

Requesting Office: MAGALIES WATER	
Contact Person: G. MOTLOUNG	
Contact Numbers: 014 597 4636	
Facsimile: 014 597 4635	RFQ – AFS
E-mail address: quotationssw@magalieswater.co.za	

DATE ISSUE: **13 AUGUST 2026**

CLOSING DATE: **19 AUGUST 2026**

PLACE OF DELIVERY: **MAGALIES WATER HEAD OFFICE**

For More information/query email or call: quotationssw@magalieswater.co.za

Item No.	Description/Specification	Quantity
	REQUEST FOR QUOTATION: -	
1.	<u>TERMS OF REFERENCE</u> <u>REVIEW OF ANNUAL FINANCIAL STATEMENTS FOR AGSA READINESS</u> 1. INTRODUCTION Magalies Water invites suitably qualified and experienced professional accounting, financial reporting, and advisory firms to submit proposals for the review of the Annual Financial Statements (AFS) prior to submission to the Auditor-General of South Africa (AGSA). The purpose of the appointment is to provide an independent technical review of the Annual Financial Statements and supporting schedules to assess completeness, accuracy, compliance with applicable accounting standards, and overall audit readiness before submission to AGSA. The review is intended to identify material errors, omissions, disclosure weaknesses, compliance deficiencies, and technical accounting issues that may result in audit findings, material adjustments, or delays during the external audit process. 2. OBJECTIVE OF THE APPOINTMENT The objective of the assignment is to obtain an independent assessment of the Annual Financial Statements to ensure that they: • Comply with all applicable GRAP Standards. • Comply with the Public Finance Management Act (PFMA). • Comply with National Treasury reporting requirements. • Are technically accurate and sufficiently supported. • Include all required disclosures. • Are free from material misstatements.	

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• Address prior-year audit issues where applicable. • Are audit-ready for submission to AGSA. 3. SCOPE OF WORK The appointed service provider shall perform a detailed review of the draft Annual Financial Statements and supporting documentation. The review shall include, but not be limited to, the following: 3.1 Annual Financial Statements Review Review the following: • Statement of Financial Position. • Statement of Financial Performance. • Statement of Changes in Net Assets. • Cash Flow Statement. • Accounting Policies. • Notes to the Annual Financial Statements. • Supporting schedules and reconciliations. • Financial statement disclosures. 3.2 GRAP Compliance Review (Mandatory) Conduct a detailed review of compliance with all applicable Generally Recognised Accounting Practice (GRAP) Standards, including: • Recognition requirements. • Measurement requirements. • Presentation requirements. • Disclosure requirements. The successful bidder shall provide a detailed GRAP compliance assessment identifying all areas of non-compliance and recommended corrective actions. 3.3 AGSA Readiness Assessment (Mandatory) Perform a comprehensive audit readiness assessment to identify matters likely to attract AGSA findings or result in material adjustments. The review shall include: • Assessment of prior-year audit findings. • Review of repeat findings. • Material misstatement risks. • Financial reporting risks. • Accounting treatment risks. • Disclosure risks. • Governance and compliance risks.	
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3.4 Supporting Working Papers Review Review the adequacy and accuracy of supporting working papers and reconciliations relating to: • Property, Plant and Equipment. • Intangible Assets. • Inventory. • Trade and Other Receivables. • Revenue. • Cash and Cash Equivalents. • Trade and Other Payables. • Employee Benefits. • Provisions. • Commitments. • Contingent Liabilities. • Irregular Expenditure. • Fruitless and Wasteful Expenditure. • Other significant balances and disclosures. 3.5 Technical Accounting Review Assess: • Significant accounting estimates. • Accounting judgements. • Complex transactions. • Prior period adjustments. • Compliance with accounting policies. • Consistency of accounting treatment. 3.6 Management Report The appointed service provider shall issue a detailed management report highlighting: • Findings identified. • Nature and impact of findings. • Materiality of findings. • Risks associated with findings. • Recommended corrective actions. • Priority level of findings. 4. DELIVERABLES The successful bidder shall provide the following deliverables: Deliverable 1 Detailed Annual Financial Statements Review Report.	
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Deliverable 2 GRAP Compliance Assessment Report. Deliverable 3 AGSA Readiness Assessment Report. Deliverable 4 Detailed Findings and Recommendations Register. Deliverable 5 Executive Summary Report for Management. Deliverable 6 Presentation of Findings to Management & ARC. Deliverable 7 Final Readiness Report indicating the state of readiness of the Annual Financial Statements for submission to AGSA and identifying any residual high-risk matters requiring management attention. 5. <u>MANDATORY REQUIREMENTS:</u> - Failure to meet any of the following requirements shall result in disqualification. <u>Mandatory Requirement 1</u> The bidder must be a professional accounting, auditing, or advisory firm legally registered in South Africa. ➤ Bidder to submit CIPC Registration Certificate showing registration number and company name. ➤ IRBA Firm certificate or SAICA/SAIPA practice profile. <u>Mandatory Requirement 2</u> The engagement leader must possess one of the following professional qualifications: • Chartered Accountant (SA) [CA(SA)]; • Registered Auditor (RA); or • Registered Government Auditor; <u>Mandatory Requirement 3</u> The bidder must demonstrate proven experience in the review of Annual Financial Statements prepared in accordance with GRAP. <u>Mandatory Requirement 4</u> The bidder must demonstrate experience within: • Public Entities; Or • State-Owned Entities; or • Government Institutions; or • Similar public sector organizations.	
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Mandatory Requirement 5

The bidder must provide a minimum of three (3) reference letters for similar assignments completed within the last five (5) years.

Mandatory Requirement 6

The bidder must confirm in writing its ability to complete the assignment within three (3) calendar days from receipt of the draft Annual Financial Statements and supporting schedules – estimated AFS submission date 24-26 August.

Failure to provide such confirmation shall result in disqualification.

6. FUNCTIONALITY EVALUATION CRITERIA

A. Public Sector and GRAP Experience (30 Points)

Criteria	Points
GRAP technical expertise	10
Public sector financial reporting experience	10
Public entity/ sector experience	10
Total	30

B. AGSA Readiness and Financial Statement Review Experience (25 Points)

Criteria	Points
AGSA readiness review experience	10
Similar AFS review assignments completed	10
Experience resolving audit findings and material misstatements	5
Total	25

C. Team Qualifications and Technical Expertise (20 Points)

Criteria	Points
Qualifications and experience of engagement leader	10
Qualifications and experience of supporting team members	10
Total	20

D. Methodology and Approach (15 Points)

Criteria	Points
Review methodology	5
GRAP review approach	5
AGSA readiness assessment approach	5
Total	15

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E. Project Plan and Resource Availability (10 Points)	
Criteria	Points
Availability to commence within stipulated timeframes	3
Resource allocation	3
Ability to meet required timelines	2
Risk management approach	2
Total	10
TOTAL FUNCTIONALITY SCORE 100 POINTS	
7. FUNCTIONALITY THRESHOLD Bidders will be evaluated against the functionality criteria above. A bidder must obtain a minimum score of: 70 out of 100 points (70%) to qualify for further evaluation. Bidders scoring below the minimum functionality threshold will not be considered further.	
8. PROJECT DURATION Due to statutory reporting deadlines and AGSA submission requirements, the assignment must be completed within a short turnaround period. The successful bidder shall: • Commence work immediately upon appointment. • Allocate suitably qualified and experienced resources. • Complete the review and submit all reports within three (3) to five (5) calendar days from receipt of the draft Annual Financial Statements and supporting schedules. • Be available to work over weekends and public holidays where necessary to meet reporting deadlines.	
9. EVALUATION METHODOLOGY Stage 1: Administrative Compliance All bids will be evaluated for mandatory requirements on a Pass/Fail basis. Stage 2: Functionality Evaluation Bids that pass Stage 1 will be evaluated against the functionality criteria contained in this specification. Only bidders achieving a minimum score of 70 points out of 100 will proceed to Stage 3. Stage 3: Price and Preferential Procurement Evaluation	

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Bidders who achieve the minimum functionality threshold will be evaluated in accordance with the applicable Preferential Procurement Point System prescribed by Magalies Water's Preferential Procurement Policy. The following preference point system shall apply: • 80/20 Preference Point System for procurements up to the prescribed threshold. 10. EXPECTED OUTCOME The successful bidder shall provide an independent assessment confirming whether the Annual Financial Statements are: • Technically accurate. • GRAP compliant. • Properly supported. • Complete and appropriately disclosed. • Free from material misstatements. • Ready for submission to the Auditor-General of South Africa. The review should provide management with sufficient assurance and recommendations to address any significant issues before submission to AGSA.	
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1. Submission of Quotations

RFQ Number must always be stated on the quotation.

Quotations should be submitted on or before the Request for Quotation Deadline **Date by no later than 12h00** to the email below. Email: quotationssw@magalieswater.co.za,
No hand delivered quotations will be accepted, all quotations to be submitted to the email indicated on the RFQ.

2. Selection of Qualifying Quotation

The selection of the qualifying quotation will be at Magalies water's sole discretion. Magalies Water does not bind itself to accept any particular Quotation.

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3. Documents required

ADMINISTRATIVE REQUIREMENTS:

- Quotation must have CSD vendor number or CSD report
- Quotation must have RFQ reference number
- Completed and signed Declaration of Interest Form (SBD4)
- Quotation with validity period should be a minimum of 30 days or more from the date of issue.
- Quotation with physical address, date, contact details and banking details.

MANDATORY REQUIREMENTS:

- Quotation must be line with the specification.
- Quotations received after the closing date will not be accepted.

***NB All non-responsive bids will be rejected.**

4. EVALUTION OF QUOTATION

All Quotations with a rand value equal to or below R50 million, will be evaluated in terms of the PPR 2022 using the 80:20 Preference point system.

CRITERIA	POINTS
Price	80
Specific goals	20
TOTAL	100 points

Specific goal	Number of points (80/20 system)	Means of verification
Black people ownership equity	5	Central Supplier Database (CSD) report

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Women equity	3	Central Supplier Database (CSD) report
Youth equity	2	Central Supplier Database (CSD) report
Disability	2	Medical certificate or (CSD)
Promotion of small businesses Medium- 2 Points Small- 3 Points Micro- 4 Points Other- 0 Points	4	1. Central Supplier Database (CSD) report for transactions from rand value to R500 000.00. 2. Signed Financial Statements for transactions above R500 000.00
Locality Within 100km radius of where goods/service is required	3	Proof of address (tribal authority letter/ Lease agreement accompanied by municipal rates invoice/statement)
Military Veterans (MVA)	1	MVA force number/CSD
Total	20	

5. TERMS & CONDITIONS

- 5.1. Quotations received after the closing date will not be accepted.
- 5.2. All costs to be included in the quotation.
- 5.3. Delivery must take place at the specified place.
- 5.4. Quotations to be valid for a minimum of 30 days or more from date of issue.
- 5.5. The Government Procurement General Conditions of Contract shall apply.