



National Empowerment Fund

RFP No: NEF 06/2018

**REQUEST FOR PROPOSAL:
PROVISION OF INTERNAL AUDIT SERVICES**

CLOSING DATE: 03 April 2019

TIME: 14H00

1. Proprietary Information:

The National Empowerment Fund (NEF) considers this Tender and all related information, either written or verbal, which is provided to the respondent, to be proprietary to NEF. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information in part or as a whole to any third party without the prior written consent of NEF.

2. Enquiries

All communication and attempts to solicit information of any kind relative to this Tender should be channeled to the officials named below:

Contact persons (all questions should be in writing)

Commercial

Kedibone Mboweni

Supply Chain Management

Tel: +27 11 305 8000

Email: mbowenik@nefcorp.co.za

Technical

Roè Senaoana

Internal Audit Manager

011 305 8000

senaoanam@nefcorp.co.za

3. Medium of Communication

All the documentation submitted in response to this tender must be in English.

4. Verification of Documents

Tenderers should check the numbers of pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by the NEF in regard to anything arising from the fact that pages are missing or duplicated.

5. Validity Period

Responses to this tender received from tenderers will be valid for a period of **150** days counted from the closing date of the tender.

CONDITIONS AND UNDERTAKINGS BY TENDERER IN RESPECT OF THIS TENDER

6. Submission of Tenders

- 6.1. Tenders should be submitted in **duplicate** in a sealed envelope endorsed, **“(TENDER RFP NEF 06/2018, Provision of Internal Audit Services)”**. The sealed envelope must be placed in the tender box at the Main Reception area of the NEF West Block, 187 Rivonia Road, Morningside by no later than **14h00 on 03 April 2019. A non-compulsory briefing session will be held on 26 March 2019 at the NEF HQ Offices**
- 6.2. The RFP number, closing date, firm name and return address must also be endorsed on the envelope.
- 6.3. If a courier service company is used for delivery of the tender document, the tender description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the tender box.
- 6.4. No tender received by telegram, telex, email, facsimile or similar medium will be considered.
- 6.5. Where a tender document is not in the tender box at the time of the tender closing, such a tender document will be regarded as a late tender. Late tenders will not be considered.
- 6.6. Amended tenders may be sent in an envelope marked “Amendment to tender” and should be placed in the tender box before the closing time.
- 6.7. The tenderer is responsible for all the costs that shall be incurred in relation to the preparation and submission of the tender document.
- 6.8. A list of all references (minimum 3) with contact details must be included in the tender document.
- 6.9. Copies of qualifications, identity documents (IDs) and the curricula vitae (CVs) of persons who will be involved in the execution of this tender should the tenderer be successful must be attached to the proposal.

CONDITIONS AND UNDERTAKINGS BY TENDERER IN RESPECT OF THIS TENDER

6.10. The following information also needs to be provided with the tender document:

- Names and details of senior management
- Employment equity details of employees at an operational level
- Percentage of ownership by number of:
 - Black ownership
 - Black women ownership
 - White women ownership
- Percentage of ownership by profit share of:
 - Black ownership
 - Black women ownership
 - White women ownership

6.11. An original valid Tax Clearance certificate must be included in the tender document. Failure to submit a certificate would render your tender invalid.

6.12. Copy/ies of any affiliations that you may have must be attached to the response to this tender.

6.13. Kindly note that the NEF is entitled to amend any tender conditions, validity period, specifications, or extend the closing date of tenders before the closing date. All tenderers, to whom the tender documents have been issued, will be advised in writing of such amendments within reasonable time after they are made.

6.14. The NEF reserves the right not to accept the lowest tender or any tender in part or in whole.

6.15. The NEF reserves the right to award this tender to a black empowered firm.

6.16. The NEF also reserves the right to award this tender to any party whom it decides as a whole or in part without furnishing reasons. The NEF reserves the right to withdraw this tender at any stage with or without giving reasons.

6.17. The tenderer hereby offers to render all or any of the services described in this tender document to the NEF on the terms and conditions and in accordance with the specifications stipulated in this tender document. This tender document and the tenderer's response thereto shall form part of any service level agreement that

CONDITIONS AND UNDERTAKINGS BY TENDERER IN RESPECT OF THIS TENDER

may be concluded between the NEF and the tenderer. In the event of conflict between such documents, the service level agreement shall take precedence over all other documents.

- 6.18. Tenders submitted by juristic persons or partnerships must be signed by a person or persons duly authorized thereto by a resolution of a board of such juristic person, a copy of which resolution, duly certified be submitted with the tender.
- 6.19. The tenderer shall prepare for a possible presentation should NEF require such and the tenderer shall be notified thereof no later than 4 (four) days before the actual presentation date.
- 6.20. The tenderer hereby agrees that the offer herein shall remain binding upon him/her and will be open for acceptance by the NEF during the validity period indicated herein.
- 6.21. The tenderer furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her tender response, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accepts that any mistakes regarding price(s) and calculations will be at his/her risk.
- 6.22. The tenderer hereby accepts full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on him/her under this tender as the principal(s) liable for the due fulfillment of this tender and any contract that might be concluded pursuant hereto.
- 6.23. The NEF will treat your personal information as confidential and take all necessary steps to protect your information as required by the Protection of Personal Information Act of 2013. The NEF will only process your information (which involves but is not limited to collecting, collating, organising, disseminating and destroying) in the following circumstances:
- where you have granted the necessary consent;
 - where we are required to do so by law;
 - where processing is necessary to protect our legitimate interests;

CONDITIONS AND UNDERTAKINGS BY TENDERER IN RESPECT OF THIS TENDER

- where it is necessary for the conclusion or performance of a contract to which you are party; or
- where it is in the public interest to do so.

By signing this tender document (RFP), the bidder hereby consents to the use of their personal information which forms part of the tender process and as may be discovered by the NEF and confirm that the information is supplied voluntarily without undue influence from any party. Tenderers acknowledge that they are aware of their right to access the information at a reasonable time for purposes of rectification or object to the processing of the information.

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS TENDER

Name of your Company (in block letters)	
Signature(s) of the Bidders	
Name of person signing (in block letters)	
Capacity	
Are you duly authorized to sign this tender?	
Company Registration Number	
VAT Registration Number	
Postal address (in block letters)	
Physical address (in block letters)	
<i>Domicillium citandi et executandi</i> in RSA	(full) street address) (in block letters)
Contact Person	
Telephone Number	
Fax Number	
Cell Number	
E-mail	

***Failure to comply with any of the terms and conditions as set out above will invalidate the tender.**

7. EVALUATION CRITERIA

Pre-qualification criteria: A tenderer must be an EME or QSE with a minimum Level 2 B-BBEE status. Tenders shall be evaluated in terms of the following parameters and shall be scored on the weightings stated below.

Phase 1: Technical: Bidders will need to score a minimum of **42 points in technical** in order to qualify for further evaluation

Technical	70 Points
<ul style="list-style-type: none"> • Knowledge of the DFI environment and the mandate of the NEF 	5
<ul style="list-style-type: none"> • Experience of the prospective audit firm in internal audit in a public entity 	5
<ul style="list-style-type: none"> • Experience of the prospective audit firm in working in a financial services environment 	15
<ul style="list-style-type: none"> • Capability and knowledge of staff to be used for the assignments (Qualifications, demonstrated skills, experience) 	20
<ul style="list-style-type: none"> • Demonstrate relevant skill, experience and expertise in IT audits, Risk Management and Fraud audits 	15
<ul style="list-style-type: none"> • Experience with implementing combined assurance 	10

Phase 2: Presentation: Bidders will need to score a minimum of **18 points in order to be evaluated further**

Presentation	30 Points
<ul style="list-style-type: none"> • Experience of the prospective audit firm in working in a financial services environment 	5
<ul style="list-style-type: none"> • Capability and knowledge of staff to be used for the assignments (Qualifications, demonstrated skills, experience) 	10
<ul style="list-style-type: none"> • Demonstrate relevant skill, experience and expertise in IT audits, Risk Management and Fraud audits 	10

• Experience with implementing combined assurance	5
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The NEF will conduct site visits with only shortlisted companies.

Phase 2: 80/20 Preference Point System

All tenders that will achieve the minimum qualifying score for technical will be evaluated further in terms of the preference point system as follows:

CRITERIA	POINTS
Price	80
BEE	20
TOTAL	100 points

SECTION: 2

TERMS OF REFERENCE /

SCOPE OF SERVICE

8. PREAMBLE

The National Empowerment Fund Act No.105 of 1998 established the National Empowerment Trust (NEF), for the purposes of promoting and facilitating economic equality and transformation, by providing development finance for Black Economic Empowerment (BEE) empowered South African businesses. The NEF operates under the umbrella of the Department of Trade and Industry (DTI) and is committed to the Broad-Based Black Economic Empowerment Act 55 of 2003 and the Codes of Good Practice on BEE.

OVERALL OBJECTIVE

The objective of this tender is to appoint a firm to assist in the managing of the Internal Audit Function at the NEF, especially regarding IT auditing.

The NEF has established a certain level of internal capacity, being supervisors and a manager.

The NEF manager and supervisors will be required to work on selected assignments with the outside service provider and together assist NEF management with the design of internal controls and be involved in selected special projects.

The proposal should indicate the approach that may be adopted as well as cost implications with assumptions i.e. purely focusing on the IT audits, a combination of IT and general audits, absence of the NEF audit manager/ supervisors. Pricing will be assessed on an average cost per hour basis.

The contracted firm may initially be responsible for managing the internal audit function with the appointed manager eventually taking over the ultimate responsibility of the function i.e. a phased approach may be adopted.

9. PAYMENT

The NEF undertakes to pay valid invoices in full within 30 (thirty) days from receipt date.

10. PROGRAMME / CONTRACT PERIOD

The duration of the contract is anticipated to run for a period of two years, starting 1 April 2020 with an option to extend for one year. The contract will however be renewable annually during the two year period, subject to performance reviews. The work will mainly be performed at the NEF's premises in Sandton Johannesburg.

11. SCOPE OF PROJECT

The Chief Risk Officer has identified the key risks and operational risks for the NEF with the assistance of management. The risk registers have been reviewed by the Risk and Portfolio Management Committee and are monitored on a quarterly basis.

The appointed firm of auditors will be required to use the risk registers and:

- Assist in developing a three-year Internal Audit Strategic plan as required by Treasury Regulations. The plan should address the business and related risks.
- Develop a detailed annual operational plan indicating each assignment.
- Provide a proposed timeline (Gantt chart) for each annual operational plan.
- Propose annual budgets for the duration of the project.
- Discuss coverage with management and the audit committee.
- The firm will be required to:
 - Perform risk-based internal audit control and compliance reviews in terms of the proposed internal audit plan.
 - Incorporate NEF internal audit methodology in the performance of audits.
 - Perform audits in compliance with the International Standards for the Professional Practice of Internal Auditing (Standards) as issued by the Institute of Internal Auditors.
 - Plan, perform, report and archive any computer-based audits.
 - Have the ability and specialised capacity to undertake performance audits, especially in NEF core business areas.
 - Ensure that line management is fully aware of the audit findings implications to business operations and subsequent recommendations.

- Provide a final report on the outcome and findings of audits with recommendations and agreed management corrective action for IA follow up.
- Provide risk mitigation and control advice to management regarding the management of risks, with a summarised report to the Audit committee.
- Provide summary reports to the audit committee on high risk findings.
- Attend Audit Committee meetings and provide feedback on audits completed and management of risks.
- Provide overall annual conclusion for the audit committee on the audited control environment.
- Work closely with the external auditors and other assurance providers to ensure there is synergy of approach with little duplication of effort.
- Play a key role in managing the combined assurance model as recommended in King III.
- Assist in the implementation of integrated reporting.
- Provide and implement a formal skills transfer process for NEF staff, that improves the internal capacity of the function.
- Perform independent reviews of audit work performed by the NEF Internal Audit manager.
- Have capacity to deal with any special internal audit projects.
- Maintain audit files as per the NEF Internal Audit Methodology document and ensure that they are the property of the NEF.

12. EXPECTED OUTCOMES AND DELIVERABLES

As indicated above the expected outcomes and deliverables will be:

- Three year risk based audit plan
- Detailed annual audit plan
- Gantt chart of timelines for plan for the year
- Detailed annual budgets
- Audit working paper files for audits completed
- Reports for the audit committee
- Summary report for audit committee
- Attendance at audit committee and IT Steerco meetings

- Annual conclusion on the control environment
- Transfer of skills to NEF appointed internal audit staff
- Value added advice and guidance to management, IT steering and audit committee.
- Evidence of working closely with external auditors and other assurance providers to prevent duplication of effort, value added advice on combined assurance and integrated reporting.

12.1 Items to be included in proposal

Based on knowledge obtained of the NEF via our website, knowledge of industry etc, applicants should:

- Indicate what they think will be the highest risk areas of the NEF;
- Provide a proposed three year and detailed risk based annual operational plan;
- Total costing should also be completed for the three year plan, including the average charge rate;
- Provide examples of reports (i.e templates) to management and audit committee.

The audit plan will however, be adapted based on the results of the finalised risk assessment, discussions with management and the Audit committee.

An overview of the internal audit methodology used by the firm should also be provided.

The approach that will be adopted at the NEF, specifically how the firm will work with the internal audit manager and staff.

The appointed firm will provide resources and support to the manager's independent reporting line to the audit committee.

13. QUALITY ASSURANCE REVIEWS OF THE WORK

The NEF reserves the right to review audit files on behalf of the audit committee.

14. MONITORING PROGRESS OF ASSIGNMENTS

The appointed firm will need to work closely with the internal audit manager to ensure that the audit plan is risk based, audit plan is achieved and that if any NEF staff work on assignments under the management of the appointed firm, they receive adequate training and guidance.

The auditors will also be required to provide quarterly updates to the Audit committee regarding progress with achieving the audit plan.

15. INDEPENDENCE AND OBJECTIVITY OF STAFF

In carrying out the work, the service provider must ensure that its staff maintains their objectivity by remaining independent of the activities they execute.

16. COMPETENCY AND EXPERTISE REQUIREMENTS

- Preference will be given to firms registered with the Institute of Internal Auditors, South African Institute of Chartered Accountants and Independent Regulatory Board of Auditors.
- It is essential the service provider has knowledge and experience of working with a public entity.
- The NEF also requires that the service provider has experience working in a financial services environment.
- Experience in a development finance or venture capital environment will be advantageous.

SECTION: 3

PRICING

Pricing (Attach separate price schedule, stating all pricing information including levels of seniority, hourly rates, costs, fees, etc)

SECTION: 4

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

B-BBEE Supplier Assessment Form

Trading name of entity

Contact person

Physical Address

Contact telephone number

Fax number

Cell phone

Email address

Percentage black shareholding

Percentage black women shareholding

Percentage white women shareholding

Do you fall within a gazetted industry
charter?

Are you a Qualifying Small Enterprise?

(Annual turnover between R10 million
and R50 million)

Are you an Exempt Micro Enterprise?

(Annual turnover less than R10 million)

If you are in possession of a B-BBEE rating or scorecard, please attach the certificate.

I, the undersigned, certify that the information contained in this document is accurate and correct. I am fully responsible for all representations in this document and am aware of the repercussions that may arise as a result of any misrepresentation.

Name: _____ ID/Passport Number: _____

Signed: _____ Date: _____

Position: _____

LIST OF TENDER RETURNABLES

- Original valid Tax Clearance Certificate
- Declaration of Interest form
- Declaration of tenderer's past supply chain management practices
- BEE credentials / rating certificate
- Completed and signed tender document
- The following information also needs to be provided with the tender document:
 - Names and details of Senior Management.
 - Shareholders Certificate.
 - Details of employees at an Operational Level.
 - Percentage of ownership by:
 - Black Shareholders
 - Black Women
 - White Women

Failure to submit the required documents will result in the proposal being non compliant and will be disqualified.

Declaration of tenderer's past supply chain management practices

- 1 This tender may be disregarded if the tenderer, or any of its directors have:
 - Abused the institutions supply chain management systems;
 - Committed fraud or any other improper conduct in relation to such a system; or
 - Failed to perform on any previous contract

- 2 In order to give effect to the above, the following questionnaire may be completed and submitted with the tender

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).		
4.1.1	If so, furnish particulars		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? To access this Register enter the National Treasury's website, www.treasury.gov.za . click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445		
4.2.1	If so, furnish particulars		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?		
4.3.1	If so, furnish particulars		
4.4.	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?		
4.4.1	If so, furnish particulars		

I, THE UNDERSIGNED (FULL NAME)
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS
TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY
BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature

Date

Position

Name of bidder

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state*, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where-
- the bidder is employed by the state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

- 2.1 Full Name of bidder or his or her representative:
- 2.2 Identity Number:
- 2.3 Position occupied in the Firm (director, shareholder etc):
- 2.4 Firm Registration Number:
- 2.5 Tax Reference Number:
- 2.6 VAT Registration Number:

* "State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

2.7 Are you or any person connected with the bidder **YES / NO**
presently employed by the state?

2.7.1 If so, furnish the following particulars:

Name of person / director / shareholder/ member:

Name of state institution to which the person is connected:

Position occupied in the state institution:

Any other particulars:

.....
2.8 Did you or your spouse, or any of the firm's directors / **YES / NO**
shareholders / members or their spouses conduct business
with the state in the previous twelve months?

2.8.1 If so, furnish particulars:
.....
.....
.....

2.9 Do you, or any person connected with the bidder, have **YES / NO**
any relationship (family, friend, other) with a person
employed by the state and who may be involved with
the evaluation and or adjudication of this bid?

2.9.1 If so, furnish particulars.
.....
.....
.....

2.10 Are you, or any person connected with the bidder, **YES / NO**
aware of any relationship (family, friend, other)
between the bidder and any person employed by the
state who may be involved with the evaluation and or
adjudication of this bid?

2.10.1 If so, furnish particulars.
.....
.....
.....

2.11 Do you or any of the directors /shareholders/ members of **YES / NO**
the firm have any interest in any other related companies
whether or not they are bidding for this contract?

2.11.1 If so, furnish particulars:
.....
.....
.....

DECLARATION

I, _____ THE _____ UNDERSIGNED
(NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.11.1
ABOVE IS CORRECT.

I ACCEPT THAT THE STATE/NEF MAY ACT AGAINST ME IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT ISSUED BY
NATIONAL TREASURY SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder