

TERMS OF REFERENCE FOR THE APPOINTMENT OF THE PANEL OF CONSULTANTS TO RENDER FORENSIC AUDIT, INFORMATION SYSTEM AUDIT AND INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF ELECTRICITY AND ENERGY FOR A PERIOD OF THIRTY-SIX (36) MONTHS

1 BACKGROUND

- 1.1 The Department of Electricity and Energy (DEE)'s Internal Audit unit was established, in terms of the Public Finance Management Act (1 of 1999), as an integral part of DEE system of governance.
- 1.2 The Internal Audit unit provides objective and independent assurance to Management and the Audit Committee on the adequacy and effectiveness of internal controls, risk management and governance process within DEE. In pursuing this activity, the Internal Audit unit is guided by a fully functional Audit Committee which operates in terms of an approved Audit Committee Charter.
- 1.3 Internal Audit through engagement with stakeholders formulated a comprehensive three-year rolling plan, incorporating an annual plan that is approved by the Director General and the Audit Committee. Each year Internal Audit is required to execute all the audits as per annual plan.

2. CONTRACT PERIOD

The panel will remain in effect for a period of thirty-six (36) months.

3. OBJECTIVE

- 3.1 The specific objective of the panel of service providers is to render audit services such as Internal Audit, Information Communication Technology Audit and Investigations on behalf of the Department of Electricity and Energy.

4. SCOPE OF WORK

- 4.1. The Planning, executing, reporting and quality assurance reviews on allocated/awarded audits as per the approved Annual Internal Audit plan, including any special projects requested by management and the Audit Committee in line with the in-house methodology.

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4.1.1 Assurance Services

Assurance services consist of the independent reviews on the adequacy and effectiveness of the risk management, internal control, and governance processes of the Department of Electricity and Energy. Independent reviews include a continuous review of compliance, by management and staff, to relevant legislation, regulations, approved policies and procedures and best industry practices, where applicable.

4.1.2 The following are the types of audits that are carried out by Internal Audit and to be performed by a service provider.

(i) Performance and Operational Audits

These reviews can be of an assurance or consulting nature, and they are also referred to as Risk Based Audits. They deal with an assessment of adequacy and the effectiveness of controls put in place by management to mitigate the risks identified.

(ii) Compliance Audits

These reviews assess the extent to which policies, procedures and processes comply with legislative requirements.

(iii) Information Technology Audits

Audit Services is required to give assurance on the adequacy, effectiveness, and efficiency of general and application controls over the Information Technology and Communication environment.

4.1.3 Consulting Services

Consulting services are advisory in nature and are intended to add value and improve the Department of Electricity and Energy's operations. The scope is agreed upon with management prior to the commencement of the audit. The consulting engagements undertaken are of an informal (ad-hoc unplanned request from management) and formal (added on the annual plan) nature depending on the need of the Department.

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4.1.4 Forensic/ investigation

Audit Services' mandate is to investigate the veracity of any allegations of suspected fraud, corruption, or maladministration, and other forms of irregularities within the Department. To this extent, Audit Services receives requests from the Accounting Officer and Management to investigate allegations of corruption, fraud, and maladministration that need to be investigated within the Department.

5. DELIVERABLES OR PROJECT OUTPUT AND/OR OUTCOME

The successful service provider is expected to deliver on the following;

- 5.1 A detailed audit report using the DEE template for Internal Audit and Information Technology. For investigations service provider methodology and reporting template.
- 5.2 Control implications based on the findings.
- 5.3 Recommendations to correct identified control weaknesses.
- 5.4 For investigation, the report must provide conclusion and actions needed to be taken on the proven and tested allegations; and
- 5.5 A copy of the audit file in electronic format preferably on TeamMate or any other electronic format.

6. EVALUATION CRITERIA

This bid will be evaluated in four stages, i.e., functionality, mandatory requirements, administrative compliance, and objective criteria.

NB: Bidders who qualify from the four stages will be appointed to the panel. Thereafter, bidders on the panel will be requested to submit quotations as and when necessary. Such quotations will be evaluated on price and specific goals on an 80/20-point scoring system.

6.1 Gate 01 - Functionality

Bidders will be scored in terms of the functional requirements indicated in the table below. The corresponding points and weightings will be used to calculate the overall score a bidder has achieved. The minimum threshold for this bid is **70%**. Bidders who score less than **70%** will be disqualified. Only bidders that score **70%** or more will be considered further.

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	Evaluation criteria	Points	Weight
1.	Company Experience	Internal Audit projects conducted:	30
	Bidders should have experience in the numbers of Internal Audit projects conducted		10
	(i) Internal Audit (Attach contract/s or SLA or orders, completion letters / certificates AND testimonials from contactable references)	10 IA projects conducted or more = 5 points 9 IA projects conducted = 4 points 8 IA projects conducted = 3 points 7 IA projects conducted = 2 points 6 IA projects conducted = 1 point 5 or less years = 0 points	10
	(ii) Forensic Audit, and (Attach contract/s or SLA or orders, completion letters/certificates AND testimonials from contactable references)		
	iii) Information Communication Technology Audit (Attach contract/s or SLA or orders, completion letters/certificates AND testimonials heads from contactable references)	10 IA projects conducted or more = 5 points 9 IA projects conducted = 4 points 8 IA projects conducted = 3 points 7 IA projects conducted = 2 points 6 IA projects conducted = 1 point 5 or less years = 0 points	10
		10 IA projects conducted or more = 5 points 9 IA projects conducted = 4 points 8 IA projects conducted = 3 points	

	Evaluation criteria	Points	Weight
	(Attach detailed CVs highlighting relevant experience, with traceable / contactable references) (ii) Experience: Team members Team members must have combined experience in conducting Internal Audit, Forensic Audit, consulting, and Information Communication Technology Audit. (Attach detailed CVs highlighting relevant experience, with traceable / contactable references)	7 or more years = 5 points 6 years = 4 points 5 years = 3 points 4 years = 2 points 3 years = 1 point 2 or less years = 0 points NB: Points for a team is the averaged calculation of all team members	20
4.	Methodology: Provide adequate methodology that sets out the approach to engagement (i) Approach to engagement. (Attach methodology proposal) in line with assurance audits: a) Performance and operations audits, compliance audits, Information Technology Audits. b) Consulting Services c) Forensics / investigations	Methodology outlining management of project = 5 points Methodology not provided = 0 point	10
	Total		100

Formula; $\frac{A}{B} \times 100 = C\%$

Where: A = Total score for the bid under consideration

B = Maximum possible score

C = Percentage score for the bid under consideration

6.2 Gate 02 - Mandatory requirements

The following requirements are mandatory. Bidders who do not comply with the mandatory requirements will be disqualified.

- (i) The bidding entity (company) must be registered with the Independent Regulatory Board for Auditors (IRBA).

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- (ii) The Team leader must be registered with the Institute of Internal Auditors South Africa (IIASA) as a Professional Internal Auditor (PIA) or a higher designation.
- (iii) All the Team members must be registered with the Institute of Internal Auditors South Africa (IIASA) as General Internal Auditors (GIA) or a higher designation
- (iv) The bidder must have a key personnel compliment of at least Eighteen (18) members as follows;

Teams combination Annexure A

Level	Number of team members
Partner/Director/Associate	1
Senior Manager in Internal Audit X 1 Senior Manager in ICT Audit X 1 Senior Manager in Investigations X 1	3
Manager in Internal Audit X 2 Manager in ICT Audit X 2 Manager in Investigations X 2	6
ICT Auditor X 3 Internal Auditor X 3 Investigator X 3	9
Total number of individuals required (minimum)	18

6.3 Gate 03 - Administrative compliance

- (i) Compliance to the specification / Terms of Reference.
- (ii) Fully completed SBDs (Duly signed and dated) listed hereunder.
 - SBD 1
 - SBD 4
 - SBD 6.1
- (iii) The following will be regarded as noncompliance.
 - Amendments without signature/initials.
 - Use of correctional fluid
 - Completion of the bid document in coloured ink other than black ink

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6.4 Gate 04 – Objective criteria

- 6.4.1 Unsatisfactory performance in previous engagement/s or assignment/s with any Organ of State, will render the bidder disqualified from participating in this bid.
- 6.4.2 Any bidder whose key personnel would have been found to have misconducted themselves in the past five (5) years, in terms of the code of conduct/ethics applicable to their professional body/bodies shall be disqualified from participating in this bid

7. REPORTING REQUIREMENTS

- 7.1 The successful applicant will work closely with the Directorate: Chief Audit Executive.

8. WORK PLAN AND METHODOLOGY

- 8.1 The service provider must provide:

- 8.1.1 A project proposal that demonstrates comprehension and competence to deliver on what is required in line with the scope of work under paragraph.
- 8.1.2 A preliminary project plan outlining key activity, time frames.
- 8.1.3 A schedule of resources to be committed to the project.
- 8.1.4 The key milestones which will be used as a measure of performance in the project.
- 8.1.5 The role, location, and commitment of each member in the team during the assignment must be clearly specified.
- 8.1.6 A detail audit methodology as per the Institute of Internal Audit (IIA) standards and Forensic Audit methodology.

9. ROLE AND RESPONSIBILITY

- 9.1 To be outlined on terms of reference to each approved engagement and the SLA.

10. CONFIDENTIALITY OF INFORMATION

- 10.1 The service provider is expected to safeguard the confidential information disclosed pursuant to the content shared.

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11. PAYMENTS

- 11.1 The Department will not make an upfront payment to successful service providers.
- 11.2 Payments will only be made in accordance with the delivery of services that will be agreed upon by parties and receipt of an original invoice.

12. TAX CLEARANCE CERTIFICATE

- 12.1 Bidders must ensure compliance with their tax obligations.
- 12.2 Bidders are required to submit their unique personal identification number (pin) issued by SARS to enable the state organ to view the taxpayer's profile and tax status.
- 12.3 Application for tax compliance status (TCS) or pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.
- 12.4 A bidder may also submit a printed TCS together with the proposal.
- 12.5 In proposals where consortia / joint ventures / sub-contractors are involved, each party must submit separate proof of TCS / pin / CSD number.
- 12.6 Where no TCS is available but the bidders is registered on the central supplier database (CSD), a CSD number must be provided

13. DOCUMENTATION

- 13.1 Please attach all necessary documents.

14. CONDITIONS OF THE CONTRACT

- 14.1 The General Conditions of Contract must be accepted as these are issued by National Treasury and are non-negotiable.
- 14.2 The successful service providers will sign confidentiality agreements regarding the protection of DEE information that is not in the public domain.
- 14.3 No state information may be furnished/ communicated to the public or news media by the Audit Services provider or any of their employees.
- 14.4 The successful service providers shall ensure that their contracts are executed in line with the scope of work.
- 14.5 The successful service providers may be subjected to security screening by the State Security Agency.

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- 14.6 The DEE reserves the right to verify the authenticity of the information submitted, any falsified information may result in the disqualification or cancellation of the contract.

15. FORMAT OF SUBMISSION OF PROPOSAL

- 15.1 Bidders are requested to submit One (1) hard copy of the technical proposals plus one PDF copy on a memory stick.
- 15.2 Bidders are requested to index their proposals for easy reference.

16. PRE-BID MEETING DETAILS/BRIEFING SESSION DETAILS

- 16.1 There will be NO briefing session for this bid.

17. CLOSING DATE

- 17.1 Proposals must be submitted on or before **14 NOVEMBER 2025,11:00** at the Department of Electricity and Energy, at **192 Matimba Building, Corner Visagie and Paul Kruger Streets, Pretoria** in the box marked “Tender Box”. **No late bids will be accepted.**

18. ENQUIRIES

- 18.1 **All technical enquiries relating to bid content should be directed to:**

Mr Mduduzi Figaret

Tel No: (012) 406 7766

E-mail: Mduduzi.Figaret@dee.gov.za

- 18.2 **All general inquiries relating to the bid documents should be directed to:**

Mr. Samuel Msiza

Tel: 012 406 7910

E-mail: Samuel.msiza@dmre.gov.za/Samuel.msiza@dee.gov.za