



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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REQUEST FOR QUOTATION

TERMS OF REFERENCE FOR THE APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO RENDER AUDIT READINESS AND ANNUAL FINANCIAL STATEMENT PREPARATION SERVICES TO THE NORTHERN CAPE COMMUNITY EDUCATION AND TRAINING COLLEGE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

RFQ NUMBER: NCCETC-RFQ 015-2023

Date issued: 16 October 2023

Closing date and time: 30 October 2023 at 13:00 pm

SUBMISSION ADDRESS:

Note: All quotations must be submitted in person at Northern Cape Community Education & Training College's central office at 19 Oliver Road, Klisserville, Kimberley, Northern Cape by no later than 30 October 2023 at 13:00pm, alternatively they can be emailed to VTshipi@NC.CETC.edu.za



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PART A – INFORMATION ON THE TENDER

BACKGROUND

The CET came into existence on 1 April 2015 when the Public Adult Learning Centres (PSLCs) migrated from the Provincial Education Departments (PEDs) to the C

14ET Colleges, resorting under the Department of Higher Education and Training (DHET). The mandate of the colleges is to provide quality and relevant education and training programmes for youth and adults to improve their livelihoods. The College, through the Community Learning Centres, offer programmes that will ensure that learners attain skills that will enable them to either find employment or establish their own enterprises.

The College is situated in the Northern Cape Province in South Africa. Governance of the College rests with the Council subject to the relevant statutes and policies. Management of the college consists of the Principal and Deputy Principals. The CET College operates in accordance with the requirements, rules and regulations laid down in the following documents:

- . The Continuing Education and Training Act, Act 16 of 2006: and
- . National Norms and Standards for Funding Community Education and Training Colleges.

PURPOSE OF THE RFQ

The purpose of this request is to solicit quotations from potential service providers who can render audit readiness and annual financial statement preparation services to the Northern Cape Community Education & Training College. The College is required to report its financial information in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as prescribed and as such will prepare GRAP financial statements for the year ended 31 December 2023, for submission to the external auditor on or before 31 March 2024. This service will include compilations and review of GRAP compliant fixed asset register.

To this end NC CETC invites suitably qualified, appropriately accredited, and interested service providers who have, and can demonstrate, the necessary capacity, to submit proposals and or quotations for the delivery of services as outlined in these terms of reference. This request for quotation (RFQ) document details and incorporates, as far as possible, the tasks and responsibilities of the potential service provider required by the College.



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Any provider that submits late will not be allowed to partake in the Request for Quotation (RFQ) process.

The primary objective is to assist the College in obtaining a clean audit for the 2023 financial period.

This RFQ does not constitute an offer to do business with the Northern Cape Community Education & Training College, but merely serves as an invitation to potential service providers to facilitate a requirements-based decision process.

SCOPE AND DEFINITION OF WORK

3.1 TERMS OF REFERENCE

The College's primary objective in issuing this RFP is to enter into agreement with a successful service provider who can assist the College to get ready for the 2023 financial year audit by performing the following services:

- a. Prepare GRAP compliant Annual Financial Statements for the year ending 31 December 2023
- b. Compile accounting file/audit file to support the Annual Financial statements
- c. Draft AFS to be presented to Management by 08 March 2024 and to provide for a period for oversight and review by the Audit & Risk Committee and Council by 15 March 2024. The service provider should consider:
 - c.a.1 Restatement requirements of all transactions and account balances resulting from audit findings from the audit of 2022 financial year as per external audit management letter.
 - c.a.2 Significant judgements and sources of estimating uncertainty in preparation of AFS have to be disclosed and working papers thereto prepared.
- d. Ensure that all required reconciliations are in place with relevant supporting documentation, with specific reconciliation on:
 - d.a.1 Income and Expenditure relating to Projects/grants (i.e. Public Private Partnerships) and reconciling the related Debtors or related Income Received in Advance
 - d.a.2 Payroll to identify corrective adjustments on expenditure and liabilities.
 - d.a.3 Prepare calculation/amortization schedules for inclusion of finance and operating leases in AFS as per GRAP requirements.
 - d.a.4 Prepare Commitments Listing relating to Operational Expenditure and Capital Expenditure (inclusive of Lease Commitments) and reconcile to the Annual Financial Statements
 - d.a.5 Reconcile general ledger to Fixed Asset Register to the Annual Financial Statements.



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- d.a.6 Prepare fixed asset disclosure note
- d.a.7 Reconcile Revenue from Non-Exchange Transactions Accounts
- d.a.8 Reconcile Revenue from Exchange Transactions Accounts
- d.a.9 Reclassify and correct prior year errors and disclosure on AFS.
- d.a.10 Prepare audit intervention or audit action plan relating to prior year errors for consideration by external auditors.
- d.a.11 Perform cut off procedures for all classes of transactions to identify incorrect period allocation.
- d.a.12 Assess declarations and perform what is necessary for disclosure of related party note on AFS.
- d.a.13 Ensure the Annual Financial Statements are supported with working papers and source documentation that clearly explain where amounts are taken from indicating calculations breakdowns.
- d.a.14 Review of the college financial records, transactions, to identify required reconciliations that are not in place and assist to complete those.
- e. Prepare and recommend adjusting journals with sufficient supporting documentation to ensure accuracy and completeness of the Trial Balance and General Ledger amounts.
- f. Provide management file for all supporting working papers in gathering information and calculations made to determine balances on AFS.
- g. Compile audit file for the year ending 31 December 2023 audit in line with National Treasury guidelines.
- h. Prepare weekly progress reports based on work plan to be submitted in quotation and report upfront on any expected increase cost for prior approval by council.
- i. Compile a skills transfer plan which requires the identification of skills needs and assist to transfer of such skills to the college employees who will be directly involved in the audit readiness and preparation of the AFS in order to create future self-sustainability for the college in the matters above.
- j. Review the fixed asset register and ensure that it is GRAP compliant**
 - j.a.1 Fully depreciated assets have been properly accounted for
 - j.a.2 Additions, donations and write off properly presented
 - j.a.3 Valuation of assets is done in terms of GRAP for both additions and existing assets.
 - j.a.4 Movement of assets is sufficiently supported by relevant supporting documents
 - j.a.5 Uniform useful lives and residual values are applied consistently across categories of assets.



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- j.a.6 Review the asset management policy for consistence with GRAP
- j.a.7 Identification of duplicates and correction thereof
- j.a.8 Asset register reconciles to GL and AFS
- j.a.9 Fixed asset disclosure note and policy is done appropriately in terms of GRAP

It is expected that the appointed service provider be able to deliver these services by the due dates with additional eight (8) weeks availability on request during the audit period as per scope to answer on prepared working papers done. Team members should be technically proficient in GRAP and have relevant technical experience to correct and address any material audit issues including any of the prior year. The Service Provider must clearly demonstrate the capacity to deliver the services for which they are quoting. NC CET College reserves the right to ask for documentation to prove financial capacity of the Services Provider appointed.

QUALIFICATION CRITERIA

The evaluation criteria that will be used in evaluating the technical submission.

The service provider/individual responding to this RFQ or employees to work on the project must:

1. Have at least a CA (SA) on the project
2. Have experience in TVET sector or CET sector in preparing financial statements in terms of GRAP and providing financial management support
3. Must have experience in preparing or reviewing GRAP compliant fixed asset register
4. Be able to use Microsoft Dynamics financial Management System
5. Be able to prepare financial statements in terms of GRAP using CaseWare and Draftworx
6. Must have external audit experience in public sector