

**PROVISION OF INTERNAL AUDIT SERVICES FOR AGRÉMENT SOUTH AFRICA (ASA) FOR A PERIOD OF
THREE (3) YEARS.**

RFP Number	ASA 01/2025
Date of Issue	14 July 2025
Closing Date & Time	08 August 2025 @12:00 PM Proposals received after the closing time and date will not be considered for evaluation
Submissions	<u>Procurement@agrement.co.za</u> All submissions must be in electronic format

Technical inquiries may be directed to:

Procurement@agrement.co.za

1. BACKGROUND

Agrément South Africa (ASA) a Schedule 3A public entity established in terms of ASA Act No 11 of 2015.

ASA is tasked with testing, performance, and certification of construction industry products and methodologies to ensure the quality and durability of such products on behalf of the Department of Public Works. ASA's mission is to promote the government's economic development objectives, good governance, and raising living standards and prosperity in South Africa. The main objectives are:

- provide assurance of fitness-for-purpose of non-standard construction-related products and systems to specifiers and users.
- To support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry.
- To support and promote the introduction and use of certified non-standardised construction-related products or systems in the local or international market.
- To support policymakers in minimising the risk associated with the use of non-standard construction-related products or systems; and
- To be an impartial and internationally acknowledged South African centre for assessment and confirmation of fitness-for-purpose of non-standard construction-related products or systems.

Sec 51 a (ii) of the PFMA requires an Accounting Authority to ensure that the public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

Therefore, ASA requires a suitable, qualified service provider for the Provision of Internal Audit Services for a period of three (3) Years.

2. PURPOSE

To establish an independent and objective Internal Audit function in section 51 of the PFMA. The appointed service provider is expected to carry out the mandate of the Internal Audit function, as approved by the ASA audit and risk committee, in terms of the ASA Internal Audit approved annual rolling plan.

3. PROJECT OF OBJECTIVES

The Internal Audit function will be an objective assurance and consulting activity that will assist ASA in accomplishing its objectives by taking a systematic approach to evaluating and improving the effectiveness and efficiency of risk management, control, and governance processes within the organisation.

The service provider must demonstrate the capability to perform internal audit services according to the Institute of Internal Auditing Standards and Practices and any relevant legislation.

4. SCOPE OF INTERNAL AUDIT SERVICES

The successful bidder is required to perform the following services:

- 4.1. Financial audits.
- 4.2. Half-yearly (Mid-term) Generally Recognised Accounting Practice (GRAP) compliance review and recommendations.
- 4.3. Compliance audits.
- 4.4. Performance Review audits.
- 4.5. Quarterly audit of performance reports to DPWI and DPME.
- 4.6. Information and Communication Technology (ICT) audits
- 4.7. Audit human resources practices such as performance management, recruitment, legislative compliance, etc.
- 4.8. Probity audits.
- 4.9. Management of fraud hotline queries.
- 4.10. Quarterly validation of commitment registers regarding the validity of balances on contracts, the validity of the contract still in place, and discretionary contract management adequacy.

- 4.11. Review of risk management and treatment processes
- 4.12. Review of ASA legislative compliance framework and recommendations.
- 4.13. Corporate Governance Review.
- 4.14. Ad hoc projects - Investigative (forensic) audit as and when required.
- 4.15. Quality assurance (probity audit) of each competitive bidding process before award, as and when required.
- 4.16. Perform the role of an audit executive and be involved in all areas that fall under the responsibilities of the audit executive.
- 4.17. The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of ASA's internal control systems. This includes:
 - 4.17.1. Audit the risk register of ASA on a quarterly basis.
 - 4.17.2. Establishing and submitting for approval by ARC a three-year rolling strategy and a risk-based Annual Internal Audit Plan.
 - 4.17.3. Auditing the reliability and integrity of financial and operating information and the means to identify, measure, classify, and report such information.
 - 4.17.4. Auditing the systems established by management to ensure compliance with policies, plans, procedures, laws, and regulations that could significantly impact operations and determine whether ASA complies.
 - 4.17.5. Auditing the means for safeguarding assets and verifying the existence of assets.
 - 4.17.6. Auditing the adequacy and effectiveness of internal controls.
 - 4.17.7. Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance. Auditing the operations to ascertain whether the results are consistent with established objectives or goals and whether operations are being carried out as planned.
 - 4.17.8. Performing any ad hoc projects as and when required by the Audit and Risk Committee.
 - 4.17.9. Auditing the Human Capital Management (HCM) organisational performance management system and its implementation for driving desired performance outcomes.
 - 4.17.10. Management of fraud hotline queries.
 - 4.17.11. Probity audits

4.17.12. Liaise with external auditors on ASA's audits whenever necessary.

5. DELIVERABLES

Bidder must comply with the performance of audit assignments as follows:

- 5.1. Assignments are to be performed per the Institute of Internal Audit's Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance review as and when required by ASA.
- 5.2. All audit reports and working papers will be deposited in a dedicated drive at ASA after each audit and will be the property of ASA.
- 5.3. The performance of each assignment shall be per the approved annual internal audit plan.
- 5.4. In carrying out the work, the successful service provider must ensure that their staff maintain objectivity by remaining independent of their audit activities.
- 5.5. On a mutually agreed-upon basis, the responsible partner/ director shall meet with the chairperson of the Audit and Risk Committee (ARC), the Chief Executive Officer (CEO), and management to report on the progress of the work.
- 5.6. In planning and conducting its work, the internal auditor should seek to identify severe defects in the internal controls that might result in malpractice.
- 5.7. Any material defects must be reported immediately to the Audit and Risk Committee.
- 5.8. The successful bidder may be required to attend strategic workshops as and when required occasionally. The cost of attendance will be charged to the ASA account.

5.9. KEY PERFORMANCE INDICATORS

Key Responsibilities	Activities	Results Indicators (Including all applicable evidence to substantiate all key responsibilities)
Regularity audits	Audits on all the ASA activities as determined by the approved Annual Internal Audit Plan according to the following auditing guidelines: - Planning the audit - Examining, monitoring, and evaluating information - Communicating results - Follow up actions by management of findings and recommendations.	To advise management on compliance with regulations, policies, and best practices and the status of internal controls within ASA.
Fraud prevention, detection, and action	Assist with investigations regarding the entity's Fraud, Prevention, Detection and Response Plan.	To minimise fraud in the entity
Ad hoc audits	Audit issues as and when required be investigated as delegated by the Accounting Authority and or Audit and Risk Committee.	Report findings to the Audit and Risk Committee to determine whether further actions are required.
Audit of Predetermined Objectives	Executing audits in terms of the approved audit plan.	To determine whether the strategic documents and plans are correctly aligned and implemented and that targets are being achieved.
Reporting	- Reporting on all the activities of the Internal Audit Function to the Audit and Risk Committee, - Meetings as and when required - Evaluation of outputs	The management and the audit committee should evaluate the efficiency and effectiveness of the internal audit function. Ensure that the board is furnished with correct and up-to-date information.
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance

6. TIMEFRAMES

The contract will last **three (3) years (36 months)**.

7. CONTRACTUAL OBLIGATION

7.1. All prices indicated in the pricing schedule must remain fixed for the first year of the contract.

Bidders will be subject to the application of 5 % increase annually.

7.2. The bidder must include a maximum value of R300 000.00 per annum for ad-hoc services.

7.3. The service provider's quotation must also provide sufficient detail regarding various cost items, such as total "man" hours and daily rates for the project team.

7.4. If the service provider uses subcontractors, the former will be responsible for ensuring the delivery of services from such subcontractors and making any payments to such subcontractors.

7.5. The successful bidder must have adequate professional indemnity and liability insurance in place (**upon parties contracting**).

8. ABSENCE OF OBLIGATION & CONFIDENTIALITY

8.1. No legal or other obligation shall arise between the service provider and ASA unless/until both parties have signed a formal contract or Service Level Agreement (SLA).

8.2. The Contract site is at **ASA (as and when required)**.

9. WORKMEN AND SUPERVISION ON-SITE

9.1. The service provider shall be responsible for the conduct of his employees and the conduct of his subcontractors' employees for the full duration of the contract.

10. SUBMISSION OF DOCUMENTS AND QUALIFYING CRITERIA.

10.1 Submission of procurement documents

- National Treasury's Central Supplier Database (CSD) report. It must be noted that no contract with a service provider will be entered if such a service provider is not registered on the CSD.
- Completed and signed Standard bidding documents, SBD 4 and 6.1 forms.
- The disclosure in the SDB 4 Form must be true and complete in every respect (Take specific note of Paragraph 2.3 of the disclosure).
- Signed General Conditions of Contract.

10.2 EVALUATION CRITERIA

PHASE 1: Mandatory documents to be submitted in order to be eligible for preference points.

- Minimum of two (2) partners who are registered IIA or SAICA. The partners should be CA(SA)/CIA. Bidders must be in good standing with these professional bodies. Proof of valid registration must be submitted with the proposal.
- Certified Fraud Examiner. Bidder must submit a proof of registration.
- Certified Information Systems Auditor. Bidder must submit proof of registration.
- Completed price schedule.

NB: Failure to submit any of the above-requested 10.2 mandatory documents will lead to disqualification.

10.3 PHASE 2: TECHNICAL EVALUATION

Phase 1: Technical Specification and Functionality Evaluation

The bids shall first be evaluated for functionality. A **minimum score of 70%** must be obtained on functionality before a proposal is considered for further evaluation. Details of the functionality scoring and how the points shall be allocated are as follows

The evaluation is based on functionality, which will be evaluated using the following criteria and points:

Evaluation Area	Functional Criteria	Max Points
Experience (Reference letters)	The bidder must provide evidence in the form of a reference letter of completed audits in the Public Sector related to any of the following deliverables reflected below: <i>(Letters collectively must reflect standard services as per the list below) Non-compliance will equal automatic disqualification.</i> - Financial audits. - Compliance audits. - Operational audits. - Performance Review audits. - ICT audits. - Risk Management Review. - Corporate Governance Review. - Management of fraud hotline queries - Probity audits - Quality assurance, such as a review of the competitive bidding process. Evidence must be reference letters (with contactable references – letters not older than 5 years) 2 - 4 reference letters of completed contracts must include at least three (3) of the services outlined above = 10 points 5 and above reference letters of completed contracts must include all of the above-mentioned services = 30 points Non-compliance with the minimum criteria = 0 points	30

Evaluation Area	Functional Criteria	Max Points
Qualifications and Experience with project team	Bidder to provide abridged CVs of the proposed project team members that will service ASA, including the following: (The bidder is to clearly stipulate the position of each team member according to the below-mentioned) Partner 1: Engagement Director or Chief Audit Executive(CA(SA)/CIA) - Minimum 10 years of audit experience with a minimum of 5 years as a team leader or project manager = 10 points - Engagement directors must provide proof of valid registration with IIA or SAICA = 10 points Partner 2: Engagement Director or Chief Audit Executive(CA(SA)/CIA) - Minimum 10 years of audit experience with a minimum of 5 years as a team leader or project manager = 10 points - Engagement directors must provide proof of valid registration with IIA or SAICA = 10 points Project Team Leader or Audit Manager: - Minimum 5 years audit experience with a minimum of 3 years as a team leader or manager = 5 points - Team leader or Manager must provide valid proof of registration with IIA or SAICA = 5 points Audit Project Team: - The individual team members must <i>each</i> have a minimum of 2 years of experience in internal auditing = 5 points - The bidder must provide at least one (1) team member who is a Certified Information Systems Auditor (CISA) registered with ISACA = 5 points - The bidder must provide at least one (1) team member who is a Certified Fraud Examiner Auditor (CEF) registered with ISACA = 5 points	50

Evaluation Area	Functional Criteria	Max Points
	Non-compliance with any and all of the above = 0 points	
Ability to provide the services and adequate institutional support	- No submission or submitted of internal quality review results (0 point) - Submission of internal quality review results (5 points) The bidders must submit, as part of its proposal, the following: - Evidence of the latest satisfactory IIA firm-level quality review results (generally conforms rating). (20 points)	20
TOTAL		100

11.1.1. Bidders who obtained less than the minimum threshold of **70 points** will be declared non-responsive and, therefore, will not be eligible to evaluate **price and specific goals**.

The following formula will be used to convert the points scored against the weight:

$$Ps = \left(\frac{So}{Ms} \right) \times \text{weighting percentage for section under consideration}$$

Where:

Ps = Percentage scored for functionality by bid under consideration

So = Total score of bid under consideration

Ms = Maximum possible score

Service providers will be expected to achieve a minimum threshold score of **70%** in order to proceed to Phase 2.

6.1.1 Phase 2: Calculation of points

Please note for acquisitions below or equal to R50 Million, ASA evaluates these in terms of the 80/20 preference point system where:

80 points are allocated for price and 20 points will be awarded based on the specific goals.

Points for price will be calculated for all shortlisted service providers in accordance with the following formula:

$$Ps = 80 \left(1 - \frac{Pt - P_{\min}}{P_{\min}} \right)$$

Where:

Ps = Points scored for the price of the quotation under consideration

Pt = Price of the quotation under consideration

Pmin = Price of lowest acceptable quotation

Preference points for the specific goals will be allocated as follows:

NO.	SPECIFIC GOALS ALLOCATED POINTS	PREFERENCE POINTS ALLOCATION	SUPPORTING EVIDENCE TO BE SUBMITTED
1.	SMMEs	5 points	- A B-BBEE certificate /sworn affidavit as supporting evidence

			- CSD report
2.	>50% Black female ownership	5 points	- CSD report or, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners
3.	>50% Black youth ownership	5 points	- CSD report, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners, or - Identification Documentation of all owners
4.	>50% Disabilities	5 points	- CSD report. - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners, or - Identification Documentation of all owners.

The final points will be calculated as follows:

CRITERIA	WEIGHTING POINTS
Price	80
Specific goal	20
TOTAL	100

ASA also reserves the right to conduct an investigation of the bidder's financial position, previous contracts carried out, availability of skills or knowledge, existing workload, etc.

A recommendation for award will then be formulated for approval by the relevant delegated authority.

12. TERMS OF CONTRACT AND SERVICE LEVEL AGREEMENT

Before the bid is awarded, the successful bidder shall be required to enter into a Service Level Agreement (SLA) with Agrément South Africa (ASA). The SLA shall form the contractual basis for the delivery of the service as well as how performance shall be measured. Contract extensions are at the sole discretion of ASA.

13. PRICE SCHEDULE

Staff level	Rate per hour Year 1	Rate per hour Year 2	Rate per hour Year 3
Partner 1: Chief Audit Executive (Partner/Director) CA(SA)/CIA			
Partner 2 : Chief Audit Executive (Partner/Director) CA(SA)/CIA			
Audit Manager			
Audit Supervisor			
Auditor			
Certified Information Systems Auditor (CISA)			
Certified Fraud Examiner			

CONTRACT VALUE

Description	Estimated hours per annum	Amount per annum R
Year 1	1,500	
Year 2	1,500	
Year 3	1,500	

TOTAL AMOUNT		
VAT		
Total amount inclusive of VAT		

The hours indicated above will be split as follows:

Description of service	Estimated total hours per year
Basic audits as per the scope of work	800
Adhoc Management requests	120
Audit on risk management	80
Investigations	80
Consulting services	100
Fraud risk policies, Frameworks, strategies, and applicable charters	160
Probity audits	180
Total	1 500

14. COPYRIGHT AND INTELLECTUAL PROPERTY RIGHTS.

In consideration of the fees paid, the service provider expressly assigns to ASA any copyright arising from the works the consultant produces while executing this contract. The consultant may not use, reproduce or otherwise disseminate or authorise others to use, reproduce or disseminate such works without prior consent from ASA.

ASA reserves the right not to accept the lowest bid. ASA also reserves the right to reject any or all of the proposals, and/or not to appoint any service provider.

15. PROCEDURE FOR SUBMISSION OF PROPOSALS

15.1 Respondents must use the RFP number as the subject reference number when submitting their bids.

15.2 All documents submitted electronically via e-mail must be clear and visible.

15.3 All proposals, documents, and late submissions after the due date will not be evaluated.

NB: NO HARD COPIES OR PHYSICAL SUBMISSIONS WILL BE ACCEPTED

16. VALIDITY PERIOD OF PROPOSAL

Each proposal shall be valid for a minimum period of **120 days** calculated from the closing date.

17. APPOINTMENT OF SERVICE PROVIDER

17.1 The contract will be awarded to the bidder who scores the highest total number of points during the evaluation process, except where the law permits otherwise.

17.2 Appointment as a successful service provider shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement, ASA reserves the right to appoint an alternative supplier.

17.3. Awarding of contracts will be announced on the National Treasury website, and no regret letters will be sent to unsuccessful bidders.

18. ENQUIRIES AND CONTACT WITH ASA

18.1 Any enquiry regarding this RFP shall be submitted in writing to ASA at procurement@agrement.co.za.

18.2 Any other contact with ASA personnel involved in this RFP is not permitted during the process other than as required through existing service arrangements or as requested by ASA as part of the RFP process.

19. MEDIUM OF COMMUNICATION

All documentation submitted in response to this RFP must be in English.

20. COST OF PROPOSAL

Tenderers are expected to fully acquaint themselves with the conditions, requirements, and specifications of this RFP before submitting proposals. Each bidder assumes all risks for resource

commitment and expenses, direct or indirect, of proposal preparation and participation throughout the RFP process. ASA is not responsible directly or indirectly for any costs incurred by tenderers.

21. CORRECTNESS OF RESPONSES

- 21.1 The bidder must confirm satisfaction regarding the correctness and validity of their proposal and that all prices and rates quoted cover all the work/items specified in the RFP. The prices and rates quoted must cover all obligations under any resulting contract.
- 21.2 The bidder accepts that any mistakes regarding prices and calculations will be at their own risk.

22 VERIFICATION OF DOCUMENTS

- 22.1 Bidders should check the numbers of the pages to satisfy themselves that none are missing or duplicated. ASA will accept no liability concerning anything arising from the fact that pages are missing or duplicated.

23. ADDITIONAL TERMS AND CONDITIONS

- 23.1 A tenderer shall not assume that information and/or documents supplied to ASA, at any time prior to this request, are still available to ASA, and shall consequently not make any reference to such information document in its response to this request.
- 23.2 Copies of any affiliations, memberships and/or accreditations that support your submission must be included in the tender.
- 24.3 An omission to disclose material information, a factual inaccuracy, and/or misrepresentation of facts may result in the disqualification of a tender, or cancellation of any subsequent contract.
- 25.4 Failure to comply with any of the terms and conditions as set out in this document will invalidate the proposal.

24. ASA RESERVES THE RIGHT TO

- 24.1 Extend the closing date.
- 24.2 Verify any information contained in a proposal.
- 25.3 Request documentary proof regarding any tendering issue.
- 26.4 Appoint one or more service providers, separately or jointly (whether or not they submitted a joint proposal).
- 25.5 Award this RFP as a whole or in part.
- 25.6 Cancel or withdraw this RFP as a whole or in part.

26 DISCLAIMER

This document is only an RFP is a request for proposals only and not an offer document. Answers to this RFP must not be construed as acceptance of an offer or imply the existence of a contract between the parties. By submission of this proposal, tenderers shall be deemed to have satisfied themselves with and to have accepted all Terms & Conditions of this RFP. ASA makes no representation, warranty, assurance, guarantee or endorsements to tenderer concerning the RFP, whether with regard to its accuracy, completeness or otherwise and ASA shall have no liability towards the tenderer or any other party in connection therewith.

27 POPIA

All bidders agree that personal information of persons related to or linked with bidders or respondents to this request for proposals may be required to fulfil the requirements for submitting a bid. All bidders agree that the ASA may collect, keep and process such information provided that the aforesaid uses shall be for purposes of evaluating the bid submitted. Where the information is sought to be used for other purposes, further and specific consent shall be obtained.

Bidders shall note that any personal information that they may disclose to or share with the ASA pursuant to this request may be processed by the ASA in terms of the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). By disclosing or sharing any personal information, the bidder is unconditionally consenting to the processing thereof by the ASA, its stakeholders or partners of such personal information for purposes related to this

request/Bid. Further, the bidder declares all consents required by the POPI Act or any other law applicable in respect of all personal information disclosed has been duly and legally obtained. Thus, the bidder hereby indemnifies the ASA against any civil or criminal action, administrative fine or other penalty or loss that may arise as a result of the processing of any personal information disclosed to the ASA pursuant hereto

