

Finance and Procurement Department
Supply Chain Management

Request for Bids (RFB)

APPOINTMENT OF EXTERNAL AUDITORS FOR sefa FOR PERIOD OF ONE YEAR WITH AN OPTION TO RENEW FOR A FURTHER TWO YEARS.

BID INFORMATION

Bid Number	73 FIN 2022
Bid Submission Date	26 September 2022 @ 11:00 am
Bid Duration	APPOINTMENT OF EXTERNAL AUDITORS FOR sefa FOR PERIOD OF ONE WITH AN OPTION TO RENEW FOR FURTHER TWO YEARS.
Bid Validity Period from Date of Publication	120 DAYS
Compulsory Site Inspection	N/A
Address for Bid Submission	sefa Head Office Byls Bridge Office Park, Building 14, Block D, Cnr Jean Avenue and Oliventhoutbosch Highveld, Centurion
Bid Contact Person	Sebotse Mokgabudi on (012) 748-9725 sebotsem@sefa.org.za / procurement@sefa.org.za
Evaluation Method: Points System	80/20
Required Bidder B-BBEE Level	1- 8 (EME or QSE)
Deadline for Responding to Clarifications for this bid	19 September 2022
28Fraud Hotline to report any wrongful or criminal deception or coercion intended to result in financial or personal gain by any sefa employee or person involved in this bidding process	0800 000 663 (For anonymous reporting)

SPECIAL CONDITIONS AND REQUIREMENTS OF CONTRACT

APPOINTMENT OF EXTERNAL AUDITORS FOR sefa FOR PERIOD OF ONE YEAR WITH AN OPTION TO RENEW FOR A FURTHER TWO YEARS.

1. BACKGROUND

- 1.1 Following a Cabinet decision and the State of the Nation address of 2011, the Small Enterprise Finance Agency (SOC) Limited (sefa), was established on 01 April 2012 in terms of section 3 (d) of the Industrial Development Corporation Act, No. 22 of 1940 (IDC Act). sefa is a wholly owned subsidiary of the Industrial Development Corporation (IDC) and brings together the activities of the three previous structures (Khula, samaf and the IDC small business activities).
- 1.2 sefa operates as a Development Finance Institution (DFI) to foster the establishment, development and growth of Small, Micro and Medium Enterprises (SMMEs) and contributes towards poverty alleviation, job creation and economic growth. sefa provides products and services to qualifying SMMEs as defined in the National Small Business Act of 1996, as amended in 2004, through a hybrid of wholesale and direct lending channels.
- 1.3 According to section 25(1) (b) of the Public Audit Act, 2004 (Act No. 25 of 2004) ("Public Audit Act"), the audit of **sefa** should be conducted by independent auditors in public practice. The appointed external auditors have a responsibility to perform specific procedures in terms of the Public Audit Act and make necessary submissions to the Auditor-General as specified in the Act.
- 1.4 The objective of the audit is to provide an independent audit opinion of the accounts, financial statements and annual financial reports of **sefa** and the group for the financial year covered by the audit appointment. The external auditor must adhere to and meet all statutory requirements of the Public Audit Act, the International Auditing Standards (ISA), and such requirements as may be set by the Auditor-General (SA) (AGSA).

2. BID SUBMISSION REQUIREMENTS

- 2.1. Bids must be submitted in a **sealed envelope and marked** as follows:

ATTENTION: sefa SUPPLY CHAIN MANAGEMENT

Description of the Bid

Bid Number

Name of the Bidder

2.2. General Bid requirements

- a. Bid documents **must** be initialed on every page.
- b. The number of sealed envelopes/files must compose of one (1) **ORIGINAL** and one (1) electronic PDF **copy** of the original bid proposal document on a CD or flash drive.
- c. Submissions of the Bid responses **MUST** be made by depositing the Bid proposal into the Tender Box situated at **sefa** Head Office at the physical address below on

or before the closing date as stated on page 1 of this Request for Bid document under Bid Information.

- d. The bidder will bear all expenses associated with the preparation and submission of this bid.

2.3. **sefa Physical Address**

11 Byls Bridge Office Park, Building 14, Block D
Cnr Jean Avenue and Oliventhoutbosch
Highveld, **Centurion**
0157

For more information, please visit the **sefa** website: www.sefa.org.za

2.4. **Bid Responses**

2.4.1. **Bid Format**

- 2.4.2. Bidders shall submit their bid response in accordance with the requirements as outlined in the Bid Response Template provided in Appendix 1.

- 2.4.3. Each Section must be clearly marked, and the documents must be bound.

- 2.4.4. The RFB comprises a number of sections and the bidder's proposal must include all the required information and documentation as outlined in this RFB.

2.4.5. **General Conditions of Contract**

- 2.4.5.1. Completion of all Standard Bidding Documents (SBD by hand, attached in **Annexures A**, and adhering to all other requirements as outlined on each form. The following SBD and other forms must be duly completed and signed, and returned as part of the Bid Proposal:

- a. **SBD 1:** Invitation to Bid.
- b. **SBD 4:** Declaration of Interest.
- c. **SBD 6.1:** Preference Points Claim Form.
- d. **GCC:** General Conditions of Contract (Initial each page)
- e. **SCC:** Special Conditions of Contract
- f. Original and valid **Tax Clearance Certificate(s)** (TCC) or *PIN* issued by SARS.
- g. In bids where Consortium, Joint Ventures, and Sub-Contractors are involved; it is required that each party must submit separate proof of Tax Clearance Certificate(s) or *PIN* issued by SARS

- h. Submission of a certified copy of a **valid B-BBEE certificate** issued through a SANAS Accredited Agency, except for Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs).
- i. These enterprises need to submit B-BBEE **sworn affidavits** as per the requirements of the Department of Trade and Industry (DTI) for qualifying enterprises except those who fall under the Construction Sector Charter Council (CSCC). Other sworn affidavits will not be accepted. The DTI and CSCC affidavit templates are available under Annexure B. Agency, except for Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs). These enterprises need to submit B-BBEE **sworn affidavits** as per the requirements of the Department of Trade and Industry (DTI) for qualifying enterprises except those who fall under the Construction Sector Charter Council (CSCC). Other sworn affidavits will not be accepted. The DTI and CSCC affidavit templates are available under **Annexure B**.
- j. National Treasury **Central Supplier Database (CSD) registration** (attached proof of registration).
- k. Submission of bidder **Companies & Intellectual Property Commission (CIPC) registration documents**, listing all Directors or Shareholders and certified copies of the Identify Documents (ID) of Directors or Shareholders

2.4.5.2. The successful bidder and its staff shall comply with all the laws of the Republic of South Africa and as it relates to this bid.

2.4.5.3. The bidder staff must be South African citizens and **sefa** reserves the right to validate citizenship.

2.4.5.4. **Pre-Target Requirements**

- a. The Pre-Qualification criteria set is according to the Standard for Implementation of Regulation 8(4) of the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations 2017 and **sefa's** developmental impact plan to provide support to targeted groups (black-owned, youth, women, disability, rural priority province; and township).
- b. In line with the above commitment, preference will be given to bidders complying with the following:
 - i. Bidders having a stipulated minimum B-BBEE status level contribution from level **1 to level 8** EME or QSE
 - ii. Targeted groups that are black-owned, women and youth.

Supplier Development

sefa supports enterprise development. In this regard, the successful bidder may be required to mentor SMME and or youth owned businesses. The implications of such agreement will be subject to negotiations between **sefa** and the successful bidder.

2.4.6. **Price Proposal**

- a. Bidders are required to complete and sign their pricing proposals.

NB: Failure to complete and submit a pricing proposal, will lead to disqualification of the bid.

2.5. **Late Bids**

Bids submitted at the stated bid address, after the closing date & time, shall not be considered under any circumstances.

2.6. **Counter Conditions**

The bidder's attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by the bidder shall render the bid invalid.

2.7. **Bid Distribution**

2.7.1. The distribution of this RFB outside the Republic of South Africa may be restricted or prohibited by the laws of other countries. Recipients of this RFB are advised to familiarise themselves with and comply with all such restrictions or prohibitions applicable in those jurisdictions, and neither **sefa**, nor any of their respective directors, officers, employees, agents, representatives or advisors, accepts liability to any person or company for any damages arising out of or in connection with the breach of any restriction or provision outside the Republic of South Africa. Persons contemplating submitting a Bid are advised to obtain legal advice as to the possible consequences thereof in terms of the law of the jurisdictions in which they are located.

2.7.2. Recipients of this RFB document may only distribute it to other parties whom they wish to involve as part of their bidder consortium in submitting a bid.

2.8. **Presentations**

sefa reserves the right to require that any bidder provides a formal presentation of its bid proposal, at a date and time to be determined by **sefa**. All instructions and clarification regarding the Purpose and Scope of the presentation/demonstration shall be provided by **sefa**. The bidder shall bear all expenses associated with the preparation of such presentations/demonstrations.

2.9. **Evaluation Process**

Bids shall be evaluated in terms of the process outlined below.

2.9.1. **Stage 1: Initial Screening Process & Pre-Target Requirements**

During this stage, bid responses will be reviewed for purposes of assessing compliance with the RFB requirements, including the General Conditions of Contract as outlined in this RFB, stated Special Conditions of Contract; and pre-target requirements.

2.9.2. **Stage 2: Mandatory Requirements**

Bids will be evaluated on Mandatory as outlined in **Annexure C**.

NB: Failure to comply with the requirements in Stage 2 shall lead to disqualification of the bid proposal.

2.9.3. **Stage 3: Functional Evaluation and Scoring**

- a All bids will be evaluated independently by the evaluation panel members in terms of the defined evaluation criteria for functionality out of 100 points.
- b All bids that score less than **70 out of 100 points** on technical functionality shall not be considered further and shall be regarded as having submitted a non-responsive bid; and shall be disqualified.
- d Bids will be evaluated on Functionality as outlined in **Annexure D**.

NB: Failure to comply with the requirements in Stage 3 shall lead to disqualification of the bid proposal.

2.9.4. **Stage 4: Evaluation of Proposal on Applicable Points System**

2.9.4.1. In terms of Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and the amended regulations, responsive bids will be adjudicated by the State on the applicable point system.

2.9.4.2. In terms of the **80/20 points system**, points are awarded to bidders based on:

The bid price (maximum 80 points)

The following formula will be used to calculate the points for price:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for the comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 2.9.4.3. The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 2.9.4.4. Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by a SANAS accredited verification agency will be considered for preference points.
- 2.9.4.5. **sefa** may before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- 2.9.4.6. The points scored will be rounded off to the nearest 2 decimals.
- 2.9.4.7. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.
- 2.9.4.8. However, when functionality is part of the evaluation process and two or more bidders have scored equal points including equal preference points for B-BBEE, the contract will be awarded to the bidder scoring the highest for functionality.
- 2.9.4.9. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 2.9.4.10. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- 2.9.4.11. **sefa** reserves the right to enter into negotiations with the preferred bidder.

3. Post Award Conditions

- 3.1. Services will be rendered during working hours from Mondays to Fridays unless otherwise stated in the Scope of Work / Terms of Reference.
- 3.2. Equipment and/or productivity tools brought onto or used on site must comply with the Occupational Health & Safety Act and any regulations promulgated in terms of this Act.
- 3.3. The bidder shall be liable for insuring his/her staff members against any injury or death.
- 3.4. The successful bidder shall submit a monthly statement of all outstanding payments, credit notes issued, and payments made. Such statements shall also contain the order number, the details of the date of the transaction, the invoice number, remittance number, and credit note details.
- 3.5. **sefa** shall not be held responsible in any way for any damages, losses, theft of equipment or any valuables of the successful bidder, or injury of his/her employees whilst on-site or in the execution of their duties.
- 3.6. All procurement related to this service, as outlined in this RFB, shall be conducted by **sefa's** Supply Chain Management department only.

4. Staff Requirements

- 4.1. The successful bidder must ensure the following:
 - a. That the staff working under this contract are in good health.
 - b. That they are adequately trained prior to commencement of the contract.
 - c. That replacement staff is available should the need arise. The bidder is obligated to inform **sefa** of any removal and replacement and the replacement of staff can only be done with the formal approval of **sefa**.
 - d. Staff must be dressed appropriately and where required; staff uniform must be in good condition.
 - e. The bidder's staff must be South African citizens and **sefa** reserves the right to validate citizenship.

5. Resource Requirements

The successful bidder must provide the following equipment, if required by the bidder's staff, in the execution of their duties:

- Laptop or similar device.
- Internet connectivity.

- Transportation and/or vehicle (if required) to deliver the service outlined in this bid.
- Cellphone and/or landline.

6. Service Level Agreement

- 6.1. The successful bidder will be required to enter into a Service Level Agreement with **sefa**.
- 6.2. A performance measurement process will form an integral part of the Service Level Agreement to be signed after the successful bidder has been appointed.

7. Supplier Due Diligence

- 7.1. **sefa** reserves the right to conduct bidder due diligence to short-listed bidders prior to final award or at any time during the contract period. This may include site visits if applicable.

8. Bid Cancellation

In the case of the cancellation of this RFB, **sefa** shall endeavour to inform all bidders, through the same medium used for the communication of the RFB

9. Material Changes

- 9.1. Any material changes in the control and/or composition of any bidder or any core member of a bidder after submission of a Bid shall require the prior written approval of **sefa**, and any failure to seek such approval from **sefa** shall result in **sefa** being entitled, in its sole discretion, to exclude the relevant bidder from any further participation in the bid process or to cancel the engagement. This shall be interpreted to include post-appointment and subcontracting of work arising out of this bid to complete certain work.
- 9.2. **sefa** shall be the sole arbiter as to what constitutes a "material change in the control and/or composition of any bidder", and as to what constitutes a "core member of a bidder" for purposes of such approval. Any request for such approval shall be made to **sefa's** Supply Chain Management in writing and shall provide sufficient reasons and information to allow **sefa** to make such a decision. **sefa** reserves the right to accept or reject any such request for approval.

10. Communication

- 10.1. **sefa** may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

Such communications will be done via the Supply Chain officials listed as the contact persons for this bid process.

10.2. All communication (enquiries/clarifications) relating to this bid shall take place between the bidder and the Supply Chain Management officials listed as the contact persons for this bid process. Such communication shall be done in writing only.

10.3. Communication between the closing date and the award of the bid, between the bidder and other **sefa** officials or persons acting in an advisory capacity for the State, in respect of this bid, is prohibited.

11. Contact Details

11.1. Main Contact

Name : Sebotse Mkgabudi

Tel : (012) 748-9725

Email : sebotsem@sefa.org.za/procurement@sefa.org.za

11.2. Alternative Contact

Name : Livhuwani Mabugana

Tel : (012) 748- 9725

Email : livhuwanim@sefa.org.za/procurement@sefa.org.za

NB: Communication outside this platform is **strictly prohibited** and should bidders be found to be in contact with any of **sefa's** staff members on matters relating to this bid, such bidders shall automatically be disqualified from this bid process.

12. SCOPE OF WORK / TERMS OF REFERENCE





The Scope of Work / Term of Reference is attached as **Annexure E**.

13 ANNEXURES

Annexure A	:	Standard Bidding Documents: SBD1 to SBD6.1 Forms
Annexure B	:	Sworn Affidavit Templates for EMEs and QSEs
Annexure C	:	Mandatory Requirements
Annexure D	:	Functionality Evaluation Criteria
Annexure E	:	Scope of Work / Terms of Reference

Annexure F	:	Pricing Proposal
Appendix 1	:	Bid Proposal Template

ANNEXURE A**Standard Bidding Documents: SBD1 to SBD 6.1 Forms**

Document Name	Template
SBD 1	 SBD 1.pdf
SBD 6.1	 SBD 6 1 2017.pdf
SBD 4	 SCM-Bid documents SBD 4.pc
GCC	 GCC

Sworn Affidavits for EMEs and QSEs

Department of Trade and Industry (DTI) Templates



DTI Sworn Affidavit
EME Gen.pdf



New Affidavit-EME-
Amended ICT.pdf



DTI Sworn Affidavit
QSE.pdf

Also available from the DTI:

https://www.thedti.gov.za/economic_empowerment/docs/Affidavit-QSE-Gen.pdf

https://www.thedti.gov.za/economic_empowerment/docs/Affidavit-EME-Gen.pdf

MANDATORY REQUIREMENTS:

NO	MANDATORY REQUIREMENT	COMPLY/NOT COMPLY
1.	<p>IRBA REGISTRATION</p> <p>The bidder and each of the Engagement Partners/ Directors proposed to work on the sefa engagement must be registered and in good standing with the Independent Regulatory Board for Auditors (IRBA).</p> <p>Please note that the bidder must attach as part of this proposal documentary proof of their regulatory registration and must also provide IRBA certification for each of the Engagement Partners proposed to work on the sefa audit including the lead audit partner(s)/ Director (s).</p>	
2.	<p>CONFLICT OF INTEREST</p> <p>The bidder is required to certify that they are independent of sefa and its subsidiaries, and that nothing has transpired that would compromise their independence during the conduct of the audit as required by the Public Audit Act. The bidder will be required to complete sefa's declaration template which will include provisions of any business transactions which the bidder and / or its directors and /or its shareholders may have with sefa. sefa will assess responses submitted and reserves the right to disqualify bidders based on the sefa's assessment concerning the conflict of interest.</p>	
3.	<p>FUNCTIONAL EXPERTS/ SPECIALISTS</p> <p>The bidder must have capacity to provide the following Functional audit expertise: IT Audit, Corporate Tax, Technical Accounting, actuarial and Sustainability Services / Integrated Reporting.</p> <p>The bidder must provide a company profile detailing the bidder's capacity to provide the Functional expertise.</p>	
4.	<p>FINANCIAL SERVICES INDUSTRY EXPERIENCE</p> <p>The bidder must demonstrate experience in providing external audit services within:</p> <ul style="list-style-type: none"> • The financial services industry using IFRS standards, including IFRS 9 • The short-term insurance industry. <p>The bidder must provide minimum of three (3) contactable references of relevant audits done in the past 5 (five) years. At least one of the references provided must be for IFRS 9 standards.</p>	

5. CRITICAL TIMELINES FOR sefa GROUP

The bidder must commit and confirm compliance to the following critical timelines:

Deliverable	Due date
Handover between new and outgoing auditors	By mid-December 2022
Provide audit planning memorandum for March 2023 audit for approval by Audit Committee in February 2023	By end January 2023
Audit of opening balances and other interim audit work	From mid-March 2023
Draft audited financial statements for Audit Committee approval	Early July 2023
Final audited financial statements for Board approval	Mid - July 2023

NB: The bidder must comply will all mandatory requirement to qualify for stage three i.e., functionality requirement BEE. Failure to comply with the requirements in Stage 2 (Mandatory Requirements) will lead to disqualification of the proposal.

FUNCTIONAL EVALUATION CRITERIA

FUNCTIONAL REQUIREMENTS:

The below scoring scale shall be used to evaluate technical proposals:

Score	Definition
0	Non-responsive
1	Does not meet the requirements
2	Partially meet the requirements
3	Fully meets the requirements
4	Exceeds the requirements
5	Significantly exceeds the requirements

DESCRIPTION	WEIGHT												
<p>1. EXPERIENCE</p> <p>The bidder must demonstrate relevant experience in rendering external audit services to public entities and/ or performing other Auditor-General South Africa audits.</p> <p>The bidder must provide at least three (03) relevant contactable reference of similar implementation projects in the past three years which support the bidder's claims to relevant prior experience. Reference letters from previous and current clients on the client's letterhead, and the letter should contain the following</p> <ul style="list-style-type: none"> • Name of department/organization; • Nature of work; • Duration of the contract <table border="1"> <tr> <td>No reference letters provided.</td><td>0 point</td></tr> <tr> <td>One reference letter provided.</td><td>1 point</td></tr> <tr> <td>Two reference letters provided.</td><td>2 points</td></tr> <tr> <td>Three reference letters provided.</td><td>3 points</td></tr> <tr> <td>Four reference letters provided.</td><td>4 points</td></tr> <tr> <td>Five and more reference letters provided.</td><td>5 points</td></tr> </table>	No reference letters provided.	0 point	One reference letter provided.	1 point	Two reference letters provided.	2 points	Three reference letters provided.	3 points	Four reference letters provided.	4 points	Five and more reference letters provided.	5 points	35
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One reference letter provided.	1 point												
Two reference letters provided.	2 points												
Three reference letters provided.	3 points												
Four reference letters provided.	4 points												
Five and more reference letters provided.	5 points												
<p>2. QUALIFICATIONS AND SKILLS OF KEY PERSONNEL</p> <p>The bidder's key personnel of the proposed audit team must have relevant qualifications, skills and experience.</p> <p>The bidders must submit, as part of its proposal, the following:</p>	30												

	<ul style="list-style-type: none">• The structure and composition of the proposed team, clearly outlining the main disciplines/ specialties of this audit and the key personnel responsible for each specialty. <p>Please provide CVs of the key personnel; and the CVs must clearly highlight qualifications, areas of experience/ competence relevant to the tasks and objectives as per scope of work in clause 2.1 of the assignment as outlined above.</p>											
3.	<p>Approach & Methodology</p> <p>The bidder must provide a detailed approach/ methodology to the execution of the project, taking into consideration of the full scope of work as outlined on Annexure E</p> <table><tr><td>The bidder has not provided a methodology or timelines.</td><td></td></tr><tr><td><p>The methodology is poor or is unlikely to satisfy project objectives or requirements or critical timelines. The bidder has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of the scope.</p><p>The methodology omits important outcomes and understanding of scope of work is inconsistent with the approach paper.</p></td><td>1-2</td></tr><tr><td><p>The methodology satisfies all aspects of scope of work objectives and requirement.</p><p>The work plan fits the scope of work; all important activities are indicated and their sequencing is appropriate and consistent with project objectives and requirements.</p></td><td>3</td></tr><tr><td><p>The methodology is specifically tailored to address all scope of work objectives and requirements; and is sufficiently flexible to accommodate changes that may occur during execution.</p><p>The work plan fits the scope of work; all important activities are indicated, and their sequencing is appropriate and consistent with project objectives and requirements.</p></td><td>4</td></tr><tr><td><p>Besides meeting the “good” rating, the important issues are approached in an innovative and efficient way, indicating that the bidder has outstanding knowledge of the deliverables.</p><p>The methodology details ways to improve the project outcomes and the quality of the outputs. The proposal has included value added services that is relevant to the project.</p><p>The sequencing and timing of activities are very well defined, indicating that the service provider has optimized the use of resources and the work plan permits flexibility to accommodate contingencies and risks.</p></td><td>5</td></tr></table>	The bidder has not provided a methodology or timelines.		<p>The methodology is poor or is unlikely to satisfy project objectives or requirements or critical timelines. The bidder has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of the scope.</p> <p>The methodology omits important outcomes and understanding of scope of work is inconsistent with the approach paper.</p>	1-2	<p>The methodology satisfies all aspects of scope of work objectives and requirement.</p> <p>The work plan fits the scope of work; all important activities are indicated and their sequencing is appropriate and consistent with project objectives and requirements.</p>	3	<p>The methodology is specifically tailored to address all scope of work objectives and requirements; and is sufficiently flexible to accommodate changes that may occur during execution.</p> <p>The work plan fits the scope of work; all important activities are indicated, and their sequencing is appropriate and consistent with project objectives and requirements.</p>	4	<p>Besides meeting the “good” rating, the important issues are approached in an innovative and efficient way, indicating that the bidder has outstanding knowledge of the deliverables.</p> <p>The methodology details ways to improve the project outcomes and the quality of the outputs. The proposal has included value added services that is relevant to the project.</p> <p>The sequencing and timing of activities are very well defined, indicating that the service provider has optimized the use of resources and the work plan permits flexibility to accommodate contingencies and risks.</p>	5	35
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	TOTAL	100										

SCOPE OF WORK / TERMS OF REFERENCE

APPOINTMENT OF EXTERNAL AUDITORS FOR sefa FOR PERIOD OF ONE YEAR WITH AN OPTION TO RENEW FOR A FURTHER TWO YEARS.

1. INTRODUCTION AND BACKGROUND

- 1.1 Following a Cabinet decision and the State of the Nation address of 2011, the Small Enterprise Finance Agency (SOC) Limited (**sefa**), was established on 01 April 2012 in terms of section 3 (d) of the Industrial Development Corporation Act, No. 22 of 1940 (IDC Act). **sefa** is a wholly owned subsidiary of the Industrial Development Corporation (IDC) and brings together the activities of the three previous structures (Khula, samaf and the IDC small business activities).
- 1.2 **sefa** operates as a Development Finance Institution (DFI) to foster the establishment, development, and growth of Small, Micro, and Medium Enterprises (SMMEs) and contributes towards poverty alleviation, job creation, and economic growth. **sefa** provides products and services to qualifying SMMEs as defined in the National Small Business Act of 1996, as amended in 2004, through a hybrid of wholesale and direct lending channels.

2. SCOPE OF WORK

- 2.1 The objective of the audit is to provide an independent audit opinion of the accounts, financial and annual financial reports of **sefa** and the group for the financial year covered by the audit appointment. The external auditor must adhere to and meet all statutory requirements of the Public Audit Act, the International Auditing Standards (ISA), and such requirements as may be set by the Auditor-General (SA) (AGSA)

- 2.2 The scope of the full audit comprises the sections detailed below:

- Audit of **sefa**
- Audit of internally managed subsidiaries and joint ventures which currently are the following entities:

Entity name*	Classification*	Industry
Khula Credit Guarantee	Wholly owned subsidiary	Short term insurance – credit guarantees and supplier credit
Khula Business Premises	Wholly owned subsidiary	Industrial and retail Investment property
Khula Institutional Support Services	Wholly owned subsidiary	Non-profit Company
Godisa Supplier Development Fund	Joint venture	Financial - lending
Khula Land Reform Empowerment Facility	N/A - Not consolidated or equity accounted	Financial - lending

- Audit of the **sefa** group consolidation

- The audit team will be required to engage with the appointed auditors of **sefa's** holding company, the Industrial Development Corporation of South Africa Ltd (IDC), as and when required and also issue group instructions to the externally managed component's (**sefa's** externally managed subsidiaries and equity accounted investments) auditors.
- Audit of performance information, legal and other matters as required by the AG (Auditor-General)
- Audit and review and the Quantitative reporting template for Khula Credit Guarantee (Pty) Ltd for submission to the prudential authority as well as the agreed upon procedures in line with the guidelines issued by the National Credit Regulator (Form 40) for **sefa**
- The relevant audit team members will be required to attend workshops and presentations on new accounting standards being implemented i.e.. IFRS 17. This will be to ensure that the external audit team are aware of major developments in such projects.

2.3 The appointed External Auditor will be required to perform audit functions in terms of the Public Audit Act, as well as the following:

- provide an audit opinion in accordance with the Companies Act and the Public Finance and Management Act No. 1 of 1999 ("PFMA"); and
- in accordance with the directives of the Auditor-General, report on performance against predetermined objectives, non-compliance with laws and regulations and internal control and the report thereon to comply with the guidance and guidelines of the Auditor-General.

2.4 The appointed External Auditor will be required to:

- Carry out such work as is necessary to form an opinion as to whether the company annual financial statements and group annual financial statements fairly present the financial position, financial performance and cash flows for the company and group respectively, in accordance with IFRS and the PFMA;
- Determine their scope, methodology and approach as per the AGSA guidelines and legislative requirements (i.e., Public Audit Act);
- Communicate audit findings and make recommendations to management;
- Provide a final report with management responses on corrective actions and the presentation thereof to the Audit Committee, where necessary; and
- Review the financials in the annual report prior to publishing.

2.5 The appointed External Auditor will be required to adhere to the following during the different phases of the annual audit

- Submit detailed Audit Planning Memorandum;
- Submit detailed budget in line with the Audit Planning Memorandum;
- Draft and issue audit reports upon completion of audit assignments;
- Attend Audit Committee meetings; and any other relevant meetings as required
- Present External Audit Report to the Audit Committee.

NOTE: The latest sefa audited financial statements are available on the sefa website to help understand the scope of the audit.

NOTE: These subsidiaries may change due to changes in the group.

3. SERVICE LEVEL AGREEMENT (SLA)

The successful bidder will be required to enter into a Service Level Agreement with **sefa**. A performance measurement process will form an integral part of the Service Level Agreement to be signed after the successful bidder has been appointed.

4. Bid Proposal Format

All bidders must return their proposals categorised and indexed under the following sections:

4.1. Section 1: Legislative Requirements

The bidder must supply the required documentation as outlined in this Request for the Bid document.

4.2. Section 2: Mandatory and Functionality Requirements

The bidder must provide the information set out on mandatory and functionality requirements stated in the bid document.

4.3. Section 3: Experience & References

The bidder must attach a copy of the company's profile, clearly outlining the number of years in external audit with a clear indication of experience in the industry. The bidder must complete **Table (a) Annexure D** outlining the experience and previous and current reference.

Reference letters, as outline in the evaluation criteria, must be submitted as part of this Section.

4.4. Section 3: Pricing Proposal

The bidder must submit a pricing proposal as outlined in **Annexure F**.

4.5. Section 4: Additional Information

Any additional information pertinent to the proposal can be attached under this Section.

4.6. Bid Proposal Template

- A template has been developed to assist both the bidder and the evaluation committee and is outline in **Appendix 1**
- An electronic editable copy of the Bid Proposal Template will be available on the **sefa** website: **<http://www.sefa.org.za/publications/tenders>**

APPENDIX 1
BID PROPOSAL

COVER PAGE

**APPOINTMENT OF EXTERNAL AUDITORS FOR sefa FOR PERIOD OF ONE YEAR WITH AN
OPTION TO RENEW FOR A FURTHER TWO YEARS.**

Bid Number	
Company name	
Contact Person	
Telephone Number	
e-mail address	

Section 1: Legislative Requirements

Attach all required documentation behind this Section.

Section 2: Mandatory & Functionality Requirements

Section 3: Experience

Note to the Bidder: The bidder must complete the information set out below in response to the requirements stated in the bid document. If the bidder requires more space than is provided below it must prepare a document in substantially the same format setting out all the information referred to below and return it with this Returnable Schedule.

The bidder must provide the following information:

Table (a) Details of the bidder's experience in the service categories the bidder they are bidding for (please refer to Annexure C of the Special Condition of Contract):

Client' Name	Transaction Description	Transaction Value	Project period		Description of service performed and extent of Bidder's responsibilities	Name, title and telephone contact of client
			Start Date	End Date		

Section 4: Pricing Proposals (Refer to Annexure F)

Pricing Schedule

1. Please indicate your total bid price here: R..... (VAT Incl.).
2. **NOTES: All prices must be VAT Inclusive and must be quoted in South African Rand (ZAR).**
3. Are the rates quoted firm for the full period of the contract? Yes/No.
4. All additional costs associated with the bidder's offer must be clearly specified and included in the Total Bid Price.

Detailed pricing must be provided and include line-item specifications in the following groupings:

Description	Total VAT Incl.
Total:	

Section 5: Additional Information

Any additional information that is considered pertinent to the proposal can be attached under this Section.