertise	50
<b>Stage 2 of Evaluation – Price &amp; preferential point</b>	
BBBEE/Specific Points	20
Price	80
<b>Total</b>	<b>100</b>

### *Breakdown for Functionality:*

Company experience with respect to similar projects	Weighting
Traceable record for successful completion of a minimum of 5 projects of AFS for a College (Attach appointment letter and reference letter indicating project was completed successfully and timeously)	30
Traceable record for successful completion of a minimum of 2 but not more than 4 projects of AFS for a College (Attach appointment letter and reference letter indicating project was completed successfully and timeously)	15
Traceable record for successful completion of a minimum of 1 but not more than 2 projects of AFS for a College (Attach appointment letter and reference letter indicating project was completed successfully and timeously)	10
No traceable record of successful completion of a project of AFS for a College	0
<b>Maximum weighting</b>	<b>30</b>

<b>Company experience with respect to similar projects</b>	<b>Weighting</b>
Traceable record for successful completion of a minimum of 5 projects of AFS with an improved audit opinion (Attach appointment letter and reference letter indicating project was completed successfully and timeously)	20
Traceable record for successful completion of a minimum of 2 but not more than 4 projects of AFS with an improved audit opinion (Attach appointment letter and reference letter indicating project was completed successfully and timeously)	10
Traceable record for successful completion of a minimum of 1 but not more than 2 projects of AFS for a College (Attach appointment letter and reference letter indicating project was completed successfully and timeously)	5
No traceable record of successful completion of a project of AFS for a College with an improved audit opinion	0
<b>Maximum weighting</b>	<b>20</b>

<b>Experience of key staff assigned to the contract</b>	<b>Weighting</b>
<b>Team members</b>	<b>40</b>
Team leader must be a Chartered Accountant (CA)SA registered with SAICA with 5 years' experience as a registered CA. Attach CV and proof of registration	20
2 team members must have minimum of honours degree or postgraduate qualification (NQF Level 8) in Commerce majoring in: Accounting, auditing/finance or equivalent, coupled with a minimum of 3 years practical experience in preparing Annual Financial Statements. Attach CV and proof of registration	20
<b>Maximum weighting</b>	<b>40</b>
<b>Professional registration</b>	
4 team members proposed above as part of the project team to be registered with relevant professional body (AGA (SA) with SAICA, Professional Accountant (SA) with SAIPA, ACCA etc.)	10
<b>Maximum weighting</b>	<b>10</b>
<b>Total maximum weighting</b>	<b>50</b>