

PART A

REQUEST FOR INFORMATION (RFI)

REQUEST FOR INFORMATION (RFI) FOR INTERNAL AUDIT DATA ANALYSIS TOOL
 AT ARMSCOR HEAD OFFICE IN ERASMUSKLOOF, PRETORIA.

DETAILS OF THE BIDDER	
Name of the Bidder	
Company Registration Number	
Telephone Number	
Mobile Number	
Email Address	
Physical Business Address	
Years of Experience in the implementation of the audit data analysis tool.	
Years of existence of the proposed audit Data Analysis tool.	
Contact Person	
Signature	

Both part A and B, together with the returnables requested must be submitted electronically on or before the closing date of
Monday, 7 February 2022 at 11:00.

Responses must only be submitted electronically to
lebor@armscor.co.za

REQUEST FOR INFORMATION – INTERNAL AUDIT DATA ANALYTICS TOOL**1. INTRODUCTION**

Internal Audit has its mandate from the PFMA, Treasury Regulations, Internal Audit Charter and International Standards for Professional Practice in Internal Auditing. The purpose of Internal Audit division is to assist the Board and Senior Management by providing an objective assurance to the Board and Senior Management that the organisation has implemented and maintains effective, efficient and transparent systems of financial, risk management and internal controls as required by the Section 38 of the PFMA, no 1 of 1999.

2. BACKGROUND

Internal Audit was assessed by the Institute of Internal Auditors during the 2021/2022 financial year. The assessment raised findings that the Internal Audit did not utilise Computer Assisted Auditing Techniques (CAATs) when performing their audit procedures as recommended by the International Standards for Professional Practice of Internal Auditing (IPPF 2017) Standard 1220.A2 that states: *"In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques"*. The recommendation from the assessment was to utilise the data analysis techniques when performing audits.

Armcor has various application systems that generate large amounts of data in relation to business activities undertaken in a given period. Internal Audit can draw valuable insights from analyses of this data and provide value adding services to our clients. The use of Computer Assisted Audit Techniques (CAATs) is encouraged by the IPPF standards issued by the Institute of Internal Auditors (IIA) as reflected in standard 1220.A2: *"In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques"*. Data analytic tools provide the ability and capability to efficiently analyse large and complex data in order to determine the adequacy and effectiveness of the controls designed and implemented by Management, risk management and governance process. This capability in Internal Audit Division, will offer the ability to execute audit test on the entire population as opposed to the traditional sampling approach.

3. CRITICAL CONSIDERATIONS

Internal Audit requires to source the data analytic software utilised by both Internal and External Auditors. The software should have the ability to extract data and its analysis to be used for fraud detection and prevention, and risk management. The system should further have the ability to sample large data sets to find irregularities or patterns in transactions that could indicate control weaknesses or fraud.

4. SCOPE OF WORK

No	Description	Yes	No	Comments
Data collection				
4.1	The system should have an easy to import functionality and be able to import large data with different formats such PDF, Comma delimited, different DB formats for purpose of data analysis.			
Data preparation				
4.2	The system should allow for data cleansing (formatting and normalising) to ensure data consistency prior to data analysis.			
4.3	The system should allow for script writing and customisation.			
4.4	The system should allow for ease data cleansing process that can also be easily usable by Auditors who do not have script writing abilities.			
Data Processing and Analysis				
4.5	Linking/joining and matching data source from different systems such as the Payroll system, HR system and Leave Management systems using unique identifiers onto a single table to allow ease testing and identification of anomalies such employees who were paid leave days that were more than they should be paid, fraudulent indicators such payment of ghost employees.			
4.6	Business rules violation checking (control breakdown) e.g. segregation of duties violation, authorisations, and approval.			
4.7	Duplicate testing to identify simple and/or complex duplications of organizational			



No	Description	Yes	No	Comments
	transactions such as payments, payroll, claims, or expense report line items.			
4.8	Sequential checks to identify missing data.			
4.9	Data integrity checks e.g. Data completeness checks, Data validity checks, Data format error checks.			
4.10	Sampling e.g. Statistical, Random and Stratification.			
4.11	Calculation of statistical parameters (e.g., averages, standard deviations, highest and lowest values) to identify outlying transactions.			
Data analysis reporting and trend analysis				
4.12	The system should be able to report data analysis results and easy to understand visualization and a format that is human readable. The reports from the system should be customisable and be exportable in PDF, EXCEL, and Microsoft Word to allow auditors to further investigate on the irregularities noted.			
Continuous auditing				
4.13	The system should allow for continuous auditing on real-time data and provide timely alerts i.e. automate audit tasks, approvals, authorisations made, duplicates created on the system.			
System security				
4.14	The system should be secure and allow for encryption of imported data.			
4.15	The system should allow user access management to be linked to the active directory.			
User interfaces				
4.17	The solution should have user friendly interface that can support different types of users including the non-technical users who can develop scripts			

5. RETURNABLES - INFORMATION REQUESTED

Suppliers are requested to provide information as indicated below:

1.	B-BBEE Status Kindly indicate your entity's BBBEE Level and submit a valid proof of BBBEE status	Level																									
2.	CIDB Grade Kindly submit your entity's CIDB grading	Grade																									
3.	CSD Registration Is your entity registered on CSD? Kindly submit your entity's proof CSD registration	YES	NO																								
4.	Original Equipment Manufacturer Status Is your entity an Original Equipment Manufacturer of the proposed system?	YES	NO																								
5.	If not an OEM, is your entity an Accredited Agent of the system you are proposing to Armscor?	YES	NO																								
6.	Country of Origin Indicate the country where the manufacturing will take place																										
7.	SUBCONTRACTING <ul style="list-style-type: none"> Will your entity consider subcontracting any of the work included in this project scope? If so, indicate which part of the scope will be sub-contracted. <table border="1"> <thead> <tr> <th>Description</th> <th>Yes</th> <th>No</th> <th>% Subcontracting</th> </tr> </thead> <tbody> <tr> <td>Design</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Development</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Installation</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Professional Services</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Description	Yes	No	% Subcontracting	Design				Development				Installation				Professional Services				Other			
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8.	Reference Letters from Clients Kindly submit 5 reference letters from the entity's clients where the proposed Audit Data Analysis tool was successfully installed																										

6. RFI CONDITIONS

- 6.1. This RFI is only for information purpose and therefore shall not be awarded.
- 6.2. The costs of preparing the submission shall not be reimbursed.