

TERMS OF REFERENCE

FOR SOURCING INTERNAL AUDIT SERVICES TO CONDUCT A PERFORMANCE AUDIT REVIEW OF THE SKILLS PLANNING AND RESEARCH PROGRAMME FOR THE PUBLIC SERVICE SECTOR EDUCATION AND TRAINING AUTHORITY (PSETA) IN LINE WITH THE APPROVED 2026/2027 INTERNAL AUDIT PLAN'S QUARTER 3 DELIVERABLES.

RFP/

CLOSING DATE: 06 OCTOBER 2026

CLOSING TIME: 11H00



1. PURPOSE

To provide service providers with the necessary background and information to submit a detailed proposal for conducting a **performance audit review of PSETA's Skills Planning and Research programme**. PSETA wants to obtain a comprehensive response (clear and unambiguous) from bidders in terms of their ability to support the delivery of the relevant services.

2. BACKGROUND

PSETA is established in terms of section 9(1) and (2) of the Skills Development Act (Act No. 97 of 1998 as amended). The Skills Development Act is PSETA's enabling legislation and guides its operations as a sector education and training authority (SETA), as set out in section 10 of the Act.

For accountability purposes, the PSETA is a schedule 3A entity of the Public Management Finance Act (PFMA), with its own Accounting Authority which is accountable to the Minister of Higher Education, Science and Innovation. High level structuring of the entity consists of the following programmes:

- Programme 1: Administration
- Programme 2: Skills Planning and Research
- Programme 3: Learning Programmes and Projects
- Programme 4: Quality Assurance

3. RATIONALE FOR THE PERFORMANCE AUDIT REVIEW OF SKILLS PLANNING AND RESEARCH PROGRAMME.

3.1 The approved 2026/2027 Internal Audit Plan has, as part of its **quarter 3 deliverables**, a performance audit on PSETA's Skills Planning and Research Programme (**Ref. 2026/27-13**).

4. OBJECTIVES OF THE PERFORMANCE AUDIT

PSETA internal audit is seeking a service provider to provide internal audit review to fulfil the following audit objective:

4.1 Assurance on the economy, efficiency, and effectiveness of PSETA's Skills Planning and Research programme.

5. SCOPE OF WORK OF THE PERFORMANCE AUDIT

The required scope of work includes review of the following:

Review the 3Es (economy, efficiency and effectiveness) of the Skills Planning and Research programme, which has the **following strategic outputs and outcome**:

- **Outputs** - to collaborate and conduct labour market research and develop a Sector Skills Plan; strengthen workplace capabilities in relation to skills planning in the sector and tracer study of post-training employment outcomes
- **Outcome** - Improved credible research for skills planning

NB: Bidders should take note that this is not an Audit of Performance Information, but rather a Performance Audit to assess and provide an opinion on the Economy, Efficiency and Effectiveness (3Es).

6. TIME FRAME

The audit review is planned to commence **quarter 3 of 2026/2027**, from 12 October 2026 and be completed by 30 November 2026, latest. As such, the allocation of capacity should consider the completion timelines as indicated.

7. KEY DELIVERABLES

The performance audit shall be carried out, at a minimum, in accordance with The Performance Auditing Standards and Guidelines issued by the International Organization of Supreme Audit Institutions (INTOSAI).

NB: Bidders should take note that this is not an Audit of Performance Information, but rather a Performance Audit to assess and provide an opinion on the Economy, Efficiency and Effectiveness (3Es) of PSETA's Skills Planning and Research programme.

7.1.PROJECT DELIVERABLES

Deliverable	Explanation	Sign Off
Audit Planning Phase		
1. Project Kick-off	Opening / Audit Entrance Meeting	PSETA Internal Audit Team
2. Completed Declaration Forms	Declaration forms are completed prior commencement of actual audit work	PSETA Internal Audit Team
3. Audit Planning Memorandum	Development of an APM map timelines of audit process	PSETA Internal Audit Team
4. Engagement Letter	Drafting of engagement letter to issue to audit client	PSETA Internal Audit Team
5. System Description	Documenting of system description	PSETA Internal Audit Team
6. Audit Programme	Development of Audit Procedures for testing controls (Audit Programme)	PSETA Internal Audit Team
7. Request for Information (RFI)	Prepare and issue and RFI for approved Audit Programme.	PSETA Internal Audit Team
Execution Phase		

Deliverable	Explanation	Sign Off
8. Execution of Audit Programme – completed audit working papers	Execute approved Audit Programme and complete relevant working papers	PSETA Internal Audit Team
9. Informal Queries / Draft Findings	Draft informal queries as the audit progresses and discuss with management.	PSETA Internal Audit Team
Reporting		
10. Draft Internal Audit Report	Draft internal audit reported compiled and discussed with management.	PSETA Internal Audit Team
11. Final Internal Audit Report	Final internal audit report compiled and presented to management.	PSETA Internal Audit Team
12. Project Close Out	Quality Assured Audit File – 30 November 2026	PSETA Internal Audit Team
13. Audit Committee Reporting	Presentation of Internal Audit Report to the Audit Committee	PSETA Internal Audit Team

8. COMPETENCIES OF PROSPECTIVE SERVICE PROVIDER

The prospective service provider **MUST** satisfy required competencies as listed on the functionality criteria in 13 below to be considered.

9. ADMINISTRATION

The service provider must be a registered entity or consortium of companies, with traceable credential and should be able to assume duties immediately on appointment.

10. REPORTING REQUIREMENTS

- 10.1. The appointed service provider shall be required to report to the Chief Audit Executive of the PSETA
- 10.2. All work must be carried and reports finalised line with the Internal Audit methodology and approved working paper templates.
- 10.3. Payment will only take place after the requirements for specific deliverables have been met.

11. SUBMISSION OF THE PROPOSAL

The service provider should prepare an offer/proposal on how the assignment will be undertaken, a clear work plan, and curriculum vitae of the expert(s) as well as reference letters to support experience. The proposal must be concise and straight to the point.

12. RETENTION OF RECORDS

- 12.1 All the information derived and produced during the implementation, licensing, training as well as maintenance and support of the data analytics solution will remain the property of the PSETA.

13 PROPOSAL EVALUATION AND APPOINTMENT OF SERVICE PROVIDER

- 13.1 The proposals will be evaluated on the 80/20 principle with 80 points being allocated for price and 20 points allocated for specific goals once the minimum functionality criteria are met. The evaluation will be based on:

PHASE 1: FUNCTIONALITY EVALUATION

Bids must meet the minimum eligibility criteria in respect of functionality of **70 points out of 100** points that will be awarded for functionality before they are considered further. Any bid that does not meet the minimum eligibility threshold will be automatically disqualified.

Below are the applicable functionality criteria for the bid:

DOMAIN	EVALUATION METHOD	CRITERIA	WEIGHT
1. Qualifications of the proposed team (30)	The proposed engagement to consist of at least 3 resources, inclusive of the Audit Director / Partner, who are professionally certified as CIA (mandatory for atleast 1 team member) and a CA(SA) / ACCA / RGA. <i>(More than 3 resources with listed professional qualifications shall be an added advantage).</i> NB: <u>Certified Copies</u> (no older than 12 months) of Professional Qualifications should be attached.	5 = 5 or more members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications (CIA <u>and</u> CA(SA) / ACCA / RGA). 4 = 4 members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications (CIA <u>and</u> CA(SA) / ACCA / RGA). 3 = At least 3 members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications (CIA <u>and</u> CA(SA) / ACCA / RGA). 2 = Only 2 members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications (CIA <u>and</u> CA(SA) / ACCA / RGA). 1. = Only 1 or less member of the proposed engagement team possess the required certifications (CIA <u>and</u> CA(SA) / ACCA / RGA)	30



DOMAIN	EVALUATION METHOD	CRITERIA	WEIGHT
2. Experience of the proposed team (20)	Team Members should individually possess a minimum of 5 years experience in conducting performance audit engagements i.e. evaluation of Economy, Efficiency and Effectiveness (3Es). (Experience above the listed years to be an added advantage). CVs detailing each members' qualifications and <u>relevant experience</u> should be attached	5= Proposed team member possesses 7 or more years' experience in conducting performance audit engagements. 4 = Proposed team member possesses 6 years' experience in conducting performance audit engagements. 3 = Proposed team member possesses 4 to 5 years' experience in conducting performance audit engagements. 2 = Proposed team member possesses 2 to 3 years' experience in conducting performance audit engagements. 1 = Proposed team member possesses <u>less than</u> 2 years' experience in conducting performance audit engagements <u>NB: Total score to be the average of all scores per engagement team member.</u>	20

DOMAIN	EVALUATION METHOD	CRITERIA	WEIGHT
3. Experience of Company / the Audit Firm (20)	The service provider must demonstrate, through submission of signed reference letters, completed performance audit engagements over the past 10 years. Each letter must include the following information: • Client letterhead and name • Description of the project • The contact person, phone number / email address. <i>NB: Only the reference letters indicating all the requirements mentioned above will be considered.</i>	5 = 4 or more signed reference letters of completed performance audit engagements in the past 10 years 4. = 3 signed reference letters of completed performance audit engagements in the past 10 years 3. = 2 signed reference letters of completed performance audit engagements in the past 10 years 2. = 1 signed reference letters of completed performance audit engagements in the past 10 years 1. = No reference letter(s) of completed performance audit engagements in the past 10 years.	20

DOMAIN	EVALUATION METHOD	CRITERIA	WEIGHT
4. Membership with the recognised auditing / accounting professional bodies (10)	Proposed team members have <u>active</u> membership recognised auditing / accounting professional bodies such as IIASA, SAICA, SAIGA, ACCA and SAIPA.	5= Audit Director / Partner and at least 4 members of the proposed team hold active memberships with professional bodies listed in the evaluation method. 4 = Audit Director / Partner and at least 3 members of the proposed team hold active memberships with professional bodies listed in the evaluation method. 3 = Audit Director / Partner and at least 2 members of the proposed team hold active memberships with professional bodies listed in the evaluation method. 2 = Only 2 members of the proposed team hold active memberships with professional bodies listed in the evaluation method 1 = Only 1 or 0 member of the proposed team hold active memberships with professional bodies listed in the evaluation method	10

DOMAIN	EVALUATION METHOD	CRITERIA	WEIGHT
5. Performance Audit Methodology (20)	Provide a comprehensive performance audit methodology in line with relevant performance audit standards and related frameworks.	5 = Provision of a comprehensive performance audit methodology which references relevant performance audit standards, frameworks, and the Global Internal Audit Standards (GIAS). 4 = Provision of a comprehensive performance audit methodology which references relevant audit standards and framework(s). 3 = Provision of a summarised audit methodology which references to relevant performance audit standards and framework(s). 2 = A methodology has been provided, but it is not relevant to performance auditing. 1 = The proposal has no documented audit methodology.	20

PHASE 2:

The bids will be evaluated on the 80/20 principle with 80 points being allocated for price and 20 points allocated for specific goal once the minimum functionality criteria are met.

The evaluation will be based on following:

		Points
Price		80
Special goals		20
Black owned company Bidder who has 51% to 100% black people ownership	8	
Women Bidder who has 51% to 100% women ownership	4	
Youth Bidder who has 51% to 100% youth ownership	5	
Disability Bidder who has 51% to 100% disability ownership	3	
Total		100

14 FORMAT OF THE BID SUBMISSION

14.1 Proposals must be submitted physically to our PSETA offices.

14.2 Submission of all applicable documents as indicated below:

- Certified copy of doctor's certification with medical practice number.
- Certified copies of the director's ID's document (in order claim points for disability as per SBD 6.1)
- Certified copy of BB-BEE certificate or sworn affidavit

- Valid Tax compliance status (TCS) PIN or proof of exemption from SARS.
- Copy of the registration document of the organisation (CIPC).
- Copy of the Central Supplier Database registration.

15 IMPORTANT MANDATORY INFORMATION FOR BIDDERS

15.1 All Standard Bidding documents (SBD) documents must be completed and signed.

- SBD 1 (All sections must be fully completed)
- SBD 4 (All sections must be fully completed)
- SBD 6.1 (All sections must be fully completed)
- Proof of registration on Central Supplier Database.
- General Conditions of Contract (All pages must be signed or initialled)
- 3 hard copies, 1x original and 2x or more copies of the original (replica)

NB: Please note that failure to submit documents requested on section 15.1 will render the proposal disqualified.

Bid proposals must be submitted to:

Lungile Mokoena - SCM Specialist (Acting): Supply Chain Management

The PSETA

Ground Floor, Woodpecker Building, 177 Dyer Road, Hillcrest Office Park, Pretoria

No late applications will be accepted.

No electronic bid applications will be accepted.

The validity periods of the bids are 90 days from the closing date.

Please direct all queries to Ms. Lungile Mokoena via email on Lungilem@pseta.org.za