



**REQUEST FOR PROPOSAL FOR:  
INTERNAL AUDITING FOR THE MARKET THEATRE  
FOUNDATION**

**MTF 05/08/2022**

Closing Date: 05 October 2022

Closing Time: 12:00

Submission Address: The Market Square, 138 Lillian Ngoyi Street, Newtown,  
Johannesburg

Tender Price: R 300.00 (Cash Only)

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### ANNEXURES

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## 1. COPY OF ADVERT



The Market Theatre Foundation is an internationally renowned performing and visual arts institution situated in Newtown, Johannesburg

SUPPLIERS ARE HEREBY INVITED TO BID TO RENDER THE SERVICE OF INTERNAL AUDITING AT THE MARKET THEATRE FOUNDATION

**BID NUMBER: MTF 05/08/2022**

**DESCRIPTION: INTERNAL AUDIT SERVICE FOR THE MARKET THEATRE FOUNDATION**

**CLOSING DATE: 05 October 2022**

**COSING TIME: 12:00 when bids will be opened in public**

**Bid documents must be deposited in the tender box situated at:**

The Market Theatre Foundation  
Market Square

138 Lillian Ngoyi (previously Bree) Street, corner Miriam Makeba Street  
Newtown, Johannesburg, 2001

Bidders should ensure that documents are delivered timeously to the correct address. Bid documents that are faxed, emailed or delivered late will not be accepted for consideration. The successful bidder will be required to fill in and sign a written Contract Form.

Bid documents are available from The Market Theatre Foundation, Market Square, from 8:00 to 16:00, Monday to Friday from 14 September 2022 at R300.00 per copy (cash only).

For more information contact: Mr Vickey Pienaar, [vickeyp@markettheatre.co.za](mailto:vickeyp@markettheatre.co.za), (t) +27 11 832 1641 ext 208.

This bid will be evaluated in terms of the Preferential Procurement Policy Framework Act (PPPFA) and bid submissions will be evaluated according to the sum of the points awarded in respect of the bid value and the status of the enterprise.

Target goals are as follows: - Points for Price 80; points for BEE Level status 20; total points 100.

Functionality goal is as follows – 70 points thresholds, any supplier who does not score 70 or below will be disqualified.

The Market Theatre Foundation does not bind itself to accept the lowest or any other bid in whole or in part.

## **2. INTRODUCTION**

### THE MARKET THEATRE FOUNDATION BACKGROUND

The Market Theatre Foundation is a Cultural Institution for performance art and photography and includes the Market Theatre, Market Laboratory and the Market Photo Workshop and the Windybrow Arts Centre.

The MTF's core business is producing a variety of theatre works that reflect and represent the issues that affect the people of South Africa. The Market Theatre produces an estimated 20-25 productions annually which create employment for +/-250 artists per annum. Over the years the Market Theatre has provided work for +/-8,750 theatre practitioners – playwrights, directors, actors, set/costume/lighting and sound designers and engineers as well as stage managers and crews. In line with the MTF's mission and vision 85% of these artists are from the historically disadvantaged communities.

In 2022/23 the Market Theatre produced 52 shows and had an audience attendance of an estimated 56 103. This excludes the daily foot traffic and visitors that frequent the Market Theatre precinct and the Market Square Building.

The Market Laboratory operates skills training and outreach programmes that educate marginalised youth with practical, income-generating skills geared to the performing arts sector. The Laboratory is committed to encouraging young talent and developing innovative and indigenous theatre at community level. The Market Laboratory education programmes include a 2-year Drama Course for aspirant young actors and two annual community theatre festivals. In 2020/21 the Laboratory offered skills training to estimated 44 young people from marginalised communities and ran 2 festivals with a participation of estimated 389 members and an audience attendance of estimated 3 857.

The Market Photo Workshop is a school of photography, project space and gallery. The Market Photo Workshop runs a variety of photography courses and programmes for especially marginalised youth that equip them to pursue careers in photography, visual arts and media. The Advanced Programme in Photography and the Photojournalism and Documentary Photography Programme are one-year full time photography programmes.

The Market Photo Workshop also runs Public Programmes: a series of events involving and directed at professional photographers, visual artists, educators, students and the broader public. Public Programmes all seek to inform the trends, practices, methods and contemporary

ways of working and thinking in South African photography practice through exposure to a broad understanding of visual culture.

The Photo Workshop Gallery is a photography dedicated gallery that produces regular exhibitions and publications.

In 2021/22 the Market Photo Workshop offered skills training to estimated 133 students of which estimated 73 graduated. In addition, estimated 10 688 attended their regular photographic exhibitions and public programmes in the Market Photo Workshop Gallery.

The Heritage House at the Windybrow Arts Centre in Doornfontein has been revived. The restored 121-year old building is the home to new and exciting programmes in the Hillbrow and inner-city neighbourhoods working with residents and communities around a range of art-based and participatory engagement projects.

### **3. SCOPE OF CONTRACT**

The MTF wishes to appoint an independent internal audit service provider for a period not exceeding three years which can perform the internal audit work and other related tasks and responsibilities on behalf of the Organisation and as per the assignments specified in the rolling three-year strategic internal audit plans.

*The internal audit services shall consist of the performance of at least the following assignments:*

- a) Prepare a rolling three-year strategic internal audit plan based on its assessment of key risk areas within the organisations, taking into account the current operations and those proposed in the strategic and operational plans and the risk management strategies of the organisation;
- b) Facilitate the strategic and operational risk assessment.
- c) Prepare annual internal audit plans for the first year of the rolling three-year strategic internal audit plans for the organisations for approval by audit and risk committee;
- d) Plans indicating the proposed scope of each audit in the annual internal audit plan of the organisation;
- e) Quarterly reports to the Audit and Risk Committee detailing the performance against the annual internal audit plans, to allow effective monitoring;
- f) Advice on internal controls structure to insure compliance with the relevant laws and legislation to achieve organizational objectives.
- g) Perform internal audit assignments (compliance, performance, human resources and financial audit), as may be required by the Audit and Risk Committee;
- h) Conduct performance audits as may be required by the Audit and Risk Committee;

- i) Advise on the timing of audit assignments, for various divisions or activities of the organisation, taking into account the organisation's risk profile;
- j) Establish a quality assurance program to provide objective feedback on organisational controls and performance;
- k) Review organisational policies, procedures, prescripts, business processes and where required make recommendations to improve on policies, procedures and business processes;
- l) Ensure performance in accordance with the Internal Audit Charter;
- m) Monitor the implementation of the external audit recommendations (Audit action plan);
- n) Review of the annual financial statements;
- o) Probity audit for all tender procurement projects;
- p) The performance of such other assignments as the Audit and Risk Committee may authorise, which will constitute an addition to the scope of services mentioned.

**ADDITIONAL INFORMATION REQUIRED:**

- Risk assessment methodology
- Internal Audit Framework methodology
- Experience of the bidder's organisation in co-sourced or outsourced Internal Audit functions for similar Institutions (size and nature).
- CV's of the core management team – qualifications and individual experience must be included.
- A bidder has to comply with the Institute of Internal Auditors' standards for the Professional Practice of Internal Auditing.
- Signed Pricing Schedule – in so far as is possible, a comprehensive budget for the three-year period indicating the service activities proposed, with charge-out rates and budgeted hours per activity, detailing all assumptions made in arriving at a proposed budget, including all costs factors such as travelling, etc.

**4. QUALITY ASSURANCE REVIEWS OF AUDIT WORK**

The successful bidder should ensure that all audit work conforms to the standards set by the Institute of Internal Auditors. Such work may further be subject to external quality assurance as may be considered appropriate by the Audit Committee.

## **5. INDEPENDENCE AND OBJECTIVITY OF AUDIT STAFF**

In carrying out the work, the successful bidder must ensure that their staff maintains their objectivity by remaining independent of the activities that is or will be audited.

All information obtained as a result of undertaking this assignment needs to be treated in strict confidence, and a confidentiality letter in this regard should be signed by the successful bidder.

## **6. REPORTING OF AUDIT RESULTS**

Audit findings should be reported to management in writing for review and comment where after those reports should be submitted to the Audit and Risk Committee. The structure of these reports should include, amongst others:

- a) Background or Introduction
- b) Audit objective and scope
- c) Executive summary
- d) Findings, recommendations, and management response (including implementation dates)
- e) Conclusion
- f) Methods of proceeding.

## **7. PRICING**

7.1 It is understood that internal audits are based on hourly rates and that budgets are compiled once the appointed internal auditor. Financial proposals will be compared over the three-year period. Pricing must be inclusive of all relevant overheads including travel costs and VAT.

7.2 Based on the MTF's experience, the following indicative hours below must be used to quote. During the course of the SLA with the successful bidder, the hours may be adjusted subject to applicable National Treasury's prescripts governing supply chain management in public entities.

7.3 The hours quoted below are an estimate of the hours that will be required and will be used for evaluation purposes.

**Total Project Cost (Based on the Estimated 1286 Annual Hours Above)**

#	INTERNAL AUDIT AREA	Total Costs in Year 1	
		Indicative Hours	Rand Amount, Excl. VAT
<b>Other Mandatory Requirements</b>			
1	Annual internal audit plan and three year rolling internal plan	10	
2	Attendance and reporting at Audit, Risk and Finance Committee meetings (5 per annum)	40	
3	Strategic Risk Assessment Facilitation	16	
<b>Risk-based Audits</b>			
4	Finance Management Review	100	
5	Supply Chain Management Review	100	
6	Human Resources and Payroll Review	100	
7	Information Technology Review	100	
8	High Level review of Annual Financial Statements Review & Review of Annual Report	70	
9	Quarterly Audits of Performance Information	200	
10	Review of Programme Performance Process: <ul style="list-style-type: none"> <li>• Development, Preservation and Promotion of Arts, Culture and Heritage within South Africa</li> <li>• Artistic skills development</li> <li>• Stakeholder awareness</li> </ul>	300	
11	Ad Hoc Audits	250	
<b>TOTAL (Excluding VAT)</b>		<b>1,286</b>	
<b>Disbursements</b>			
<b>Gross Total</b>			
<b>VAT</b>			
<b>Total Including VAT and disbursements</b>			

No.	Category	Rands (Including VAT)
1	Year 1	R
2	Year 2	R
3	Year 3	R
	<b>Total bid price for three years</b>	<b>R</b>

#### 7.4 Pricing Instructions:

- All prices shall be tendered including VAT.
- All prices shall be tendered in accordance with the units specified in this schedule above.
- All prices tendered must include all expenses, disbursements and costs (e.g., transport, overheads, accommodation, inflation, etc.) that may be required in and for the execution of the work described in the Specification, and shall cover the cost of all general risks, liabilities and obligations set forth or implied in the Contract as well as overhead charges and profit (in the event that the tender is successful).
- All prices tendered will be final and binding.
- All prices in the pricing schedule will be considered when awarding the tender.

### 8 **PROGRAMME**

The expectation is that this will be an extremely detailed and comprehensive piece of work. The project is to proceed in accordance with the following timeframes:

- |                  |                         |
|------------------|-------------------------|
| a) Tender closes | 05 October 2022 @ 12:00 |
| b) Tender award  | Estimated: January 2023 |

### 9 **PRESENTATION OF PROPOSALS**

Submissions are to consist of a short and comprehensive report that must provide the Market Theatre Foundation with sufficient information to make a sound and fair evaluation of the proposal as well as the experience, capability and financial standing of the applicant. The report should address the requirements in the proposal call document and **use the same item numbers as below** for the required sections of the report. The following information must be clearly spelt out:

**9.1** Firm background lists of **similar** (not all) co-sourced or outsourced Internal Audit clients (completed and/or current) including client name, contact person and their contact details.

**9.2** Details of directors and shareholders (and members in the case of close corporations). In the case of wholly owned subsidiaries details of the holding company must also be provided.

**9.3** Provide an organogram of the team of professionals to be involved on this project and note their designations. Attach detailed résumé's of said team of professionals. A company profile showing all members CV's is not acceptable in this regard but may be submitted in addition to the specific requirement above.

**9.4** A detailed statement of the applicant's approach and methodology.

**9.5** Applicants are required to submit detailed project management and implementation plan

9.6. The bidder must provide evidence in the form of a reference letter of completed audits in the Public Sector.

9.7. Applicants are required to submit detailed financial proposals based on the estimated hours on the pricing schedule.

**9.8** Tenderers must ensure that the final offer value is correctly carried over to the "OFFER" page (SBD 1). The value depicted on the offer page will be regarded as the tendered amount. **The "OFFER" page must be completed in full and signed.**

**9.9** The annexures to this RFP (Request for proposal) must be completed in full. If additional relevant information is to be included, attach same directly behind the page of the annexure to which the information applies (references in the RFP to other documentation attached in any other positions to that stipulated will **NOT** be considered).

**9.10** Note for joint ventures

- The items above are to be addressed and completed by **EACH** member of the joint venture.
- An agreement between all parties of the joint venture is to accompany the tender submission.
- A lead consultant is to be appointed and noted in the submission.
- BEE status is to be based on a profit-sharing ratio and is to be verified by independent auditors if the tender is successful. This will be for the tenderers cost.

Failure to comply with the requirements above will result in tenderers being negatively scored for responsiveness or disqualified for non-compliance.

**10 ASSESSMENT CRITERIA**

Submissions will be evaluated on the following criteria:

- Price - 80 points
- BEE - 20 points

**Functionality**

<b><u>Criteria</u></b>	<b><u>Weighting</u></b>		
<p><b><u>Previous Experience</u></b></p> <p>The bidder must provide evidence in the form of a reference letter of completed audits in the Public Sector, related to all the deliverables reflected below:            (Letters collectively must reflect standard services as per the list below) Non-Compliance will equal automatic disqualification.</p> <ul style="list-style-type: none"> <li>• Financial audits.</li> <li>• Compliance audits.</li> <li>• Operational audits.</li> <li>• Performance Review audits.</li> <li>• IT audits.</li> <li>• Risk management review.</li> <li>• Corporate Governance Review.</li> <li>• Quality assurance such as review of competitive bidding process.</li> </ul> <p>Evidence must be reference letters (with contactable references – letters not older than 5 years)</p> <ul style="list-style-type: none"> <li>• 5 and above reference letters of completed contracts = 30 points</li> <li>• 4 reference letters of completed contracts = 25 points</li> <li>• 3 reference letters of completed contracts = 20 points</li> <li>• 2 reference letters of completed contracts = 15 points</li> <li>• 1 reference letters of completed contracts = 10 points</li> <li>• Non-compliance with the minimum criteria = 0 points</li> </ul>	<b><u>30</u></b>		
<p><b><u>Capability:</u></b></p> <p>Bidder to provide abridged CVs of the proposed project team members that will service MTF, including the following</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;">           (The bidder to clearly stipulates position of each team member according to the below mentioned)            Engagement Director or Chief Audit Executive:           <ul style="list-style-type: none"> <li>• Minimum 10 years’ audit experience with a minimum 5 years as a team leader or manager = 10 points</li> <li>• Engagement director must provide proof valid registration with IIA or SAICA</li> </ul>           Non-compliance with the minimum criteria = 0 points         </td> <td style="width: 30%; padding: 5px; vertical-align: top;">           Engagement Partner /Director         </td> </tr> </table>	(The bidder to clearly stipulates position of each team member according to the below mentioned) Engagement Director or Chief Audit Executive: <ul style="list-style-type: none"> <li>• Minimum 10 years’ audit experience with a minimum 5 years as a team leader or manager = 10 points</li> <li>• Engagement director must provide proof valid registration with IIA or SAICA</li> </ul> Non-compliance with the minimum criteria = 0 points	Engagement Partner /Director	<b><u>30</u></b>
(The bidder to clearly stipulates position of each team member according to the below mentioned) Engagement Director or Chief Audit Executive: <ul style="list-style-type: none"> <li>• Minimum 10 years’ audit experience with a minimum 5 years as a team leader or manager = 10 points</li> <li>• Engagement director must provide proof valid registration with IIA or SAICA</li> </ul> Non-compliance with the minimum criteria = 0 points	Engagement Partner /Director		

<p>Project Team Leader or Manager:</p> <ul style="list-style-type: none"> <li>• Minimum 5 years' audit experience with a minimum 3 years as a team leader or manager = 10 points</li> </ul> <p>Team leader or Manager must provide valid proof of registration with IIA or SAICA</p> <p>Non-compliance with the minimum criteria = 0 points</p>	Project Leader	
<ul style="list-style-type: none"> <li>• The individual team members must each have a minimum of 2 years' experience in internal auditing = 10 points</li> </ul> <p>Non-compliance with the minimum criteria = 0 points</p>	Team Member	
<p><b><u>Methodology:</u></b></p> <p>The proposal must contain the details of the proposed approach and methodology in line with the scope of work.</p> <ul style="list-style-type: none"> <li>• Meet the requirements - 20</li> <li>• Partially meets the requirements - 10</li> <li>• Does not meet the requirements - 0</li> </ul>		<b><u>20</u></b>
<p><b><u>Project management and implementation plan:</u></b></p> <p>Project management and implementation plan indicating timelines and tasks, including the ability to meet deadlines</p> <ul style="list-style-type: none"> <li>• Bidder must allocate a project manager;</li> <li>• The proposal should contain a work plan showing tasks, timelines including project monitoring and reporting;</li> <li>• The project plan should cater for risk management, mitigation strategy and compliance requirements;</li> <li>• The project management plan should contain clear turnaround times.</li> </ul> <ul style="list-style-type: none"> <li>• Meet all the requirements - 20</li> <li>• Meet three of the four requirements – 15</li> <li>• Meets two (2) of the four (4) requirements - 10</li> <li>• Meets one (1) of the four (4) requirements - 5</li> <li>• Does not meet the requirements - 0</li> </ul>		<b><u>20</u></b>

**Functionality (100 points with a threshold of 70 points)**

The functionality assessment is based on:

**10.1 Previous Experience:**

The bidder must provide evidence in the form of a reference letter of completed audits in the Public Sector.

**10.2 Capability:**

Refers to the qualifications and previous relevant experience of the proposed team members that will service MTF'.

**10.3 Methodology:**

The proposal must contain the details of the proposed approach and methodology in line with the scope of work..

**10.4 Project management and implementation plan::**

Project management and implementation plan indicating timelines and tasks, including the ability to meet deadlines.

**Price and BEE Status**

The procedure for the evaluation of responsive tenders is Method 2 (Price and Preferences) having completed a technical evaluation.

The Preference Point System assigns a score to each tenderer based on the tender price and on the tenderer's B-BBEE status. These scores are combined to determine an overall score for the tender. The tender with the highest score will be considered for acceptance.

The Preference Point System will be applied as follows.

For tenders under a Rand value of R 50 000 000.00

- 80 points are assigned to price and functionality
- Up to 20 points are assigned to B-BBEE status

For tenders above R 50 000 000.00

- 90 points are assigned to price and functionality
- Up to 10 points are assigned to B-BBEE status

Points scored will be rounded off to the nearest 2 decimal places.

## **FORMULA FOR SCORING TENDER PRICE**

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

$$P_s = X [1 - \frac{(P_t - P_{min})}{P_t}]$$

**P min**

Where

**P<sub>s</sub>** = Points scored for comparative price of tender under consideration

**P<sub>t</sub>** = Comparative price of tender under consideration

**P<sub>min</sub>** = Comparative price of lowest acceptable tender

**X** = Points assigned to price

## **POINTS AWARDED FOR B-BBEE STATUS LEVEL (10 points)**

The points allocated to a tenderer will be in accordance with the **Preferential Procurement Regulations, 2017** published in GOVERNMENT GAZETTE, 20 January 2017.

The following table is applicable.

B-BBEE Status Level Of Contributor	Number of Points	
	Tenders up to R50 million	Tenders above R50 million
<b>1</b>	<b>20</b>	<b>10</b>
<b>2</b>	<b>18</b>	<b>9</b>
<b>3</b>	<b>16</b>	<b>8</b>
<b>4</b>	<b>12</b>	<b>5</b>
<b>5</b>	<b>8</b>	<b>4</b>
<b>6</b>	<b>6</b>	<b>3</b>
<b>7</b>	<b>4</b>	<b>2</b>
<b>8</b>	<b>2</b>	<b>1</b>
<b>Non-Compliant contributor</b>	<b>0</b>	<b>0</b>

Notes:

1. "B-BBEE status level of contributor" means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act (Act No.53 of 2003).
2. Tenderers must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating. Certificates issued by either verification agencies accredited by the South African Accreditation System (SANAS) or by registered auditors approved by the Independent Regulatory Board for Auditors (IRBA) are acceptable.
3. Bidders with annual total revenue of R5 million or less qualify as Exempted and must submit a certificate; issued by a registered auditor, accounting officer or an accredited verification agency.
4. The submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.
5. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
6. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate tender.
7. A person will not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for.
8. A person awarded a contract will not be permitted to sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned.

## TOTAL PREFERENCE POINTS

The total preference points for a tender are calculated with the formula

$PP = P_s + P_{bee}$  where

**PP** is the total number of preference points scored by the tenderer

**P<sub>s</sub>** is the points scored for the comparative price of the tenderer, and

**P<sub>bee</sub>** is the number of points awarded to the tenderer based on his certified B-BBEE status level

## 11 CLOSING DATE, TIME AND VENUE FOR SUBMISSIONS

The completed tender document shall be placed in a sealed envelope.

The words: **REQUEST FOR PROPOSAL FOR: INTERNAL AUDITING FOR THE MARKET THEATRE FOUNDATION - MTF 05/08/2022**, must be written / typed clearly on the envelope.

The envelope must be deposited in the tender box at:

The Market Square Building  
No 138 Lillian Ngoyi Street  
Newtown  
Johannesburg  
2001

**The Tender closes at 12h00 on (05 October 2022)**

A public read out will be done on the above closing date and time

**NO LATE TENDERS WILL BE ACCEPTED OR CONSIDERED.**

The Market Theatre Foundation's selection of qualifying tenders shall be in the Market Theatre Foundation's sole discretion and shall be final. The Market Theatre Foundation does not bind itself to accept any particular tender and no correspondence will be entered into.

The Market Theatre Foundation reserves the right to not appoint the lowest or any service provider.

Queries can be addressed in writing to: Vickey Pienaar at [vickeyp@markettheatre.co.za](mailto:vickeyp@markettheatre.co.za).