



BUSINESS PROPOSAL

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Why Choose Us?



Agile

We have adopted agile practices in our project management techniques. What this means is that we don't follow the traditional waterfall approach.



CAATS and ICT

We use data analytics to improve efficiency whilst enhancing the quality of our results.



We bring Value-Adding Partners

A partner from our consulting division, who is primarily focused on how we can improve the business, is always available to assist you to "do business better".



Young

To help you future-proof your organization, our relatively young and dynamic team bring fresh ideas, new approaches and up-to-date skills to the firm.



Small Enough to Care

We are a mid-sized firm with a personal ethos. We are big enough to have the relevant and appropriate skills, yet small enough to provide a personal high-quality service through our continuous oversight model.



Investment in our People

We are our people. We invest heavily in our people, encouraging them to adopt our value-adding approach.

Cover Letter

Dear [Client name],

We thank you for this opportunity to submit our proposal for the audit of the annual financial statements for the [year] financial year. We acknowledge that you would require excellent services to be rendered in this capacity to allow your entity to obtain an unqualified opinion.

Our approach as contained in this proposal follows strict international standards with regards to the audit of the annual financial statements and would include resources with skills commensurate to the engagement. We will endeavor to provide you with your expected deliverables in accordance with an agreed-upon plan.

We have attached our company profile for your convenience. Within the profile, you will note our experience and resources available for the purpose of the audit.

We wish to take this opportunity to thank you for considering our proposal and affirm you once more that we would be in a position to provide a service that is commensurate with your requirements.

Sincerely,

I. Lockhat CA (SA) RA CISA

Pricing

Annual Fee					
Name	Price	QTY	Subtotal	Discount	Tax
	ZAR 0.00	1	ZAR 0.00	ZAR 0.00	ZAR 0.00
					ZAR 0.00

Subtotal	ZAR 0.00
Total	ZAR 0.00

The above is inclusive of VAT:

It is important to note that this proposal is based on the current financial information we were provided with, however as the complexity and scale of the business charges, we would be happy to discuss and review the audit requirements for future periods.

The proposal has been predicated on the basis that,

- there will be no significant changes to the
- the accounting and management personnel involved in the audit process will be available to the auditors for the duration of the audit.

Our fees plus disbursements will be billed at appropriate intervals and settlement is due on presentation of our invoice(s).



Key Clients

Lockhat Incorporated operates in a broad range of sectors including:

- ICT
- Telecommunications
- Infrastructure
- Financial Services
- Retail and Wholesale Trade
- Manufacturing
- Enterprise Retail
- Property Development and Management

TOP CLIENTS BY SIZE			
	ENGAGEMENT	INDUSTRY	SIZE
01	External Assurance	Public union and support entity for 1000+ medical doctors	Shareholders > 1,500
02	External Assurance	Popular big-five game reserve dominating the hospitality industry	Assets > R 500m
03	External Assurance	Major wholesaler and retailer of fast-moving consumer goods	Revenue > R 2bn
04	External Assurance	Diversified property and retail supermarket specialists	Revenue > R 3bn
05	External Assurance	International payment processing facilitator	Transactions processed > R 1.7bn
06	External Assurance	Hong Kong listed electrical components manufacturer	Shareholders > 3,000
07	External Assurance	Discount clothing retailer with 20 outlets across KZN	Revenue > R 250m

PUBLIC SECTOR ENGAGEMENTS BY SIZE			
	ENGAGEMENT	INDUSTRY	SIZE
01	External Assurance	KZN Treasury - Performance of Internal audits on behalf of Treasury	Assets > R89m
02	External Assurance	Auditor General South Africa - Execution of performance, regularity and IT auditing on a co-sourced and fully outsourced basis	Revenue > R 4bn
03	External Assurance	Ugu District Municipality - Regulatory and IT audits on behalf of the AGSA	Revenue > R 1bn
04	External Assurance	NYDA - Assistance to youth entrepreneurs with business plans and mentorship	Revenue > R 400m
05	External Assurance	NEF - Assistance with mentorship of loan recipients	Revenue > R 1bn

Software and Affiliations



Reference Letters

Please refer to the annexures and our online pages using the following links:



<https://api.whatsapp.com/send?phone=270762018154&text=Hello>



https://instagram.com/lockhat_inc?igshid=YmMyMTA2M2Y=



<https://m.facebook.com/dobusinessbetter>



<http://www.l-inc.co.za/>



<https://www.linkedin.com/company/lockhat-incorporated/>



<https://youtube.com/channel/UCtm7tInOPo9XdNdNcxn3Ufw>



<https://twitter.com/DoBusinessBest>

Team Summary



Name	Imraan Lockhat	Ismail Lockhat
Title	Director	Director
Designation	CA (SA) RA CISA	CA (SA) RA CISA
Registered bodies	SAICA, IRBA, ISACA	SAICA, IRBA, ISACA
Industry experience	19+ years	15+ years
Public sector experience	11+ years	9+ years
ICT experience	8+ years	7+ years



Notable clients

- | | |
|--|--|
| 1 Department of Transport | 1 Department of Education (KZN) |
| 2 Department of Public Safety | 2 Office of the Premier |
| 3 National Regulator for Compulsory Specifications | 3 National Research Fund |
| 4 Natal Joint Municipal Pension Fund | 4 KZN Treasury |
| 5 Kwa-Zulu Natal Doctors Healthcare Coalition | 5 National Empowerment Fund |
| 6 Various private-sector clients across diversified industries | 6 Various private-sector clients across diversified industries |

Software

ACL, Teammate, SAP, Oracle, Sage, SOL	ACL, Teammate, Idea, Caseware
---------------------------------------	-------------------------------

Special skills

- | | |
|--------------------------|------------------------------|
| 1 Business Strategy | 1 Quality Control |
| 2 Control Frameworks | 2 IT Assurance |
| 3 Continuous Auditing | 3 Large enterprise audits |
| 4 Performance Management | 4 Technical assurance expert |

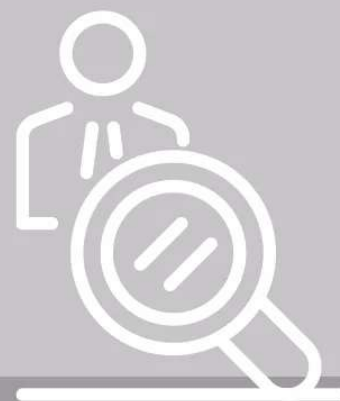
Experience / Industry focus

Over the last two decades, Imran has successfully managed various roles across a broad range of sectors including: insurance, taxation, wholesale and retail trade, leisure and luxury, infrastructure and technology. During this period, he has gained extensive knowledge and experience in audit, accounting, financial management and ICT.

He is the lead partner of our public sector portfolio and personally manages key relationships in this sector.

Ismail has over 15 years of experience in the assurance industry and a strong understanding of IFRS. He has acquired a broad portfolio of clients across diverse industries including aviation, enterprise retail and property management and serves as the engagement partner for some of our largest clients.

Ismail has conducted various pre-issuance engagements for the AGSA and public sector assurance engagements.



Name	Muhammad Lockhat	Rohith Ramsarup
Title	Director	Associate
Designation	CA (SA) RA CISA	Tax Practitioner
Registered bodies	SAICA, IRBA, ISACA	SAIT
Industry experience	17+ years	32+ years
Public sector experience	8+ years	32+ years
ICT experience	6+ years	32+ years

Notable clients

- 1 Department of Water
- 2 Government Pension Administration Agency
- 3 South African National Energy Development Institute
- 4 National School of Government
- 5 The Umhlathuze Municipality

Numerous private sector clients within the following sectors and industries: retail, wholesale, manufacturing, hospitality, construction, motor industry, estate agents, schools, doctors and lawyers.

Software

ACL, Teammate, SAP, Oracle, Sage, SOL

Caseware, Pastel, Xero, Ms Office

Special skills

- 1 Data Analytics
- 2 ICT Assurance
- 3 Network Security
- 4 CFO support

- 1 IFRS
- 2 IFRS for SME's
- 3 King IV
- 4 Taxation

Experience / Industry focus

During the 19 years that he has served the assurance industry, Muhammad has built up a diverse portfolio of clients nationally with a focus on ICT-based clients in the private sector.

Muhammad has conducted numerous assurance engagements and Information Systems Audits, helping countless clients, in diverse industries across the public and private sectors with his value-added approach

With more than 3 decades in the financial sector, Rohith has gained a wealth of knowledge and experience in accounting and Statutory returns and registrations including preparation of annual financial statements, Income Tax Returns, VAT, PAYE, UIF and SDL, WCA, Company registrations and amendments to Close Corporations to name a few.



Name	Priya Singh	Ahmed Paruk
Title	Director	Director
Designation	CA (SA) RA	CA (SA) RA CISA
Registered bodies	SAICA, IRBA	SAICA, IRBA, ISACA
Industry experience	15+ years	10+ years
Public sector experience	6+ years	9+ years
ICT experience	6+ years	8+ years

Notable clients

- | | |
|--------------------------------------|---|
| 1 National Department of Health | 1 South African National Zakah Fund -SANZAF |
| 2 KZN Department of Arts and Culture | 2 iTrain |
| 3 KZN Department of Education | 3 Ithuba Agriculture |
| | 4 Kyle Deutsch |

Software

Caseware, Pastel, TeamMate, Sage, Xero

Teammate, MS Office, ACL, Caseware, mSQL, PowerBi, Xero

Special skills

- | | |
|---------------------------|---------------------|
| 1 Quality Control | 1 Business Strategy |
| 2 IT Assurance | 2 IT Assurance |
| 3 Large Enterprise Audits | 3 Data Analytics |
| 4 ICT Assurance | 4 Payroll |
| | 5 Consulting |
| | 6 Virtual CFO |

Experience / Industry focus

With her own portfolio of high-profile clients and a technical expert in her own right, Priya regularly assists our team and clients with accounting and assurance aspects

Priya has a strong working knowledge of IT audits, practical knowledge of audit assertions, financial audit risks and accounting internal controls allowing her to provide valuable insight to the audit team.

Ahmed possesses specialist skills including data analytics, database and network security skills. He has assisted the firm on numerous public sector ICT assurance engagements nationally.

Ahmed has conducted general control reviews for the AGSA across all focus areas and in accordance with the AGSA training methodology. He possesses significant experience working with the AGSA on regularity audit assurance engagements.



Name Dawood Aboobaker
Title Key Audit Manager
Designation AGA (SA)
Registered bodies SAICA, ISACA
Industry experience 16+ years
Public sector experience 10+ years
ICT experience 10+ years

Name Yashiren Naidoo
Title Senior Manager
Designation CA (SA) RA
Registered bodies SAICA, IRBA
Industry experience 8+ years
Public sector experience 8+ years
ICT experience 8+ years



Notable clients

- 1 GPAA
- 2 Land Bank

- 1 Ports Regulator of South Africa
- 2 Various Local and District Municipalities



Software

Teammate, MS Office, ACL, Caseware, SQL, Idea

Teammate, MS Office, Caseware, Xero

Special skills

- 1 IT Assurance
- 2 ICT Assurance
- 3 Financial management and reporting
- 4 Budgeting and financial modelling

- 1 Consolidations
- 2 AMPS Methodology
- 3 AGSA Reporting
- 4 Pre-Issuance support

Experience / Industry focus

Dawood has accumulated extensive experience in IT Assurance. In his role as manager, he works with IT audit trainee to assist the financial audit team during their audits. His practical knowledge of audit assertions, financial audit risks and accounting internal controls allow him to provide valuable insight to the audit team.

Dawood has assisted the firm on numerous public sector ICT engagements nationally. He has conducted general control reviews for the AGSA across all focus areas and in accordance with the AGSA training methodology.

With close to a decade of industry experience, Yashiren has conducted various assurance engagements for public entities including national, provincial and local government entities.

He has been part of the audit team in a few JSE Listed entities predominantly in the medical, petroleum, mining and construction industries with a lead role in their subsidiary audits.

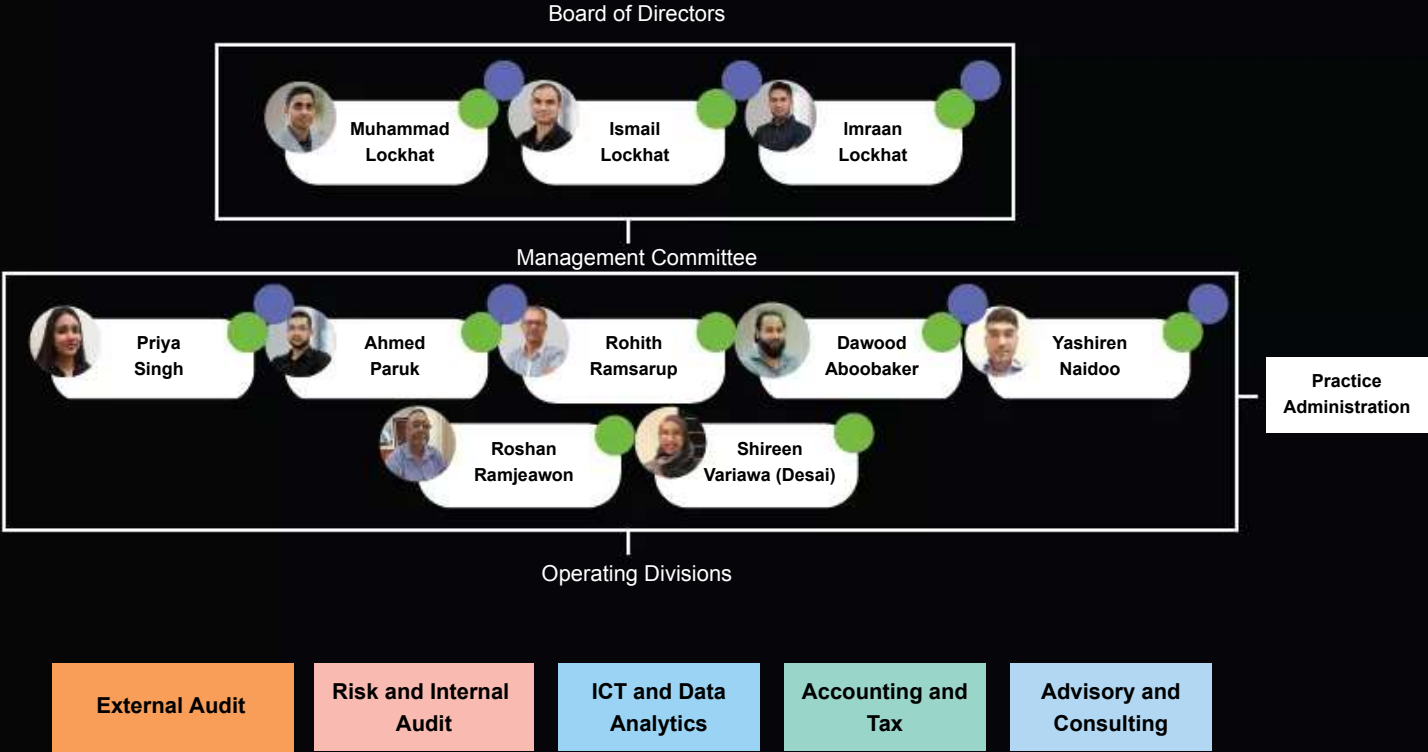


Name	Roshan Ramjeawon	Shireen Variawa (Desai)
Title	Key Audit Manager	Tax Director
Designation	NDip in Cost and Management Accounting	Tax Practitioner
Registered bodies		SAIT
Industry experience	20+ years	30+ years
Public sector experience	20+ years	30+ years
ICT experience	3+ years	30+ years
Notable clients	<ol style="list-style-type: none"> 1 KZN Provincial Treasury 2 Department of Health 3 Department of Education 4 Department of Agriculture 5 Department of Social Development 6 Department of Public Works 7 Department of Human Settlements 	Shireen has a diversified portfolio of notable clients operating in various sectors including: manufacturing, wholesale, retail, aviation, medical, fuel, food production, property investments, education, legal, Import & export, hardware, NPO, engineering, hotel industry and Insurance sectors
Software	Teammate, MS Office	MS Office, Accfin, Greatsoft Tax, Caseware
Special skills	Internal audit	<ol style="list-style-type: none"> 1 Payroll, VAT and income tax audits 2 Tax consulting and planning 3 Income Tax, VAT, PAYE and Provisional Tax 4 E-Filing
Experience / Industry focus	Roshan worked for the KZN Provincial Treasury as Internal Audit Manager from 2007 until 2015. Prior to this, he served as the Internal Audit Manager at the Municipality. He has extensive knowledge in Internal audit and public-sector audits.	<p>Shireen specialise in developing tax strategies and policies that help individuals and businesses maintain compliance with local tax laws and regulations.</p> <p>Shireen delivers a full range of tax services in compliance with laws and regulations within specified timeframes.</p> <p>As part of our integrated approach model, Shireen's tax team, together with the accounting and auditing teams delivers coordinated advice to clients, assisting clients in making informed decisions and navigating the tax implications of their decisions.</p>

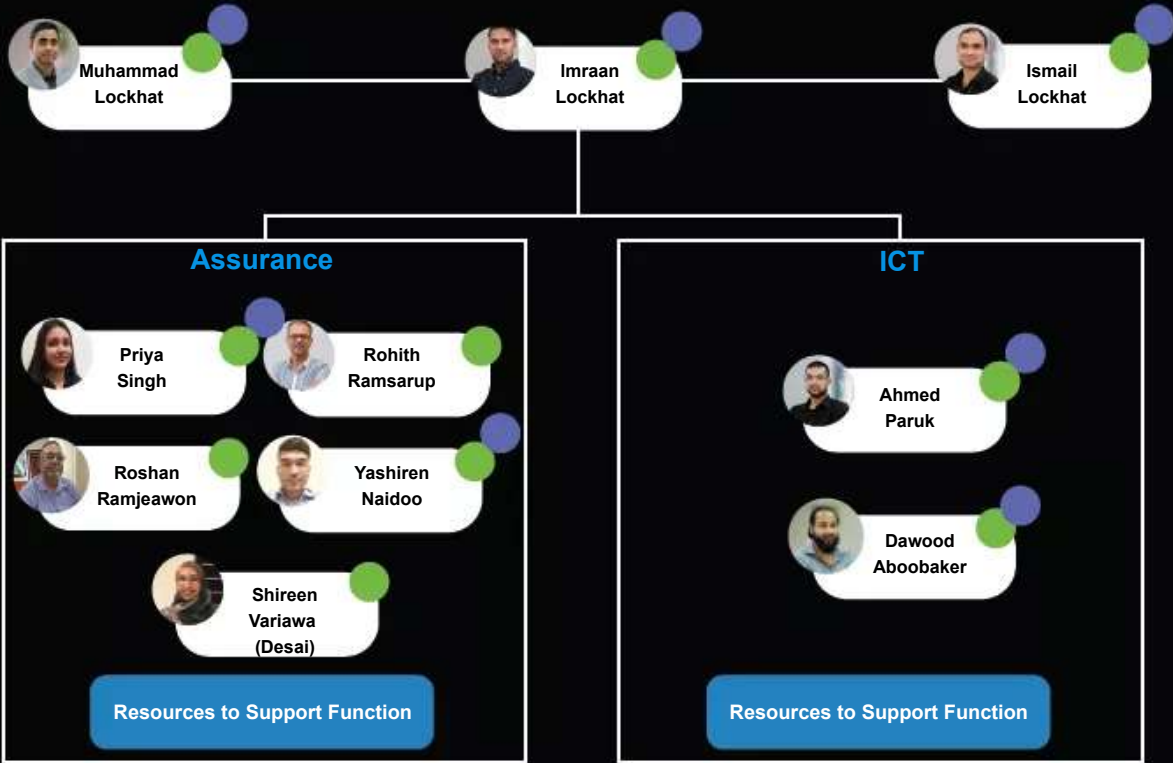
Firm Organizational Chart

Legend

- Public Sector Experience
- Advanced Analytics Skills



Core Team Organizational Chart



Internal Audit Methodology

Our internal audit methodology is based on internationally recognised assurance and control frameworks, including internal auditing standards: COSO, COBIT, ITIL and ISA. These standards are tightly integrated with each other and deployed using an agile approach, allowing us to provide a higher quality of assurance whilst adding significant value to the organization.



Audit Process

01 NOTIFICATION & RFI (REQUEST FOR INFORMATION)

A letter will be sent to you specifying:

- The purpose and process of the audit
- Audit timelines, logistics and roles & responsibilities
- Initial information required

02 PLANNING PROCESS & INITIAL MEETING

Identification of key areas of inquiry and concern

- Specific information requested and received
- Communication from client regarding any practical, strategic or scheduling issues
- Signing of the letter of engagement

03 SITE VISIT & COMMUNICATION

Site visits for:

- Detailed testing
- Interviews with key employees
- Sample document checks
- Continued identification of risks, concerns and areas of improvement
- Constant communication with management regarding procedures, information accessibility and output

04 MANAGEMENT RESPONSE

- Audit queries and concerns identified during the audit are raised with management.
- Final report presented to management for review and to provide a response and a corrective plan to each of the audit findings and deficiencies and a date by which all issue will be addressed.

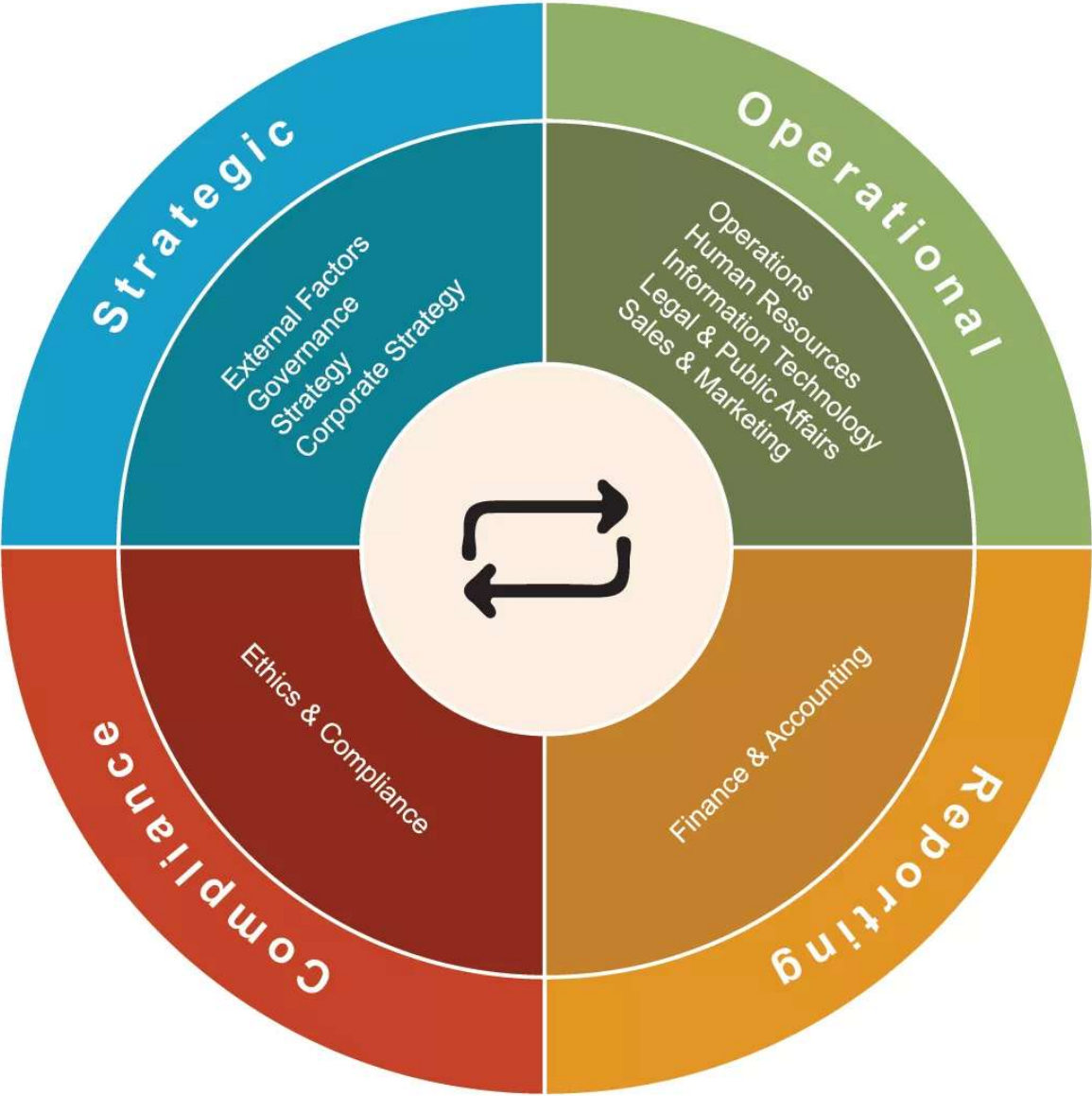
05 EXIT MEETING & DISTRIBUTION OF AUDIT REPORT

- A formal close-out meeting may be scheduled to resolve any existing loose ends or unanswered questions, to discuss management's response and to sign the letter of representation.
- The finalized audit report is distributed to all necessary stakeholders.

06 FEEDBACK

- Implementation of audit recommendations
- The feedback between clients and the auditors continues until all issues are resolved and the next audit cycle begins.

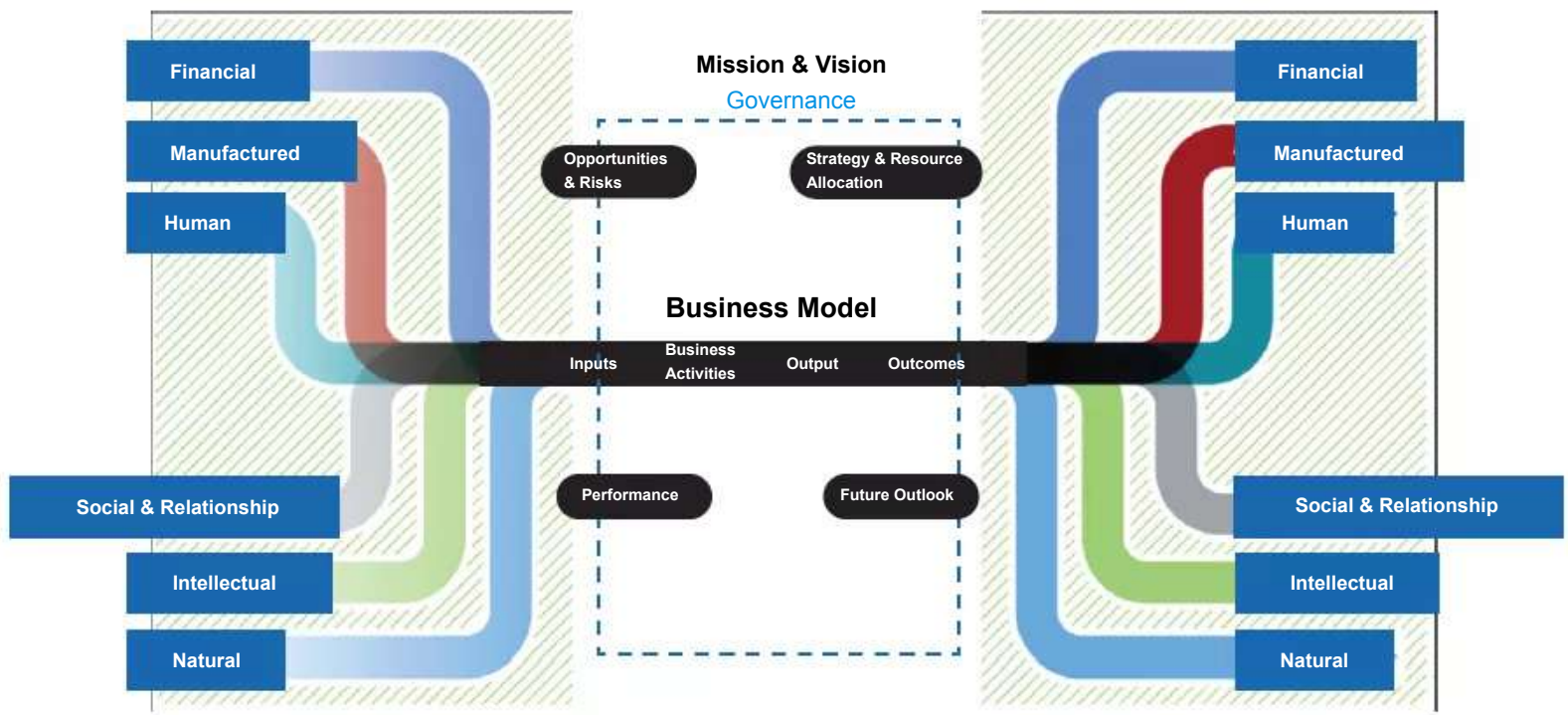
Risk Framework



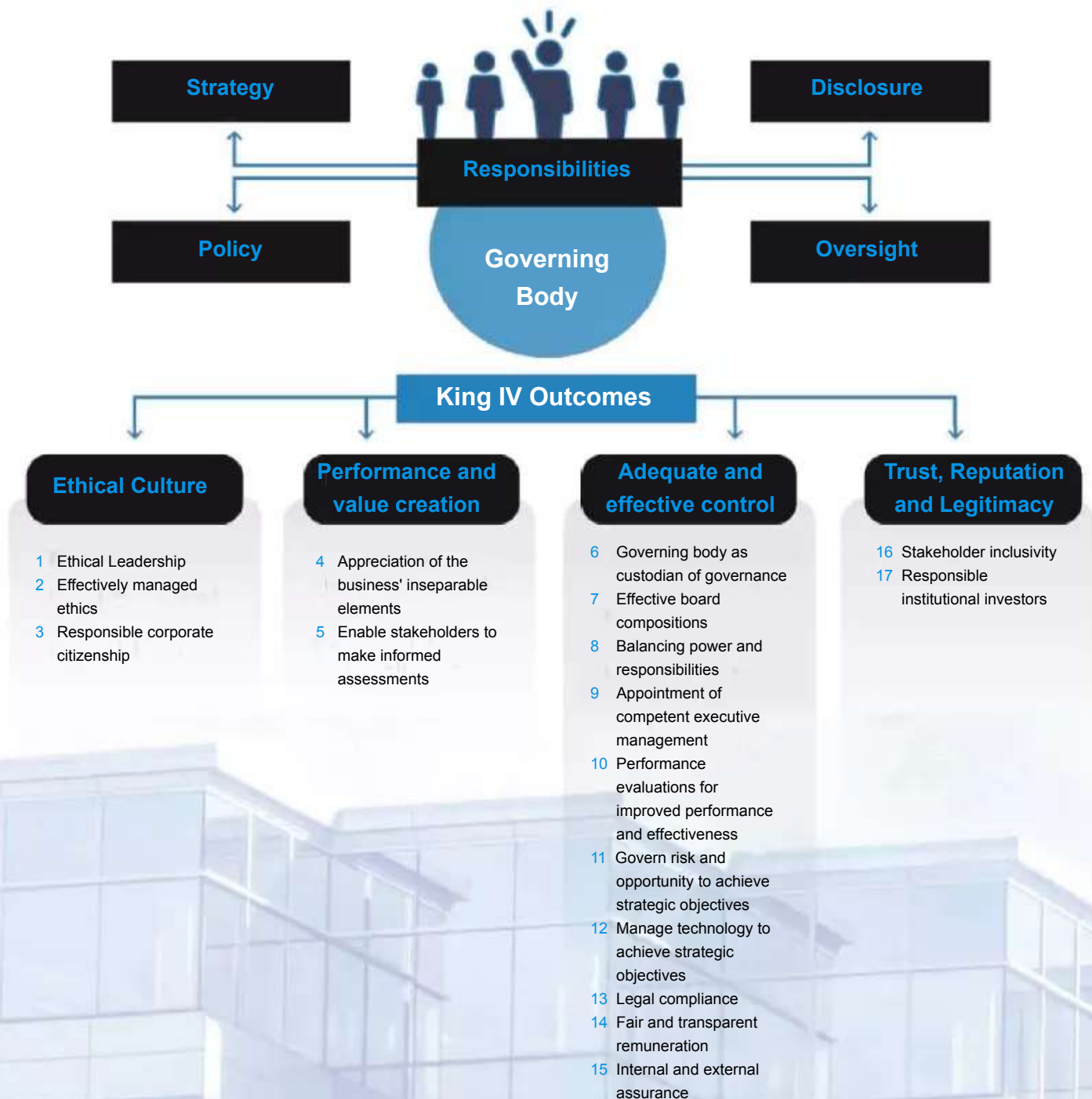
Governance

We subscribe to the King IV report on Corporate Governance 2016 and believe that a balance must be achieved between compliance with the Code and cost versus benefit to the organization. Governance plays a central role in enabling and supporting the value creation process of an organization. We work hard with our clients to determine if the Governance model within your organization is established and functioning to foster value whilst providing leadership, strategic direction and accountability.

The Role of Governance in the Value Creation Process



Snapshot of King IV



Combined Assurance Model

As a director can you confidently answer the following questions:

1. Do you have a clear picture of your organizational structure including the legal and operational aspects?
2. Do you have a clear understanding of the business practices adopted across all entities within the organization?
3. Has your organization identified and assessed its key risks (strategic and operational) which impact the business processes?
4. Do you know what lines of defence have been applied to mitigate these business risks?
5. Are you satisfied that the lines of defence collectively provide adequate comfort to your stakeholders that the organization's control environment is being optimally managed?

At Lockhat Incorporated we believe in going beyond our existing practices of overseeing controls, risk and governance within our organizations. Therefore, we implement the Combined Assurance Model which separates good from great internal auditing.

“Combined assurance is the process of internal, and potentially external parties, working together and [combining] activities to reach the goal of communicating information to management.”

- The Institute of Internal Auditors (IIA)

By leveraging the Combined Assurance Model to achieve an optimal level of assurance, we believe that management can realise the following tangible business benefits:

- Enhanced quality of risk mitigation
- Increase audit efficiency and reduce cost
- Renewed focus on business and operations
- Improved integrity of the organization's internal and external reporting
- Improved tracking of remedial actions
- Improved organizational credibility and reputation

How can we help

- Develop and implement a flexible combined assurance plan, defining roles and responsibilities.
- Develop a dynamic reporting model that provides stakeholders with the relevant insight and information regarding progress on audit and assurance coverage
- Provide awareness training on Combined Assurance

Fraud Risk Assessment Process

Inherent Risks

Prioritized
Residual Risks



Our Fraud Strategy



Fraud Prevention Plan

- Risk Assessment
- Ethics Policy and Training
- Fraud Awareness Training
- Fraud Policies and Procedures

Fraud Detection Plan

- Whistleblower Mechanism
- Whistleblower Policy
- Data Analytics and Analysis
- Cybersecurity Analysis
- Fraud Response Plan

PHASE 1



Detect

Unique tools, methodologies and analytical techniques are used to detect, eliminate or quantify potential fraud.

PHASE 2



Investigate

An extensive investigation is conducted and documents and evidence are collated to determine if the fraud did occur.

PHASE 3



Determine

We work on determining whether the alleged fraud, with reference to evidence obtained, is valid or not.

PHASE 4



Possible action

If valid, we obtain further evidence through interviews/ witness statements, analysis of financial records, business records, electronic records, demonstrative evidence "real" or physical evidence which is then brought to management's attention with possible plans of action - disciplinary, criminal case or civil action for recovery.

Enhanced Analytics

It is our firm belief that reliable high quality data can add significant value to the audit and to our clients. It is with this belief that we adopt a technology-first approach, working hard to ensure we can use data analytics extensively. Our data analytics professionals are unique in that everyone has a financial qualification together with skills in data analysis. This allows each of our team members to have a deeper understanding of the underlying accounting and financial transactions, which enables them to provide higher quality insights and improved risk management techniques.

Our enhanced analytics offering benefits our clients as follows:

- 1. Efficient sampling methodologies to maximise efficiency**
- 2. Identification of trends, metrics and relationships between data sets**
- 3. Reduced timing**
- 4. Higher quality**
- 5. Quicker feedback**



Our Analytics Approach



Business issue understanding

- Business Objectives
- Information Needed
- Type of Analysis
- Scope of Work
- Deliverables



Data Understanding

- Initial Data Collection
- Data Requirements
- Data Availability
- Data Exploration and Characteristics



Data Preparation

- Gather Data from Multiple Sources
- Cleanse
- Format
- Blend
- Sample



Exploratory Analysis/Modeling

- Develop Methodology
- Determine Important Variables
- Build Model
- Assess Model



Validation

- Evaluate Results
- Review Process
- Determine Next Steps
- True
- False



Communication

- Communicate Results
- Determine Best Graphs to Present Insights
- Analysis and Audience
- Craft a Compelling Report
- Make Recommendations

PORT SHEPSTONE

Physical Address: 13 Fairview Terrace, Port Shepstone, 4240

Postal Address: P.O. Box 1456, Port Shepstone, 4240

Telephone: 039 682 0305

Fax: 086 546 8576

Email: info @L-inc.co.za

GPS Coordinates:

Latitude: -30.750441

Longitude: 30.447101

DURBAN

Physical Address: 131 Jan Hofmeyr Rd, Dawncrest, Westville, 3629

Postal Address: Private Bag X3, Gateway, 4321

Telephone: 031 303 2889

Fax: 086 546 8576

Email: info @L-inc.co.za

GPS Coordinates:

Latitude: -29.8313702

Longitude: 31.0180431

CENTURION

Physical Address: Block B07 Waterford Court Office Park, 234 Glover Ave, Centurion, 0157

Postal Address: P.O. Box 68089, Highveld, Centurion, 0169

Telephone: 012 665 0061

Fax: 086 619 8839

Email: info @L-inc.co.za

GPS Coordinates:

Latitude: -25.874188

Longitude: 28.190255



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<https://www.linkedin.com/company/lockhat-incorporated/>



<https://youtube.com/channel/UCtm7tlnOPo9XdNdNcxn3Ufw>



<https://twitter.com/DoBusinessBest>

