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## THE PUBLIC SERVICE SECTOR EDUCATION TRAINING AUTHORITY

### TERMS OF REFERENCE APPOINTMENT OF PANEL OF SPECIAL AUDIT COMPETENCIES FOR PUBLIC SERVICE SECTOR EDUCATION AND TRAINING AUTHORITY (PSETA)

**Board members:** Mr Thulani Tshefuta (Chairperson) | Ms Christelene Brink | Mr Lewis Nzimande | Ms Gaolape Anastacia Seokolo  
Mr Nkojane Nelson Maesela | Mr Patrick Babsy Makhafane | Ms Nolukhanyo Amanda Kelengeshe | Ms Violet Matshidza  
Ms Tampane Molefe-Sefanyetso | Mr Patrick Boitumelo Moopelwa | Ms Linda Dlodla  
**CEO:** Ms Bontle Lerumo

## **1. PURPOSE**

To develop a panel of consultants from which forensic investigations, external quality assurance reviews, external quality validations, information systems auditing services can be sourced.

## **2. BACKGROUND**

The PSETA is a schedule 3A entity established in terms of the Public Finance Management Act, no.1 of 1999. In terms of section 51(1) An accounting authority for a public entity-

- (a) Must ensure that that public entity has and maintains –
- i) Effective, efficient, and transparent systems of financial and risk management and internal control.
  - ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with the regulations and instructions prescribed in terms of sections 76 and 77.

## **3. RATIONALE FOR ESTABLISHMENT OF THE PANEL**

The PSETA internal audit unit was established in 2013 to provide internal auditing services to the entity as by section 55 of the Public required Finance Management act. To provide a comprehensive internal audit service, the entity needs to establish a panel of service providers that will cover skills and capacity gaps that are required to ensure that the internal audit unit fulfils its strategic and operational plans. The skills that are required are those of:

- Forensic investigators
- Forensic auditors
- Quality assurance reviewers/moderators
- Information systems auditors
- Information systems security auditors
- Regularity internal auditors and performance auditors

The establishment of the panel will ensure that PSETA obtains these services in a timely manner and responds swiftly to ad-hoc investigations and requests as well as planned audits on the approved annual operational plan.

#### **4. OBJECTIVES OF THE PANEL**

- To expand the array of independent assurance and consulting services for the organisation.
- To provide access to investigative skills and expertise.
- To provide external quality assurance reviews and/or external independent verification of quality assurance reviews.
- To enable the PSETA to plan for assurance audits that may be carried out by a multi-disciplinary team and thereby providing audit insights that improve the overall control environment.
- To ensure timely acquisition of services when the need arises.
- To achieve better coverage of the audit universe.
- To remove limitations in the risk based 3 year-rolling strategic plan and annual operational plan of the unit.

#### **5. SCOPE OF WORK**

The panel will provide the following services when various assignments are conducted in the PSETA:

##### **5.1. Forensic investigations**

In terms of the standards, internal auditors are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud. Fraud is defined in South African law as “the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another”. Corruption is defined as “the misuse of entrusted power for private gain” A forensic investigator helps to solve the crime of fraud by collecting evidence, such as photographs, fingerprints and analysing them in laboratories. They write reports and may testify in court. Forensic investigators may work closely with law enforcement agencies during their investigations.

##### **5.2. Quality assurance reviews and external validations**

In terms of the standard, external assessments may be accomplished through a full external assessment, or a self-assessment with independent external validation. The external assessor must conclude on whether the internal audit unit is in conformance with the Code of Ethics and the Standards; the external assessment may also include operational or strategic comment.

PSETA would need to access the services of the external quality assessment reviewer or validation in line with the Quality Assurance and Improvement Plan.

A qualified assessor or assessment team demonstrates competence in two areas: the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through a mixture of experience and theoretical learning. Experience gained in organizations of similar size, complexity, sector or industry, and technical issues is more valuable than less relevant experience. In the case of an assessment team, not all members of the team need to have all the competencies; it is the team as a whole that is qualified.

### 5.3. Information systems auditors

The PSETA is adapting to the rapid changes that are presented by the current industrial revolution and digitisation of manual processes. The 4IR, demands fast paced adaptation to information systems in addition to finding convergence of different forms of technologies. These developments also present a gap in independent assurance and consulting service that can be provided.

The standards require internal auditors to consider the use of technology and computer assisted audit techniques in their work.

### 5.4. ICT security auditors.

With the ever-growing threat of cyber security on organisations, there is a need for the internal audit unit to ensure that assurance and consulting services are provided for management's risk management and internal control efforts on ICT security.

### 5.5. Regulatory internal auditors and performance auditors

To ensure that the internal audit unit covers the audit universe adequately, additional resources may be required for internal audit assurance and consulting activities. This may cover various types of audits such as performance or value for money audits and financial audits.

## 6. TIME FRAME

The service providers will remain on the panel for a period of 3 years from appointment.

## 7. KEY DELIVERABLES

All the assignment reports must be of high quality. The key deliverables are as follows:

- A complete and quality assured audit file for audits that are performed in line with the PSETA internal audit methodology
- An application of the professional standards of the Institute of Internal Auditors (IIA)/Association of Certified Fraud Examiners (ACFE)/ISACA for each project
- Always upholding the Code of Ethics of the IIA/ACFE/ISACA
- Integrity of work produced through evidence-based findings
- Honest and professional conduct when engaging with audit clients and/or witnesses with all PSETA personnel during engagement.
- A skills transfer plan for each audit engagement.
- Well written reports that communicate the results of each engagement clearly in line with professional standards and frameworks.
- Value adding recommendations for weaknesses that are identified.
- Investigations should collect evidence in line with applicable laws of evidence in the Republic of South Africa.

## **8. COMPETENCIES OF PROSPECTIVE SERVICE PROVIDER**

### Quality assurance reviewer (QAR) service providers

- The QAR team must collectively possess a minimum of 5 years of public service internal audit experience
- The team must possess the IIASA's quality assurance reviewer/moderator qualifications
- The team must be able to demonstrate experience of quality assurance reviews performed in line with the current International Professional Practice Framework (IPPF) of the Institute of Internal Auditors
- The team must be comprised of members of the IIASA in good standing

### Forensic Investigation team

- The team must have collective experience in forensic investigations of 10 years
- Must have the Certified Fraud Examiner qualification of the ACFE.
- Must be a member of the ACFE in good standing
- The lead investigator/manager must have a minimum of 5 years in forensic investigations

#### ICT auditing

- The ICT auditors must possess the Certified Information Systems Auditor issued by ISACA.
- The team must collectively have 10 years internal auditing experience.
- The manager must possess a minimum of 5 years of managing information systems audits.
- Audit supervisors (team leaders) must have 3 years supervisory experience
- Auditors must possess a minimum of 2 years information systems auditing.
- The team must have data analytics skills and be able to write and run scripts for audits.

#### ICT security auditors

- The ICT security auditors must possess the Certified Information Security Manager (CISM) or Certified Ethical Hacker (CEH) qualification
- The team must collectively have 10 years internal auditing experience.
- The manager must possess a minimum of 5 years of managing information systems audits.
- Audit supervisors (team leaders) must have 3 years supervisory experience
- Auditors must possess a minimum of 2 years information security auditing.

## **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**

- All ICT audits and QAR team shall be required to report to the Chief Audit Executive of the PSETA
- Forensic investigators will report to the Risk Management Specialist/CEO of PSETA.
- All reports must be prepared in line with the professional standards of relevant professional bodies as well as frameworks, policies, and procedure manuals of the PSETA.
- 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**

All the information derived and produced during each assigned audit engagement, investigation, or review will remain the property of the PSETA. This includes engagement plans, audit programs and reports.

## **PROPOSAL EVALUATION AND APPOINTMENT OF**

### **PHASE 1 – FUNCTIONALITY EVALUATION**

Bids must meet the minimum eligibility criteria in respect of functionality of 75 points out of 100 points in order to be recommended on the panel. Any bid that does not meet the minimum eligibility threshold will be automatically disqualified. The functionality criteria together with the maximum points to be awarded are set out below.

### 13. EVALUATION PROCESS AND CRITERIA.



Domain	Evaluation Method	Criteria	Weight	Score
<b>1.Experience and Capacity:</b> Company profile and experience in undertaking IT/Forensic/EQAR services	<ul style="list-style-type: none"> <li>Years of work experience for IT/Forensic/EQAR services/internal/Information systems security auditors</li> <li>Provide the current organogram of the organization's auditors and years of experience of each employee.</li> <li>Where companies are in a joint venture:               <ul style="list-style-type: none"> <li>Provide agreement signed by representatives of both companies</li> <li>Provide the joint venture's organogram that with years of experience of each auditor.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>1= Company profile with no experience of offering the services.</li> <li>2 = Company profile, organogram with 1-3 years of experience</li> <li>3= Company profile, organogram with 3-5 years of experience</li> <li>4= Company profile, organogram with 6-8 years of experience</li> <li>5 = Company profile, organogram with years of 7-10 experience.</li> </ul>	30	1
				2
				3
				4
				5

Domain	Evaluation Method	Criteria	Weight	Score
<b>2. Knowledge and Qualification</b>	<ul style="list-style-type: none"> <li><i>The organogram must clearly state the various levels of the employees within the organization e.g., Partner, Manager, Senior Internal Auditor etc.</i></li> </ul> <p>Profiles of the project leader and project team, indicating appropriate academic qualifications of the project team. Attach CV</p>	<ul style="list-style-type: none"> <li>1= No submission of CVs and or certified copies of qualifications</li> <li>2= CVs, Certified copies of qualifications and less than 5 years' experience collectively</li> <li>3 = CV, Certified copies of qualifications and a minimum of 5 years' experience collectively.</li> </ul>		<b>1</b>

Domain	Evaluation Method	Criteria	Weight	Score
<b>Staff to be fully qualified in their specialist field and have adequate experience of the field.</b>	and certified copies of qualifications. Proof of SAQA evaluation must be provided in the case of foreign qualifications.  <b>• NB: Uncertified copies of qualifications will be disqualified.</b>	<ul style="list-style-type: none"> <li>4 = CVs, Certified copies of qualifications and a minimum of 6 to 10 years' experience collectively.</li> <li>5 = CV, Certified copies of qualifications and 10 years and above experience collectively</li> </ul>	<b>50</b>	
				2
				3
				4
				5

Domain	Evaluation Method	Criteria	Weight	Score
3. Professional designations and membership in good standing	<ul style="list-style-type: none"> <li>Professional Designations and membership should be in good standing.</li> </ul>	1 = Staff members do not belong to the ACFE/ISACA or IIASA and		

Domain	Evaluation Method	Criteria	Weight	Score
	<ul style="list-style-type: none"> <li>Companies should provide the staff members' proof of membership in good standing as well as professional designations</li> </ul>	<p>do not possess the professional designations</p> <p>2 = 25% of staff are members of IIASA/ACFE/ISACA in good standing and have the following designations which are active:</p> <ul style="list-style-type: none"> <li>CFE for forensic auditors.</li> <li>CIA for QAR team</li> <li>CISA for IT auditors</li> <li>CISM/CEH for IT security auditors</li> <li>CIA for regularity auditors</li> </ul>		

Domain	Evaluation Method	Criteria	Weight	Score
		<p>3 = more than 25% to 50% of staff are members of IIASA/ACFE/ISACA in good standing and have the following designations which are active:</p> <ul style="list-style-type: none"> <li>• CFE for forensic auditors.</li> <li>• CIA for QAR team</li> <li>• CISA for IT auditors</li> <li>• CISM/CEH for IT security auditors</li> <li>• CIA for internal auditors</li> </ul> <p>4 = more than 50 to 75% of staff are members of IIASA/ACFE/ISACA in good</p>		

Domain	Evaluation Method	Criteria	Weight	Score
		<p>standing and have the following designations which are active:</p> <ul style="list-style-type: none"> <li>• CFE for forensic auditors.</li> <li>• CIA for QAR team</li> <li>• CISA for IT auditors</li> <li>• CISM/CEH for IT security auditors</li> <li>• CIA for internal auditors</li> </ul> <p>5 = more 75% to 100% of staff are members of IIASA/ACFE/ISACA in good standing and have the following designations which are active:</p> <ul style="list-style-type: none"> <li>• CFE for forensic auditors.</li> </ul>		

Domain	Evaluation Method	Criteria	Weight	Score
		<ul style="list-style-type: none"> <li>• CIA for QAR team</li> <li>• CISA for IT auditors</li> <li>• CISM/CEH for IT security auditors</li> <li>• CIA for internal auditors.</li> </ul>		



Domain	Evaluation Method	Criteria	Weight	Score
<b>3. References</b> Traceable references of clients where projects of similar nature were conducted.	References: submission of at least 5 or more reference letters of similar work conducted containing the following information: <ul style="list-style-type: none"> <li><i>Name of the project and entity</i></li> <li><i>A brief description of the nature of work conducted</i></li> <li><i>Date of when project was undertaken</i></li> <li><i>Duration of the project</i></li> </ul> <b>Reference letters must be on company letter head, signed and dated</b>	1= No reference letter provided of work previously done.  2 = 1 to 2 reference letters of work previously done  3 = 3 reference letters of work previously done  4 = 4 reference letters of work previously done.  5 = 5 or more reference letters of work previously done.	25	1
				2
				3
				4
				5
<b>TOTAL SCORE</b>			<b>100</b>	

#### 14. FORMAT OF THE BID SUBMISSION

- 14.1. Company profile indicating all the requirements as per the evaluation criteria
- 14.2. Team member names and roles
- 14.3. Track record and experience
- 14.4. References letters from past clients.
- 14.5. CV and **certified copies** of qualifications:
- 14.6. Submission of all applicable documents as indicated below:
  - A valid B-BBEE Status Level Verification certificate or sworn affidavits.
  - Valid Tax clearance certificate or proof of exemption from SARS.
  - Copy of the registration document of the organisation.
  - Copy of the Central Supplier Database registration.

#### 15. IMPORTANT MANDATORY INFORMATION FOR BIDDERS

- 15.1. Proposals must be submitted in four (4) hard copies including one (1) original.
- 15.2. A valid Tax Clearance certificate must be submitted **accompanied by a status pin**.
- 15.3. All Standard Bidding documents (SBD) documents must be completed and signed.
  - SBD 1.SBD 4
  - SBD 6.General Conditions of Contract (all pages must be initialled)
- 15.4. All copies of qualification must be certified.
- 15.5. Consortium/Joint Ventures must submit their consolidated tax clearance certificates, B-BBEE certificates and other relevant documents to qualify.

**NB: FAILURE TO SUBMIT DOCUMENTS UNDER SECTION 15.3 and 15.4 WILL DISQUALIFY THE BID**

**Proposals must be submitted to:**

**Ms. Ursula Mathonsi**

Manager: Supply Chain Management

Public Service Sector Education and Training Authority (PSETA)


Woodpecker Building, 177 Dyer Road

Hillcrest Office Park, Hillcrest, Pretoria, 0083

**No electronic bid applications will be accepted.**

**The Validity periods of the bids is 120 days from the closing date. Please direct all queries to Ms. Ursula Mathonsi via email on [ursulam@pseta.org.za](mailto:ursulam@pseta.org.za) or telephonically on 012-4235700**

**For technical enquiries contact Ms. Evelyn Rampola via email at [evelynr@pseta.org.za](mailto:evelynr@pseta.org.za) or telephonically on 012-423 5753,**



3/11/2022