



**UMZIMVUBU**  
LOCAL MUNICIPALITY

**ADVERT DATE: 15 August 2018**

**ASSESSMENT AND VERIFICATION FOR IRREGULAR EXPENDITURE AND REPORTING**

**UMZ/2018-19/AVIER/001**

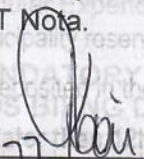
Umzimvubu Local Municipality hereby invited the Service Providers to do Assessment and Verification for Irregular Expenditure and Reporting.

**MANDATORY DOCUMENTS TO BE SUBMITTED FAILURE TO DO SO WILL LEAD TO BIDS BEING DEEMED TO BE NON RESPONSIVE.**

Umzimvubu Local Municipality Supply Chain Management policy will apply Certificate or confirmation from SARS with a verification pin, certified copy of company Registration/Founding Statement/CIPC Document. Certified BBBEE certificate. 80/20 evaluation criteria. Prices quoted must be firm and must be inclusive of VAT for vat vendors. Certified ID Copies of Managing Directors/ Owners. MBD forms 4, 8 and 9 are compulsory submission. Bidders must be registered on CSD and provide confirmation of registration. No couriered, faxed, e-mailed and late tenders will be accepted. Certification of documents must be within a period of 90 days. Umzimvubu Local Municipality reserves the right not to appoint and value for money will be the key determinant. All tenders must be deposited in the tender box situated at Umzimvubu Local Municipality Offices at 813 Main Street, Mt Frere not later than 12h00 noon on 24 August 2018, where they will be opened in public. All tenders must be clearly marked "Assessment and Verification for Irregular Expenditure and Reporting. ". The municipality will not make any award to a person or persons working for the state.

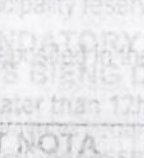
All technical enquiries may be directed to Ms. P. Ndundum 0392558557 and SCM Mr T. Mbukushe 0392558555.

Other enquiries regarding this Bid may be directed to the office of the Municipal Manager: Mr GPT Nota.

  
**GPT NOTA**  
**MUNICIPAL MANAGER**

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**UMZIMVUBU**  
LOCAL MUNICIPALITY

**TERMS OF REFERENCE**

**UMZIMVUBU LOCAL MUNICIPALITY**

**ASSESSMENT AND VERIFICATION FOR IRREGULAR  
EXPENDITURE AND REPORTING**

**2018 - 2019**



## **TERMS OF REFERENCE**

### **ASSESSMENT AND VERIFICATION FOR IRREGULAR EXPENDITURE AND REPORTING**

#### **1. BACKGROUND**

Umzimvubu Local Municipality, incurred irregular expenditure through the use of Municipal Finance Management Act Regulation 32 and Regulation 36. The purpose of this document is to serve as Terms of Reference for the review of Irregular Expenditure as contemplated in terms of Local Government: Municipal Finance Management Act, 2003 Section 32. Irregular Expenditure refers to the use of municipal funds that is in contravention of the following legislation:

- Municipal Finance Management Act, Act 56 of 2003 and its regulations;
- Municipal Systems Act, Act 32 of 2000 and its regulations;
- The municipality's Supply Chain Management Policy and any by-laws giving effect to that policy

In order to achieve completeness of writing off the Irregular expenditure, the municipality seeks the services of a service provider that will do an independent assessment on the procedures followed, value for money and whether it is justifiable.

#### **2. SPECIFICATION AND METHODOLOGY**

- To review and report on the root cause regarding the irregular expenditure incurred.
- Review the circumstances surrounding non – compliance that resulted in irregular; expenditure and conclude if justifiable;
- To review and confirm if the breach was in good faith;
- Based on the facts revealed by the review; confirm whether the Municipality received value or suffered any loss;
- Conclude that; where the Municipality:-
  - i. Received value and suffered no loss, that a claim against the official concerned would not succeed and that no further steps be taken, or
  - ii. Received no value and suffered loss, that a claim against the official for the recovery of such loss be instituted and
- Report to the Council with recommendations in line with Municipal Finance Management Act Circular 68.