



# THEMBELIHLE

LOCAL MUNICIPALITY  
PLAASLIKE MUNISIPALITEIT  
U-MASIPALA WASEKUHALENI

*Incorporating the towns of Strydenburg and Hopetown  
Northern Cape Province, Republic of South Africa*

Reference./ Tshupelo/ Isalathiso/ Verw. : [AFS Tender . . . . .]

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Date :  
Leshupelo : 01 December 2014  
Umhla :

## TO ALL PROSPECTIVE TENDERERS

### **ADDITIONAL INFORMATION: TENDER TLM11-2014 – REQUEST FOR SPECIALISED SUPPORT IN COMPILING ANNUAL FINANCIAL STATEMENTS FOR THE 2014/15; 2015/16 AND 2016/17 FINANCIAL YEARS**

Due to the nature of the enquiries I have received, I decided to provide some explanatory notes to this tender. It is critical that you understand exactly what it is that we require. I was appointed as Chief Financial Officer on 1 April 2014 at Thembelihle Municipality and soon realized that we have to change the way that we were doing business and also specifically regards the Annual Financial Statements (AFS) compilation. I also realized that we will be requiring technical knowledge on our SCOA implementation.

We have received disclaimers for the last number of years and during this time we have always appointed Service Providers to compile the AFS. They would then start +- May each year and finish October. My view is that there is a better way of managing this process.

Firstly I am working towards compiling our own AFS in-house as from the 2017/18 financial year onwards and for this I need skills to be transferred. We have appointed a competent Manager in my office who is inter alia responsible for the AFS and Audit of AFS. When a Service Provider is only on site for 6 months, skills transfer does not take place. I need a competent person on site daily for the full year to ensure that skills do get transferred.

Secondly I am of the opinion that having a competent person on site for the full year will ensure that shortcomings identified by the Auditor-General can be addressed timeously. The implementation of the Audit Action Plan will for example be the responsibility of the appointee working hand-in-hand with my Manager and me.

From this can be gathered that I am NOT looking for a manager with all the knowledge, but cannot do the work. The appointee must guide us throughout the year on ALL aspects having a negative impact on our Audit Opinion. Your tender price must thus reflect this reality.

For this reason I have decided to follow a tender process where functionality will play a critical role in awarding the tender. You must thus carefully read the functionality criteria and the onus will be on the tenderer to ensure that sufficient information is provided in your tender to enable us to allocate points on functionality. If you do not score at least 80% on functionality, your tender will not be evaluated.

Once a tender has passed the functionality phase, you will be provided with our AFS and Auditor's report (even if it is not the final one). You must then prepare a presentation **(including an Audit Action Plan)** which must be presented to the Municipality **BY THE PERSON WHO WILL BE ASSIGNED TO THE MUNICIPALITY** at a date, time and place determined by the Municipality. He/she can bring support along to the session, but his/her own knowledge, skills and practical experience will play a critical role in the adjudication process. Each presenter will be given 2 – 3 hours to present and must allow time for questions of clarity. The presentation must also include a few slides on SCOA implementation (+-15 minutes) to enable us to determine whether you understand the basics of SCOA as we will all work through the SCOA implementation, with only technical knowledge required from the appointee.

I would like to once again invite you to contact me on 053 203 0005/8 should you have any questions.

Could I ask you to confirm receipt of these additional notes by return e-mail to [abatrust5@hotmail.com](mailto:abatrust5@hotmail.com).

Kind regards



Gerhard Butterworth  
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