

NOTICE TO ALL PROSPECTIVE BIDDERS

BID NO : RFQ-DBE08/2022

CLOSING DATE : 08 JULY 2022

CLOSING TIME : 11H00

Bidders are hereby informed of amended hours for costing of the service from 120hours to 160hours on page 3 of 6 in the Terms of Reference.

TERMS OF REFERENCE: REQUEST FOR QUOTATION

1. HEADING

Appointment for a professional service provider (PSP) to conduct internal quality assessment to the Department of Basic Education (DBE) Internal Audit Activity (IAA).

2. PURPOSE/ AIM OF THE PROJECT

IAA require independent professional service provider to conduct internal quality assessment to determine whether IAA is in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards), the Definition of Internal Auditing and internal auditors apply the Code of Ethics. The recommendations from this assessment will be used to improve the internal audit processes and its controls.

3. BACKGROUND

According to Treasury Regulation 27.2.6 Internal audit must be conducted in accordance with the Standards set by the Institute of Internal Auditors (IIA).

IIA Standard 1300 state that “the Chief Audit Executive (Head of Internal Audit) must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity”. And IIA Standard 1310 state that “the quality assurance and improvement program must include both internal and external assessments”.

Internal quality assessment is necessary for DBE IAA to improve its internal auditing processes and controls as well as preparation for external quality assessment.

4. SCOPE OF WORK/ DELIVERABLES

4.1 Appointed PSP will be required to assess the following:

- (a) Quality and supervision of audit work performed,
- (b) The adequacy of internal audit policies and procedures,
- (c) The value the internal audit activity adds to the organization, and
- (d) The establishment and achievement of key performance indicators.

4.2 Internal quality assessment will be based on 2021/22 financial year audit projects and expected to be conducted and completed within a month after appointment of the service provider.

5. REQUIREMENTS

5.1 In order to execute above mentioned services properly, the PSP need to be:-

- (a) Independent and objective.
- (b) Accredited by the Institute of Internal Auditors South Africa as an Internal Audit Quality Assurer.
- (c) Experienced in conducting quality assurance and improvement program.

5.2 The following documents need to be provided by the PSP for evaluation purposes:

- (a) Company profile
- (b) Assessor's qualifications and professional certifications
- (c) Assessor's curriculum vitae

5.3 PSP will use its methodology which must align with the IIA Standards to conduct internal quality assessment.

5.4 The service provider must present the internal quality assessment report to the Chief Audit Executive (CAE) and the report to include among other information the improvements, best practices, findings, conclusion and recommendations.

5.5 The service provider must provide the costing of service to be rendered with the team to be involved for a total of 160 hours of the project. The costing must indicate the level of each team member and their hourly rate.

6. MANDATORY REQUIREMENTS

6.1 The bidder/company/service provider must provide the following mandatory documents to be considered for this bid:

- (a) Company profile which indicate previous experience

- (b) Submit three (3) letters of reference relevant to the required service
- (c) Certified copies of qualification of the assessor/s
- (d) Curriculum vitae of assessor or assessors

Non-submission of the above mandatory documents as indicated on 6.1 will lead to immediate disqualification

7. OTHER REQUIREMENTS

7.1 Return all the fully completed and signed attached SBD forms (SBD1, SBD 3.3 , SBD4, and SBD6.1). All bids must be submitted on the official forms (not to be re-typed). **Any alteration to the bidding (SBD) forms will lead to immediate disqualification.**

7.2 **Bidding as a Consortium or Joint Venture must provide the following information and documents:**

- (a) Agreement signed by nominated members of both/ all consortium or joint venture partners;
- (b) State the leading company;
- (c) Completion, signing and submission of all bidding (SBD) forms separately (per company within the consortium/ joint venture;

7.3 **Bidders who bid with an intention of subcontracting certain tasks must provide the following information:**

State the name of the Subcontract Company and percentage to be subcontracted.

8. CONDITIONS

Internal quality assessment file (electronic and hardcopies) will become the property of the DBE.

9. BRIEFING SESSION

Briefing session will not be applicable.

10. PAYMENT

Payment of invoice will be processed after issuing the final internal quality assessment report.

11. EVALUATION CRITERIA

The following table presents the evaluation criteria, weights and method of calculation (using maximum scores):

Criteria	Sub-criteria	Weight	Maximum Score
Assessor Qualification	<ul style="list-style-type: none"> ▪ Postgraduate qualification in Auditing/ Accounting/Forensic Investigation or equivalent = 5 ▪ B. Comm in Auditing/ Accounting/Forensic Investigation or equivalent = 4 ▪ Diploma in Auditing/ Accounting/Forensic Investigation or equivalent = 3 ▪ Higher certificate in Auditing/ Accounting/Forensic Investigation or equivalent = 2 ▪ Other relevant certificate = 1 ▪ No qualification certificate = 0 	5	5 x 5 = 25
Assessor Certification	<ul style="list-style-type: none"> ▪ IA QA = 5 ▪ CIA/ CA / CISA / CFE/ Other relevant IIA certification = 3 ▪ Other relevant certification = 1 ▪ No certification = 0 	2	5 x 2 = 10
Assessor Experience	<ul style="list-style-type: none"> ▪ More than 10 years on quality assurance and improvement program in the internal auditing field = 5 ▪ 8 to 9 years on quality assurance and improvement program in the internal auditing field = 4 ▪ 5 to 7 years on quality assurance and improvement program in the internal auditing field = 3 ▪ 2 to 4 years on quality assurance and improvement program in the internal auditing field = 2 ▪ 0 to 1 year on quality assurance and improvement program in the internal auditing field = 1 	10	5 x 10 = 50
Company references	<ul style="list-style-type: none"> ▪ More than 10 projects on quality assurance and improvement program in the internal auditing field = 5 ▪ 8 to 9 projects on quality assurance and improvement program in the internal auditing field = 4 ▪ 5 to 7 projects on quality assurance and improvement program in the internal auditing field = 3 ▪ 2 to 4 projects on quality assurance and improvement program in the internal auditing field = 2 ▪ 0 to 1 project on quality assurance and improvement program in the internal auditing field = 1 	3	5 x 3 = 15
Total			100

The minimum threshold to be scored is 70 points and only PSP who meet the minimum score will be evaluated further in terms of 80/20 preference system where 80 points will be used for price only and 20 points are used for the prescribed BBBEE points.

The following formula will be used for calculation of points for price:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

P_s = Points scored for price of bid under consideration

P_t = Rand value of accepted bid under consideration

P_{\min} = Rand value of lowest acceptable bid

Bidders must submit a valid BBBEE certificate or BBBEE Sworn affidavit in order to claim BBBEE points, non submission of BBBEE certificate or BBBEE sworn affidavit will lead to the bidder forfeiting points for BBBEE.

12. CONTACT DETAILS

Enquiries for this RFQ should be made in writing to tenders@dbe.gov.za

Project Co-ordinator: Ms E Mmola (012) 357 3869