

REQUEST FOR PROPOSAL – INTERNAL AUDIT SUPPORT SERVICES**REFERENCE NUMBER: FIN/AUDIT-SERVICE/11/2017****IZIKO MUSEUMS INVITES SUITABLE INDEPENDENT PROFESSIONAL INTERNAL AUDIT SERVICE PROVIDERS TO SUBMIT A PROPOSAL FOR CO-SOURCING OF INTERNAL AUDIT SERVICES****1. Background**

Iziko Museums of South Africa (Iziko) is a schedule 3A public entity and non-profit organisation, subsidised by the National Department of Arts & Culture (DAC), 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 of Iziko for a **period of three years** commencing from **April 2018 to March 2021**.

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 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; 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 and/or the Auditor-General of South Africa (AGSA).

The Internal audit 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. 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 abide by 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 proposal should include the following:

Order	Documents to be submitted <u>in the order as indicated below</u>
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	Experience in the field of internal auditing working in similar organisations/public entities. A list of internal audit appointment should be provided. Reference letters as confirmation of relevant/similar projects including contactable references for each
5	Detailed and current CV's of key personnel that will be assigned to this project with defined roles and responsibilities.
6	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
7	Original or Certified copy of Valid B-BBEE Certificate (from SANAS accredited Verification Agency) or from the Auditors approved by the Independent Regulatory Body of Auditors (IRBA); Any EME (Exempt Micro Enterprise) or QSE (Qualifying Small Enterprise) is only required to obtain a sworn affidavit on an annual basis, confirming the following; Annual Total Revenue of R10 Million or less (EME) or Revenue between R10 Million and R50 Million for QSE;Level
The completion of the following enclosed documentation:	
8	Central Supplier Database Report – with supplier number and company details (www.csd.gov.za) and Tax Status Verification Pin together with tax registration number
9	Occupational Health and Safety Agreement (Annexure B)
10	Confidentiality and Non-Disclosure Agreement (Annexure C)
11	SBD 1 - Invitation to submit a Quotation
13	SBD 3.3 - Pricing Schedule
14	SBD 4 - Declaration of Interest
15	SBD 6.1 - Preference Points Claim
16	SBD 8 - Declaration of bidder's past Supply Chain Management Practices
17	SBD 9 - Certificate of Independent Bid Determination

5. Evaluation of Proposal

Proposals will be evaluated in accordance with the **80/20** preference point system, as contemplated in the Preferential Procurement Regulations of 2017 and will be apportioned and weighted accordingly.

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

Proposal for the appointment of the Service provider will be evaluated on price and functionality in accordance with the Preferential Procurement Policy Framework Act of 2000, Preferential Procurement Regulations of 2017 and Supply Chain Management Procurement policies.

5.1 Pre-qualification

The following pre-qualification criteria will form the basis of evaluating all proposals and failure to comply will result in the elimination of the proposal:

- A fully completed proposal document which has been signed and certified where required together with relevant and compulsory attachments and/or forms must be submitted.

- Proof of valid registration and certification must be attached.
- For purpose of comparison and to ensure meaningful evaluation, service providers are requested to furnish detailed information in substantiation of compliance to the evaluation criteria.

5.2 Functionality

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

VALUES: 1-poor 2 – Average 3 – Good 4 – Very Good 5 - Excellent

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

Detailed Functionality Criteria		Points Allocation	Value
Phase 1			
1.	Experience / Track record:		
	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 five (5) contactable reference of internal audit projects successfully undertaken by simply stating the following: <ul style="list-style-type: none"> • Name of the client • Contact Telephone Numbers • Dates when work performed 	15	
2.	Technical Capability		
	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 defined roles and responsibility. The CV must include tertiary qualifications and experiences. The proposed project team must consist of the following:		
(a)	<ul style="list-style-type: none"> • Project Manager with a minimum of eight (8) years internal audit experience. Attach certified copy of qualification as a Certified Internal Auditor (CIA). 	20	
(b)	<ul style="list-style-type: none"> • Senior Supervisor on site with five (5) years internal audit experience. 	15	
(c)	<ul style="list-style-type: none"> • 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) 	10	
3.	Methodology		
	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, as well as Audit Committee members

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

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

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

5.2.3 Overall Total for Functionality: Minimum Overall Threshold to be met (Phase 1 and Phase 2 combined)	80 points (80%)
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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 valuation 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.

Awarding of Preference Points

5.3 Preference Point System

Only qualifying proposals will be evaluated for preference points in terms of the preference point system described in Preferential Procurement Regulations of 2017, after meeting the minimum stipulated threshold for functionality criteria, as follows:

Preference Point Criteria		Points Allocation
1.	Price	80
2.	Broad-Based Black Economic Empowerment (B-BBEE)	20
TOTAL POINTS		100

5.3.1 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 the full cost breakdown, inclusive of VAT, any disbursements and escalations, if applicable, etc. for the entire durations of the proposed contract must be provided.

5.3.2 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

6. 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.

7. 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 offending Service Provider.

8. 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 discussions with any Service Provider until the evaluation of the submissions has been completed. Any subsequent discussions shall be at the discretion of Iziko.

9. Delivery Approach

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

10. Time Frames

The duration of contract is for a three (3) year period as from the date of commencement.

11. Closing Date for submissions

Closing date and time: **Friday, 12 January 2018 at 12h00.**

WRITTEN OR TELEPHONIC QUERIES MUST BE DIRECTED TO:

Supply Chain Related:

Ms Noluyolo Ngwilikane

Supply Chain Manager

Iziko Museums of South Africa

Switchboard: +27 (0) 21 481 3800

Direct Line: +27 (0) 21 481 3889

Fax: +27 (0) 21 481 3993

Email: nngwilikane@iziko.org.za

Technical Issues:

Ronell Pedro

Chief Financial Officer

Iziko Museums of South Africa

Switchboard: +27 21 481 3800

Direct Line; +27 21 467 7202/7200

E-Mail: bmottie@iziko.org.za

Submissions

The submission should be in the form of three hard copies and all proposals must be submitted in a sealed envelope clearly marked with the reference number **FIN/AUDIT-SERVICE/11/2017** and must be addressed to:

Iziko Museums of South Africa

Chief Financial Officer, Ms Ronell Pedro

PO Box 61

Cape Town

8000

Documentation must be placed in the box for tenders at the entrance/reception area at the museum located at the address below. **No late submissions or submissions via facsimile or e-mail will be accepted.**

All courier/posted tender proposals must reach Iziko Museums by the closing date and time as specified above.
