

REQUEST FOR PROPOSAL – INTERNAL AUDIT SUPPORT SERVICES



an agency of the  
Department of Arts and Culture

SUMMARY OF TENDER

|  |  |
|--|--|
| <b>Tender Reference Number</b>   | <b>FIN/AUDIT-SERVICES/07/2021</b>  |
| <b>Description of tender:</b>  | IZIKO MUSEUMS OF SOUTH AFRICA (IZIKO) INVITES SUITABLE INDEPENDENT PROFESSIONAL INTERNAL AUDIT SERVICE PROVIDERS TO SUBMIT A PROPOSAL FOR CO-SOURCING OF INTERNAL AUDIT SERVICES TO IZIKO FOR 3 (THREE) YEARS. |
| <b>Name of the responsible unit/department</b>   | Supply Chain Department  |
| <b>Address for submitting bid proposals</b>  | 25 Queen Victoria Street Cape Town 8001  |
| <b>Telephone Number</b>  | Noluyolo Ngwilikane (SCM) 021 481 3889   |
| <b>Email Address: Supply Chain Management Department</b>   | <a href="mailto:nngwilikane@iziko.org.za">nngwilikane@iziko.org.za</a> & <a href="mailto:ndonson@iziko.org.za">ndonson@iziko.org.za</a>  |
| <b>Attention</b>   | Ronell Pedro (CFO)   |
| <b>Closing date and time for submission</b>  | 10 August 2021 at 12:00  |
| <b>Online non - compulsory briefing session date and time</b>  | 23 July 2021 at 11:00 – 12:00  |
| <b>Zoom Link to briefing session</b>   | <a href="https://iziko-org.zoom.us/j/96083864753?pwd=RzI2eGE1SzhQNE9oQVNiTzIrRng1dz0">https://iziko-org.zoom.us/j/96083864753?pwd=RzI2eGE1SzhQNE9oQVNiTzIrRng1dz0</a>  |
| <b>Tender box dimensions</b>   | (h) 90mm x (l) 400mm x (w) 900mm   |
| <b>Interested parties to submit an original document plus two (2) copies of the original document.</b> |  |

## 1. Background

Iziko Museums of South Africa (Iziko) is a schedule 3A public entity and non-profit organisation, subsidised by the National Department of Sport, Arts & Culture (DSAC), bringing together 11 national museums of the Western Cape under a single governance and leadership structure. Iziko was established in terms of the Cultural Institutions Act, 1998 (Act No. 119 of 1998) and has to comply with the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and its concomitant Regulations.

## 2. Overview

Iziko seeks to appoint a suitable independent professional Internal Audit service provider to conduct the Internal Audit activity of Iziko for a **period of three years** from date of the award but no later than **1 October 2021 to 30 September 2024**.

Iziko invites applications from registered and experienced auditing companies with extensive experience in ICT to provide Internal Auditing Services as a co-sourcing function together with the existing in-house Internal Audit Activity.

The service provider should be registered with the Institute of Internal Auditors of South Africa (IIASA); must apply approved internal audit methodologies; have extensive experience in internal audit and risk management processes; sound financial management experience and a good understanding of the public sector within South Africa. It is essential that the service provider has knowledge and experience of working with public entities as well as the Auditor-General of South Africa (AGSA).

All Internal Audit activities must be conducted in accordance with the Standards set by the Institute of Internal Auditors.

## 3. Scope of Work

The scope of internal audit work entails evaluating the adequacy, effectiveness and efficiency of the organisational systems of internal control and developing recommendations for enhancement or improvement. This includes (but may not be limited to) the following:

- 3.1. The information systems environment;
- 3.2. The reliability and integrity of financial and operational information;
- 3.3. The effectiveness of operations;
- 3.4. Compliance with laws, regulations and controls;
- 3.5. Reporting to and attending the Iziko Audit and Risk Committee meetings and report on high risk findings;
- 3.6. Providing support to and working closely with the external auditors (and any other assurance providers) to ensure synergy of approach, proper coverage and to minimise duplication of effort;
- 3.7. Review of performance information and supporting systems;
- 3.8. Attend Audit & Risk Committee meetings (approx. 4 or 5 meetings per annum). Costs related to such attendance must be included in the cost schedule;
- 3.9. Any other responsibilities or assignments that may be delegated to it by the Iziko Audit and Risk Committee or the Iziko Council, which will constitute an addition to the scope of services.

## 4. Requirements

The Service Provider must comply with Iziko's Supply Chain Management policies and procedures by submitting the following documents **in the order that the documents are listed in the table below**.

The bidding requirements and stages are summarised in the table below:

| Stage 1 - Pre-Qualification Criteria   | Stage 2 - Technical Evaluation Criteria (Functionality)  | Stage 3 - Price and B-BBEE Evaluation   |
|--|--|---|
| <p>Bidders must submit all documents as outlined in <b>Table 1 Compliance Documents</b> below</p> <p><b>Note: Failure to supply any of the compliance documents stipulated below <u>may lead to disqualification</u></b></p> | <p>Bidders are required to achieve a minimum % per the two phases of evaluation to proceed to stage 3 (price and B-BBEE)</p> <p>Phase 1 - 85% on functionality<br/>Phase 2 – 60% on presentation</p> <p><b>Refer Table 2 – Required documents to be able to do functionality</b></p> | <p>Bidders that meet the minimum threshold for functionality in phase 1 and phase 2 will be evaluated for preference point scoring as follows, <b>refer Table 3:</b></p> <p><b>Price – 80 points</b><br/><b>B-BBEE – 20 points</b></p> <p><b>Note: A cost schedule detailing full cost breakdown, inclusive of VAT, any disbursement and escalations, if applicable, etc. for the entire duration of the proposed contract must be provided – <b>Appendix A</b></b></p> |

#### 4.1 Stage 1 - Pre-Qualification

**Note: Failure to supply any of the compliance documents stipulated below may lead to disqualification**

**Table 1**

| <b>Compliance Documents:</b> |  |
|------------------------------|--|
| 1                            | Central Supplier Database Report – with supplier number and company details ( <a href="http://www.csd.gov.za">www.csd.gov.za</a> ) and Tax Status Verification Pin together with tax registration number             |
| 2                            | Detailed pricing structure: A cost schedule detailing full cost breakdown, inclusive of VAT, any disbursement and escalations, if applicable, etc. for the entire duration of the proposed contract must be provided |
| 3                            | A Valid B-BBEE Certificate or Sworn Affidavit to determine the bidder's status level.  |
| 4                            | Annexure B - Occupational Health and Safety Agreement  |
| 5                            | Annexure C - Confidentiality and Non-Disclosure Agreement  |
| 6                            | SBD 1 - Invitation to Bid  |
| 7                            | SBD 3.3 - Pricing Schedule (Professional Services)   |
| 8                            | SBD 4 - Declaration of Interest  |
| 9                            | SBD 6.1 - Preference Points Claim Form   |
| 10                           | SBD 8 - Declaration of bidder's past Supply Chain Management Practices   |
| 11                           | SBD 9 - Certificate of Independent Bid Determination   |

#### 5. Stage 2 – Functionality Criteria and Presentation

Service Providers are expected to have the requisite qualifications, experience and accreditations to provide the required services.

The documents required below in Table 2 will be used for functionality evaluation, Service Providers are requested to furnish the detailed information to substantiate compliance to each of the evaluation criteria in **paragraph 5.1**

**Table 2**

| Required Documents for Functionality |  |
|--------------------------------------|--|
| 1                                    | A company profile, proven track record and details of experience in internal auditing services.  |
| 2                                    | Valid Registration with Institute of Internal Auditors (IIA) or membership of the Independent Regulatory Board for Auditors (IRBA) as constituted under the provisions of the Auditing Profession Act (APA), Act No 26 of 2005.  |
| 3                                    | A detailed Methodology/Approach and Audit Plan of action to achieve the scope of work  |
| 4                                    | <ul style="list-style-type: none"> <li>• Experience in the field of internal auditing working in similar organisations/public entities.</li> <li>• A list of internal audit appointments should be provided.</li> <li>• Three (3) reference letters must be attached as confirmation of relevant/similar projects and must include contactable references for each.</li> </ul> |
| 5                                    | Detailed and current CV's of key personnel that will be assigned to this project (e.g. the Team Leader and support personnel) with defined roles and responsibilities, must be attached.   |

**5.1 Technical Evaluation Criteria**

The following functionality criteria which have been divided into two phases will be used for evaluating all proposals, where proposals must score a combined overall minimum of 80% (80 points) for functionality to qualify for preference point scoring.

**VALUES: 0 – Non Submission; 1- Poor; 2 – Average; 3 – Good; 4 – Very Good; 5 - Excellent**

| 5.1.1 Phase 1                          | Functionality Criteria (80 points) | Points Allocation | Value |
|--|------------------------------------|-------------------|-------|
| 1.                                     | Experience/Track Record            | 15                |       |
| 2.                                     | Technical Capability               | 45                |       |
| 3.                                     | Methodology                        | 20                |       |
| <b>Sub Total</b>                       |                                    | <b>80</b>         |       |
| Minimum Stipulated Threshold to be met |                                    | 68 points (85%)   |       |

| Detailed Functionality Criteria |  | Points Allocation | Value |
|---------------------------------|--|-------------------|-------|
| <b>Phase 1</b>                  |  |                   |       |
| <b>1.</b>                       | <b>Experience / Track record:</b>  |                   |       |
|                                 | For the purpose of this proposal the Service Provider will need to provide details of previous experience and expertise of providing internal audit services.  |                   |       |
| (a)                             | A list of three (3) contactable references of internal audit projects successfully undertaken by stating the following: <ul style="list-style-type: none"> <li>• Name of the client</li> <li>• Contact Telephone Numbers</li> <li>• Dates when work was performed</li> </ul>   | 15                |       |
| <b>2.</b>                       | <b>Technical Capability</b>  |                   |       |
|                                 | For the purpose of this proposal the Service Provider must provide an organogram including short summaries of Curriculum Vitae (CV) of the key staff that will be assigned to this project with their defined roles and responsibility. The CV must include tertiary qualifications and experience. The proposed project team must consist of the following: |                   |       |

|           |  |    |  |
|-----------|--|----|--|
| (a)       | <ul style="list-style-type: none"> <li>Project Manager with a minimum of eight (8) years internal audit experience. Attach certified copy of relevant qualification.</li> </ul>  | 20 |  |
| (b)       | <ul style="list-style-type: none"> <li>Senior Supervisor on site with five (5) years internal audit experience.</li> </ul>   | 15 |  |
| (c)       | <ul style="list-style-type: none"> <li>Other key personnel to be assigned to this project with tertiary internal audit qualification and three (3) years relevant practical experience in internal audit. (NB: The year's relevant practical experience should exclude in-service training/learnership/internship).</li> </ul> | 10 |  |
| <b>3.</b> | <b>Methodology</b>   |    |  |
|           | Demonstrate in-depth understanding in risk based audit. Provide the detailed methodology as part of the Audit Plan.  | 20 |  |

**Note:** Only proposals meeting the Minimum Stipulated Threshold of 85% (68 points) for Phase 1 of the Functionality Evaluation will be allowed to progress to Phase 2 of the Functionality Criteria, where the short listed service providers will be required to present to the Bid Evaluation Committee, the Bid Adjudication Committee, as well as Audit Committee members

## 5.2 Presentations

**VALUES: 1- Poor; 2 – Average; 3 – Good; 4 – Very Good; 5 - Excellent**

| <b>5.2.1 Phase 2: Functionality Criteria (20 points)</b> |  | <b>Points Allocation</b> | <b>Value</b> |
|--|--|--------------------------|--------------|
| 1.   | Service providers will be required to do a 30 minutes presentation | 20                       |              |
| <b>Sub Total</b>   |  | <b>20</b>                |              |
| Minimum Stipulated Threshold to be met                   |  | 12 points (60%)          |              |

| <b>Detailed Functionality Criteria</b> |  | <b>Points Allocation</b> | <b>Value</b> |
|--|--|--------------------------|--------------|
| <b>Phase 2</b>                         |  |                          |              |
| 1.                                     | <b>Presentation:</b><br>Service Providers will be requested to do a 30 minutes presentation on the proposed methodology as follows:  | 20                       |              |
| (a)                                    | <ul style="list-style-type: none"> <li>Provide the detailed methodology; demonstrate in-depth understanding of risk based audit; and</li> <li>Audit Plan, deliverables and time frames.</li> </ul> |                          |              |

**Note:** The Minimum Stipulated Threshold to be met for Phase 2 of the Functionality Evaluation for the presentation is 60%

|  |                        |
|--|------------------------|
| <b>5.2.2 Overall Total for Functionality: Minimum Overall Threshold to be met (Phase 1 and Phase 2 combined)</b> | <b>80 points (80%)</b> |
|--|------------------------|

**Note:** An average total for functionality will be determined for proposals meeting the Minimum Stipulated Threshold of 85% for phase 1, which will be combined with the Minimum Stipulated Threshold for Phase 2 which is 60%.

Only qualifying proposals will be considered for further evaluation for 80/20 Preference Points on meeting or exceeding the Overall Stipulated Minimum Threshold of 80%

**A proposal that scores less than 80% (400 out of 500) for functionality will be regarded as submitting a non-responsive bid and will be disqualified. All bidders that score 80% (400) and more for functionality will be eligible for further evaluation.**

**6. Stage 3 - Price and B-BBEE Evaluation**

Proposals that meet the minimum stipulated threshold for functionality criteria (including presentations) will be evaluated based on the 80/20 preference point system, stipulated in the Preferential Procurement Regulations of 2017. The points for this bid are allocated as follows:

**Table 5**

| Preference Point System |                  |
|-------------------------|------------------|
| Description             | Points Allocated |
| 1. Price                | 80 Points        |
| 2. B-BBEE               | 20 Points        |

**6.1 Price**

Price is an important factor as it ensures optimum value for money and total cost to Iziko and should take into account the full duration of the contracting period.

A cost schedule detailing hourly rates, inclusive of VAT, any disbursements and escalations, if applicable, etc. for the entire duration of the proposed contract must be provided in the Pricing schedule in Appendix A.

**6.2 B-BBEE**

B-BBEE Preference claim form (SBD 6.1) must form part of all bids submitted. This form serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) status level of contribution

**7. Formal Contract**

- The proposal and appended documentation read together form the basis for an agreement to be negotiated and concluded in a formal contract between Iziko and the preferred Service Provider.
- A mere offer and acceptance shall not constitute a formal contract of any nature for any purpose between Iziko and the preferred Service Provider.

**8. Reasons for disqualification**

**Iziko reserves the right to disqualify any submission in the event of any one or more of the following:**

- A Service Provider submits a proposal late;
- A Service Provider submits a proposal via fax or e-mail;
- A Service Provider does not submit mandatory documents;
- A Service Provider submits incomplete documentation and/or information as per the requirements;
- A Service Provider submits information that is fraudulent, factually untrue or inaccurate;
- A proposal not meeting the required minimum stipulated threshold points.

Any such disqualification may take place without prior notice to the Service Provider.

**9. General Principles**

- Iziko will apply the 80/20 preferential points system.

- Iziko applies the provisions of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and the Regulation of 2017, the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the Iziko Framework for Supply Chain Management.
- The lowest or only quotation received will not necessarily be accepted.
- Iziko reserves the right to accept or reject any quotation in response to the request for proposal and to withdraw its decision to seek the provision of these services at any time.
- There will be no discussion with any Service Provider until the evaluation of the submissions has been completed. Any subsequent discussions shall be at the discretion of Iziko.

**10. Delivery Approach**

The successful applicant shall, on signing the agreement, commence with business on a date agreed to by both parties.

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Signature: .....  
Ms. Ronell Pedro  
Chief Financial Officer

Date: 7/7/2021



Signature: .....  
Ms Rooksana Omar  
Chief Executive Officer

Date: 7 July 2021

**Appendix A:**

**Pricing Schedule:**

| <b>Description</b>   | <b>Hourly Rate<br/>Incl. VAT</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Total Cost</b> |
|--|----------------------------------|---------------|---------------|---------------|-------------------|
| Audit Team:  |                                  |               |               |               |                   |
| Project Manager  |                                  |               |               |               |                   |
| Senior Supervisor  |                                  |               |               |               |                   |
| Junior Auditor/Internal Auditor                              |                                  |               |               |               |                   |
| Adhoc Services (As and when<br>required)                     |                                  |               |               |               |                   |
| Project Manager  |                                  |               |               |               |                   |
| Senior Supervisor  |                                  |               |               |               |                   |
| Junior Auditor/Internal Auditor                              |                                  |               |               |               |                   |
| Audit & Risk Committee Meeting<br>(approx. 4 or 5 per annum) |                                  |               |               |               |                   |
| Other specify  |                                  |               |               |               |                   |
| Other specify  |                                  |               |               |               |                   |
| Other specify  |                                  |               |               |               |                   |
| <b>VAT</b>   |                                  |               |               |               |                   |
| <b>TOTAL (including VAT)</b>                                 |                                  |               |               |               |                   |