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Education, Training and Development Practices Sector Education and Training Authority

BID NO: SCMU: 06 - 2020/21

REQUEST FOR BIDS

TERMS OF REFERENCE TO APPOINT A SUITABLY QUALIFIED SERVICE PROVIDER TO CONDUCT INTERNAL AUDIT SERVICES FOR THE ETDP SETA

1. INTRODUCTION

ETDP SETA is a Schedule 3A Public Entity established in terms of the Skills Development Act 97 of 1998. EDP SETA is one of 21 Sector Education and Training Authorities (SETAs) mandated to put the National Skills Development Strategy (NSDS) into practice. The ETDP SETA is currently seeking to appoint an independent audit firm to provide Internal Auditing Services. Section 38 (1) of the PFMA states that the accounting officer for a department, trading entity or constitutional institution —

- 1.1. Must ensure that the department, trading entity or constitutional institution has and maintains-
 - i. Effective, efficient and transparent systems of financial and risk management and internal controls;
 - ii. A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulation and instructions prescribed in terms of section 76, 77 and National Treasury regulation 29.1.

The duration of the contract is for a period of **36 Months**, from **01 January 2021 to 31 December 2023**.

The ETDP SETA reserves the right not to award the bid.

2. PROFILE OF THE SERVICE PROVIDER

2.1. OBJECTIVES

- 2.1.1 The objective of this bid is to appoint an independent service provider to provide an independent internal audit service to the organisation.

3. SCOPE OF WORK

3.1 ROLES AND RESPONSIBILITIES

- 3.1.1 Develop a risk based three-year rolling internal audit plan and a one (1) year operational plan.
- 3.1.2 Perform audits according to the audit plan approved by Audit Committee (Performance, Financial, Performance Information, IT Governance and IT systems applications)
- 3.1.3 Review and appraise the adequacy and effectiveness of the system of internal controls.
- 3.1.4 Review the compliance with policies, plans, procedures, statutory requirements and regulations, which could have a significant impact on operations
- 3.1.5 Perform audits that are designed to improve the detection of fraud and corruption risks and weaknesses in the control environment.

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Website: www.etdpseta.org.za - e-mail: info@etdpseta.org.za - Anti Corruption Hotline: 0800 204 937

E-mail: etdpseta@tip-offs.com

- 3.1.6 Provide advisory services and adhoc audits as and when requested by management or Audit Committee
- 3.1.7 Follow-up on implementation plan of recommendations from various stakeholders.
- 3.1.8 Report quarterly to the Audit Committee
- 3.1.9 Develop a framework to capacitate and build ETDPSETA's Internal Audit unit during the contracting period
- 3.1.10 Train the ETDPSETA's Internal Audit unit on framework, methodology to be followed post the contract period?

3.2 QUALITY ASSURANCE REVIEWS

- 3.2.1 The Internal Audit Firm shall ensure that all work performed conforms to the International Standards for the Professional Practice of Internal Auditing
- 3.2.2 A report of the external quality assurance must be presented to the Audit Committee.

4. EVALUATION CRITERIA

THE ETDP SETA applies the provisions of the PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, ACT NO 5 OF 2000 and Preferential Procurement Regulations, 2017.

4.1. STAGE 1

Entails the evaluation of mandatory documents

4.1.1 MANDATORY DOCUMENTS TO BE SUBMITTED IN ORDER TO BE ELIGIBLE FOR EVALUATION STAGE 1

- a. Invitation to Bid – SBD 1
- b. Declaration of Interest – SBD 4
- c. Declaration of Bidder's Past Supply Chain Practices – SBD 8
- d. Certificate of Independent Bid Determination – SBD 9
- e. The audit firm should be registered with professional body (Institute of Internal Auditors) or the Director (Membership certificate)
- f. Latest external assurance certificate for conformance to IIA standards on QAR, standard 1300

4.2. STAGE 2 (Folder A)

In this stage, the evaluation of bid shall include functionality whereby the bids will be evaluated in terms of the evaluation criteria embodied in the bid document.

- a. The minimum qualifying score for functionality will be 80 points and bids that fail to achieve the minimum qualifying score will be eliminated.
- b. Only bids that achieved the minimum qualifying score/ percentage for functionality will be evaluated further in accordance with the 80/20 preference point systems prescribed in Preferential Procurement Regulations 5 and 6.

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The evaluation criteria for functionality will be as below:

NO.	CRITERIA	WEIGHT
1.	1.1 Experience of the company in providing similar internal audit service in a public sector or SETA/s; 3 – 5 Years = 10 1 – 2 Years = 5 1.2 Three contactable references including testimonial letters (in company letterheads) for internal audit projects successfully undertaken from at least three (3) of your current and previous clients from the public sector including the following (15) - Name of client - The responsible manager and their position - Contact telephone numbers or email address - Description of work performed - Date of engagement - Value of work conducted - The service provider should have received positive feedback from clients for internal audit activities including value-adds. - Three letters = 15 - Two letters = 10 - One letter = 5	25
2.	2.1 Qualifications, experience of team members and CV; (Attach qualifications and CVs of the Project Team Members) 2.1.1 QUALIFICATION: 20 2.1.1.1 Directors: 10 - Certified Internal Auditor (CIA)= 10 - Professional Fellows of the IIA, CIA, CGA, CCSA, CRMA = 5 2.1.1.2 Project Manager:5 - Certified Internal Auditor = 5 - Bachelor Degree in (internal auditing/financial accounting/ informatics/ science and technology) = 3 - Bachelor Degree in Project Management= 2 2.1.1.3 Team members : 5 There must be five team members. Each must at least have a Bachelor Degree or Diploma - Bachelor Degree in (internal auditing/financial accounting/informatics/ science and technology) = 5 - Diploma in (internal auditing/financial accounting/ Informatics/ science and technology) = 3 2.1.2 EXPERIENCE: 20 2.1.2.1 Director: 5 5 Years Plus = 5 3– 4 Years = 4 1– 2 Years = 2 2.1.2.2 Project Manager (in project management):5 5 Years Plus = 5 3– 4 Years = 4	40

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	1– 2 Years = 2 2.1.2.3 Team members (in internal auditing): 10 - Two members with 5 Years Plus = 10 - One member with 3– 4 Years = 5 - Two members below 1– 2 Years = 2 *Note: The project team submitted for this bid will remain the same team for the duration of the term. Should there be any changes, the new team member must have the same qualifications and experience or even more.	
3.	3.1 Audit Methodology (a sample of the audit elements covering the following) - Planning = 5 - Execution = 5 - Reporting = 5	15
4.	4.1 Capacity to deliver Company Profile, including the organizational chart. This should include the following: - Company experience in internal audit, including how long these services have been offered by the service provider = 5 - Company experience in IT audits, risk management, the audit of pre-determined objectives and performance audits =10 - Provide details of audit software being used to conduct audits =5	20
TOTAL		100

Bidders must provide sufficient proof/documents to justify awarding the above points, and such proof should include details of contactable references to Evaluation Criteria.

Points will be awarded on a sliding scale.

Please take note of the value and scoring point system of your bid.

4.3. STAGE 3 [(Folder B (USB/ CD))]

PRICING SCHEDULE DOCUMENTS

- Price Proposal (*Price must be final, include VAT and signed*)
- Preferential Points Claim Form in terms of the Preferential Procurement Regulations, 2017 - SBD 6.1 (*If claiming preferential points*)
- Valid Tax Clearance Certificate or Unique security personal Identification number (PIN) issued by SARS"

80/20 preference point system shall be applicable as follows:

✓ Price	80
✓ B-BBEE status level of contributor	20

In order to facilitate a transparent selection process that allows equal opportunity to all service providers, the ETDP SETA will adhere to its policy on the appointment of service providers.

5. BID CONDITIONS

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The following ETDP SETA Supply Chain Management Policy will apply:

1. ETDP SETA reserves the right not to appoint a bidder with the highest points.
2. The ETDP SETA reserves the right not to award the bid
3. ETDP SETA reserve the right to cancel the bid and not award the bid to any of the bidders.
4. Bids which are late, incomplete, unsigned or submitted by facsimile will be accepted.
5. Bidders with a turnover above R 10 million must submit a valid certified B-BBEE Verification Certificate from SANAS Accredited Verification Agency in order to be eligible for empowerment points.
6. An Exempted Micro Enterprise (EME) is only required to submit a sworn affidavit or a Certificate Issued by Companies and Intellectual Property Commission (CIPC) confirming their annual turnover of R 10 million or less and level of black ownership to claim points.
7. A Qualifying Small Enterprise (QSE), is required to submit a sworn affidavit confirming their annual total revenue of between R 10 million and R 50 million and level of black ownership or a B-BBEE level verification certificate to claim points as prescribed.
8. B-BBEE Certificates obtained from Accountants/ Auditors after 31 December 2016 will no longer be accepted.
9. Companies who bid as a joint venture must submit a consolidated B-BBEE Verification certificate prepared for this bid only, from SANAS Accredited Verification Agency in order to be eligible for empowerment points. Companies who form part of this joint venture MUST have an accreditation certificate with relevant authority as stated in Mandatory documents.
10. Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor, sworn affidavit or a B-BBEE Certificate, together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
11. Bids submitted are to hold good for a period of 90 days.
12. Deregistered and blacklisted companies including directors/owners/individuals linked to the company will not be considered. Due diligence will be conducted with successful bidders to validate submitted information.
13. All suppliers must be registered on the Central Supplier Database. No bid will be awarded to any supplier by ETDP SETA that is not registered on the Central Supplier.
14. Companies that are in the process of de-registration in the CIPC will not be considered.
15. The successful service provider must sign the penalty and termination clause as part of the agreement with ETDP SETA.

6. BID DOCUMENTS / PROPOSAL PACKS

Bid documents for participation must be downloaded from the ETDP SETA website: www.etdpseta.org.za, Main Menu > Supply Chain > Procurement > Open Tenders as from 12h00 on **16 November 2020**.

Bidders must submit technical and financial proposals in two separate USBs/ CDs clearly marked "Folder A - Technical Proposal" and "Folder B - Financial Proposal".

Folder B must include the complete and signed costing model and Valid Tax Clearance Certificate or Unique security personal identification number (PIN) issued by SARS and must be in SARS letterhead (Mandatory) & fully completed SBD 6.1 form or B-BBEE Certificate or a signed Sworn Affidavit (if claiming preferential points).

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The financial proposal – Folder B, will only be opened should the technical proposal be found acceptable.

All Bids/Proposals must be SUBMITTED via an email to Tenderers@etdpseta.org.za

OR

Hand / Courier delivered to:

ETDP SETA HOUSE

2-6 NEW STREET

SOUTH MASHALTOWN

GHANDI SQUARE

JOHANNESBURG

2061

Submissions can be delivered between 08h00 and 16h30 Monday to Friday **BEFORE** the closing date and time of 11h00 on **07 December 2020**.

No late submission will be accepted!

7. CLOSING DATE AND TIME

Response for bids/bid must reach the ETDP SETA Offices on or before 11h00 on **07 December 2020**.

8. ENQUIRIES AND CONTACT PERSON

NO telephonic or any other form of communication relating to this bid will be permitted with any other ETDPSETA member of staff either by Bidders (as collective bidding team or individual of the bidding team), representative of Bidders, associates of Bidders, shareholders of Bidders, other than with the named individual stated below. ANY MEANS OF ATTEMPTING TO INFLUENCE THE ADJUDICATION PROCESS OR OUTCOMES OF THE ADJUDICATION PROCESS WILL RESULT IN IMMEDIATE DISQUALIFICATION OF THE ENTIRE BID. All enquiries regarding this bid must be in writing only and be directed to:

Supply Chain Manager: Email: tenderers@etdpseta.org.za

Note: Blacklisted companies appearing on the National Treasury database and prohibited from conducting business with public entities, will be disqualified.



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