

## ToR – PUR 4201/9 Movable Assets Verification

### Mandatory Requirements

<i>Description of Appendix</i>	<i>Requirement</i>
RFP Document	Each page of the RFP document to be initialled by a delegated representative
Specifications and pricing	Complete Fees Schedule
Proof of Bank Account	Signed letter from the bank
Company registration documents	Company registration documents
Tax clearance certification	An original valid tax clearance certificate or Tax Pin
Financial Statements	Recent Audited Financial statement for the last financial year
B-BBEE certification	A valid B-BBEE certificate
Board Resolution	Signed Board Resolution
Declaration of Interest	Please sign Point 9 of this tender document
Registration on National Treasury	Provide a copy of your unique supplier number ( <b>MAAA....</b> ).
SAICA/ SAIPA/ membership registration, etc	Provide proof of registration with the South African Institute of Chartered Accountants
Case Ware Champion Certificate /or similar accounting software	Provided proof of certification

### Functionality Criteria

	Qualifying Criteria	Points
	<p>Proof of similar projects and references to be provided. <b>A minimum of three contactable references</b> is required not older <b>than 3 years</b> in similar GRAP environments.</p> <p>One Reference Letter <b>(10 points)</b></p> <p>Two Reference Letters <b>(20 points)</b></p> <p>Three Reference Letters <b>(30 points)</b></p> <p>None submitted <b>(0 Points)</b></p>	<b>30</b>
	<p>The delivery of these services is time sensitive. As such, the successful bidder will be required to have all services delivered within twelve <b>(12) weeks</b> of the awarding of the contract.</p> <p>The service provider must be able to provide a team that:</p> <p>Have been involved in the preparation of GRAP Compliant Asset Register where an unqualified opinion was obtained (similar environment: educational or related institute), <b>(20 points)</b></p> <ul style="list-style-type: none"> <li>Previously been involved in the preparation of Fixed Asset Register in line with disclosure requirements of GRAP annual financial statements and have intimate knowledge of the accounting reporting framework. Must be fully conversant with GRAP 17 and demonstrate a high-level technical understanding and approach. (include a template of a GRAP Compliant Asset Register and Reconciliation) <b>(10 points)</b></li> <li>Work experience with the external auditors. Provide an indication of the audit support <b>(10 points)</b></li> <li>None submitted <b>(0 Points)</b></li> </ul>	<b>20</b>
	<p>Detailed Work Plan and Transfer Plan comprising of the following:</p> <p>Methodology</p> <p>Stages of Completion (i.e. Timeframes and Due Dates)</p> <p>Planned Hours</p> <p>None submitted <b>(0 Points)</b></p>	<b>10</b>
	<p>Provide evidence of provider being a registered auditing or asset managing firm with experience in the verification of the following number of movable assets:</p> <p><b>Less than 5000: (2 points)</b></p> <p><b>Between 5000 and 10000: (4 points)</b></p> <p><b>Between 10000 and 30000: (6 points)</b></p>	<b>10</b>

	<b>Between 30000 and 50000: (8 points)</b> <b>More than 50000: (10 points)</b> None submitted ( <b>0 Points</b> )	
	Proof of capacity to perform the required service(s) <ul style="list-style-type: none"> <li>Registered Chartered Accountants (CA (SA)) must lead the team (proof to be provided).</li> <li>The team must be comprised of individuals appropriately qualified with B Com in Accounting/Auditing and a minimum of 2years experience (CV and appointment letters attached)</li> <li>At least one member (Besides the Partner) must have 5 years or more experience in the accounting/audit profession.</li> <li>None submitted (<b>0 Points</b>)</li> </ul>	<b>30</b>
	<b>TOTAL POINTS</b>	<b>100</b>

## BACKGROUND

### 1. PURPOSE AND BACKGROUND INFORMATION

1.1 To select and appoint a credible service provider to produce an accurate and reliable GRAP 17 Compliant Asset Register for the audit of the 2021 and 2022 financial periods respectively.

1.2 The service provider will be required to produce Property Plant & Equipment Disclosure Notes in the Annual Financial Statements which are in accordance with GRAP; CET Act 16 of 2006; Public Finance Management Act 1 of 1999 and National Treasury Regulations.

1.3 The service provider will be required to produce a GRAP17 and GRAP 27 Compliant Asset Register which is free from qualifications from the external auditors.

1.4 The Asset Classification of the Property Plant & Equipment is as follows:

- Buildings
- Work In Progress
- Computer Equipment
- Furniture and Fittings
- Machinery and Equipment
- Motor Vehicles
- Land
- Biological Assets

1.5 The service provider will be required to provide the deliverables prior to the submission date of Annual Financial Statements on 28 February 2022 to the Auditor General for the audit of the 2021 financial period.

1.6 The service provider will be required to provide the deliverables prior to the submission date of Annual Financial Statements on 28 February 2023 to the Auditor General for the audit of the 2022 financial period.

1.7 TALETSO TVET College comprises a Central Office and three campuses (Lichtenburg Campus, Lehurutshe Campus and Mahikeng Campus)

1.8 The Property, Plant and Equipment Team are entrusted with the following task to ensure that all assets on our campuses are verified and that our Fixed Asset Register are complete and accurate as per our Asset management policy and also adhere to GRAP Standards.

1.9 The estimated quantity of assets per campus according to our Fixed Asset Register of the financial year ended 31 December 2020 is as follows:

Delivery Site	Location	Number of Assets (excl Biological Assets)
Mahikeng Campus	Mmabatho, North West	8 710
Central Office	Mmabatho, North West	1 206
Lehurutshe Campus	Zeerust, North West	9 838
Lichtenburg Campus	Lichtenburg, North West	4 106
Total		23 860

Delivery Site	Location	Biological Assets Classifications	Number of Assets
Lichtenburg Farm	Lichtenburg, North West	Cattle- Bulls	0
		Cattle- Cows	0
		Cattle- Calves	0
		Pigs-Boars	0
		Pigs- Sows	18
		Pigs- Piglet	11
		Sheep-Rams	0
		Sheep-Ewes	44
		Sheep-Lambs	8
		Goats-Rams	0

		Goats -Ewes	10
		Goats -Kids	0
Total			91

1.10 All equipment and stationery/consumables, i.e. scanners and staff for this exercise must be provided by the appointed service providers, including own transport and accommodation. The College will provide barcodes.

1.11 For this purpose, potential service providers must quote per site, taking note that Central Office and Mahikeng Campus must be regarded as one site.

1.12 Potential service providers must quote a fixed fee per month for verifying assets once a month per site, covering all assets at least twice per annum including current procurement. Verification sheets must at least cover items noted in 1.8 above and be signed off by the relevant site manager (campus-/unit manager).

1.13 Potential service providers must be able to verify all sites within 20 working days and the final results must be available within 10 working days after verification per site has been concluded.

1.14 Potential service providers must allocate an additional 10 working days on request during the audit period as per scope to answer on prepared working papers done.

1.15 The minimum information that must be contained in reports is the following:

- Barcode number
- Description
- Fair value where applicable
- Location of all assets which indicate building /floor /room no
- Photo evidence as requested
- Condition

## **2. PROVIDE THE COLLEGE WITH THE FOLLOWING SERVICES**

- ✓ The potential service provider must be able to identify Property, Plant and Equipment as defined per GRAP Standards.
- ✓ The potential service provider must be able to identify when an asset is work in progress or not as defined per GRAP Standards.
- ✓ The potential service provider must be able to identify when an asset is impaired as defined per GRAP Standards.
- ✓ The potential service provider must be able to perform a condition test on assets (only two conditions allowed either Good or Very poor) verified as defined per GRAP Standards.

- ✓ The potential service provider must be able to assign a fair value to assets that was not recorded on the Fixed Asset Register previously as defined per GRAP Standards
- ✓ The potential service provider must be able to barcode an asset when no barcode found on an asset
- ✓ The potential service provider must use barcodes of the same quality as used by TALETSO TVET COLLEGE (standard aluminum barcodes)
- ✓ The potential service provider must provide the inventory list of the respective location of the assets verified that include description and barcodes of the assets in the location
- ✓ The potential service provider must be able to give a proper description of Assets found without barcodes as well as a location and a photo must be taken and supplied in electronic format
- ✓ The potential service provider must give detail information regarding impaired Assets with photo evidence and supplied in electronic format

The potential service provider must give a status report weekly in electronic format stating but not limited to:

- ❖ How many venues were verified and which venues?
- ❖ How many assets were verified and which assets?
- ❖ How many assets without barcodes (photo evidence required)?
- ❖ How many assets impaired and which assets (photo evidence required)
- ❖ The final report must be available in Excel electronically per site as well as a hardcopy file with all verification reports signed off by asset custodians
- ❖ Proposed Asset Management Plan covering the period of the assignment
- ❖ Proposal outlining process and resources to be allocated in this assignment
- ❖ The Service Provider is required to perform a reconciliation of the finalized Asset (incl Biological Assets) Register to the General Ledger accounts of Property Plant & Equipment
- ❖ The Service Provider is required to prepare the Disclosure Note in the Annual Financial Statements in accordance to GRAP 17 and GRAP 27 standards
- ❖ The Service Provider is required to provide audit support during the audit of the **2021 and 2022** financial period.

### **3. PROPERTY PLANT & EQUIPMENT – SCOPE OF WORK**

Check account for additions and update the Asset (incl Biological Assets) Register

- Extract an asset list and verify information
- Check with insurance if any assets were written off or stolen during the year and check that all scrap notes have been captured
- Verify movable assets not found during scan and prepare an item for write-off
- Extract a detailed report and scrutinize for possible assets and journalise where necessary

- Balance infrastructure listings to actual expenditure
- Run depreciation calculation
- Review remaining useful lives
- Review residual values
- Review depreciation methods
- Do conditional assessment with useful life review
- Perform Impairment review
- Verify that the depreciation calculation is correct
- Determine the value and decide on actions where applicable
- Extract/Obtain a detailed report and scrutinize for completeness and correctness
- Perform a physical asset count using barcode scanners to ensure that the asset register of the college is complete, in that all PPE items that exist and which qualify for recognition and measurement as PPE of the college are included on the asset register
- Perform a physical asset count using barcode scanner to identify all PPE items on the asset register that no longer exists or which no longer qualify for recognition and measurement as PPE of the college are appropriately derecognized on the asset register
- Scrutinize the general ledger accounts, with special focus on accounts in which assets may have been inappropriately expenses, e.g. repairs and maintenance accounts, and ensure that all PPE purchases were correctly allocated and capitalised in the GL
- In terms of Disposals, complete the calculations and general ledger entries for any PPE disposals and record the movements on the asset register
- Reconcile the asset register with the general ledger accounts for PPE for cost and accumulated depreciation (accumulated depreciation should balance from the previous year). In this step it must be ensured that all additions, recognitions and other possible changes in the cost price of PPE are recorded on both the GL and the asset register
- Reconcile the asset register to the BMS Asset Module to ensure that the Assets have uploaded correctly in terms of compliance to a GRAP 17 and GRAP 27 Asset Register
- Prepare the Property Plant & Equipment Disclosure Note in the Annual Financial Statements in accordance with GRAP
- Prepare an Audit File for Property Plant & Equipment for submission to the Auditor General South Africa
- Provide Audit Support during the audit of the Property Plant & Equipment

## **SPECIAL TERMS & CONDITION**

- It is expected that the appointed bidder must be able to deliver the services within agreed date from the day of the tender awarded.

- Period of the contract shall be for 24 Months the second year extension will depend on auditor's outcomes.
- The appointed bidder is responsible for due compliance of covid-19 regulations relating to rendering audit readiness services.
- The College reserves the right to terminate the contract by giving one-month notice in writing.
- TALETSO TVET College reserve the right to ask for documentation to prove financial capacity of the bidder.
- Deregistering and blacklisted companies including directors/owners/individuals linked to the company, will not be considered
- Counter offer by service providers shall not be considered and shall therefore nullify the offer to the company.
- Along with each submission, a list of projects involving the compilation of GRAP compliant AFS completed within the past 3 years must be provided. Furthermore, for each of these projects, the audit opinion needs to be clearly stated.
- TALETSO TVET College reserve the right to amend the specification before the closing date of the bid or to award the whole or part of the bid to one or more service provider or to cancel the bid in the whole, as well as to adjust the quantities before the financial award is made.
- No telephone or facsimile will be accepted for submission.
- Any means of attempting to influence adjudication process or outcome of adjudication process will result in immediate disqualification of the entire bid
- Enquires should be made in writing.
- Note: Blacklisted companies appearing on the national treasury database are prohibited from conducting business with public entities and will be disqualified.

Responses to be attached to the Supplier Development Appendixes cover pages.