	Provision of Professional Assurance Services on NTCSA procurement transactions Scope of *Services*	**NTCSA RG&C**

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

THE PROVISION OF PROFESSIONAL ASSURANCE SERVICES ON NTCSA PROCUREMENT TRANSACTIONS

SCOPE OF *SERVICES*

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ABSTRACT

This document forms part of the New Engineering Contract, Professional Services Contract 3rd Edition.

The document defines the Scope of *services* required by the *Consultant* to perform a variety of services which include assurance and advice in respect of NTCSA.

Configuration Control

Document History

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A	21/08/2026	Busisiwe Mampane	Final

Document Approval

Action	Function	Designate	Name & Surname	Signature
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Document Retention Time

This document is a Quality Record and shall be retained in accordance with NTCSA Record Management Procedure.

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TABLES

DEFINITIONS

Term	Definition
Accepted Programme Activity *activity schedule* *Consultant* Contract Data *Employer* *key person* *period for retention* Scope *services* Time Charge	These terms are defined in the New Engineering Contract, Professional Services Contract, 3rd edition.

Term	Definition
Data Item	A document, drawing or set of data (on paper or electronic format).
Deliverable	A contractual deliverable in terms of the Scope of *services*
Milestone	A date on the Accepted Programme by which an identified group of Activities has to be completed.
Technical Review	A review by the *Employer* of Deliverables, submitted by the *Consultant* for Acceptance, as part of the *Employer's* Acceptance process.

1. INTRODUCTION

This Scope specifies the generic scope of *services* to be provided by external assurance service providers (referred hereto as *Consultant*) appointed by the *Employer* to perform non-statutory audit work, including assurance and advisory services, for NTCSA SOC Limited.

2. SCOPE

This document defines the Scope of *services* required from the *Consultant* to perform a variety of services which include assurance, probities and advice in respect of NTCSA.

3. EMPLOYER'S OBJECTIVE

The *Employer*'s objective is to appoint a panel of assurance providers that will benefit the entire business by:

- Ensuring quicker appointment of auditors or firms to address the needs of the business.
- Allowing auditors appointed on the panel to participate in competitive mini tenders for assurance work at NTCSA SOC Ltd using the PPPFA Preferential Point System (80/20).
- Ensuring suppliers appointed on the panel have the capacity, skills, experience and qualifications to perform the required services.
- Good governance in the appointment of consultants through the Panel Control Committee.
- Greater control of spend on the contract.

4. BACKGROUND

NTCSA SOC Ltd requires a panel of external assurance providers to perform non-statutory audit services, including advisory services.

Given the scale and complexity of the commercial transactions adjudicated by NTCSA's delegated approval authorities, independent proactive assurance and probity reviews are required for NTCSA procurement transactions.

Accordingly, the panel of non-statutory auditors will provide these services to NTCSA on an as-and-when-required basis.

4.1 Activities on tasks

The *services* described in this Scope are divided into Activities as identified in section 8.

4.2 Statement of Work

The *services* to be delivered are set at Task Order level and will vary based on the type of assurance service or advice required at the time.

The *Consultant* performs the prime activities stated in section 8.

The form of contract for the services is the NEC Professional Services contract with option G as the Secondary Option. The *Employer* will from time to time depending on services required from the panel request quotations from panel consultants. Request for Quotations will be issued to panel suppliers with defined scopes and deliverables. Once quotations are received, panel suppliers will be evaluated on their experience and expertise (Functionality) on the scope of services and the preferential point system in accordance with the PPPFA (80/20).

Functionality (scope) evaluation will be based on a technical evaluation threshold and all suppliers on the panel responding to Request for Quotations will be evaluated on their response to the technical scope requirements. Any supplier that meets the threshold will then be evaluated on the preferential point system, with the highest ranked supplier from the preferential point scoring being awarded the Task Order.

5. APPLICABLE DOCUMENTS

Applicable documents form an integral part of this document unless specifically otherwise stated.

6. STANDARDS, GUIDELINES, HANDBOOKS AND REGULATIONS

Document Title		Document Number	Revision
[1]	NTCSA/Eskom Procurement and Supply Chain Management Procedure (whichever is relevant)	32-1034 or applicable	Rev 5 and revisions thereafter
[2]	National Treasury Regulations and Instructions		
[3]	Public Finance Management Act,		
[4]	NTCSA's Delegation of Authority Framework.		
[5] [6]	Preferential Procurement Policy Framework Act		
[7]	BBBEE Act and regulations		
[8]	Preferential Procurement Regulations 2022		

7. SCOPE OF *SERVICES*

The panel service providers shall provide a variety of services which include assurance, probity checks and advice in respect of NTCSA. The services will include but not limited to:

a) Proactive reviews of the commercial tendering process for commercial transactions.

b) Probity reviews of the commercial tendering process for commercial transactions.

c) Adequacy and effectiveness of business processes, including governance, risk management and controls as well as co-sourcing of resources.

Since the scope of work will vary according to the different types of projects under review and the expertise required at the time, firms which are successfully appointed to serve on the panel of service providers will be required to submit a proposal of the work, demonstrating their necessary skills, experience (including human resources that will be available for the work).

The reviews on this panel exclude the Statutory Audit review work.

7.1 Allocation of work mini tender process during panel execution

During the panel execution phase, work will be allocated to panel members in accordance with the allocation methodology set out in the approved procurement strategy as agreed by the CFT.

8. PRIME ACTIVITY:

8.1 Description of the support for prime activity 1 – Proactive Assurance

The scope for Proactive assurance entails performance of compliance review activities for NTCSA transactions. Proactive assurance shall be carried out on procurement transactions to provide an independent opinion on compliance to the NTCSA/Eskom Procurement Policy & Procedure, Preferential Procurement Policy Framework Act (PPPFA) and other applicable legislation that the commercial processes are obligated to comply with.

8.1.1 Proactive assurance services for open tenders

The scope for proactive assurance services on open tenderers shall entail a review of compliance of the following against the procedure and other applicable legislation:

- Review the strategy document
- Review the completeness of Non-disclosure Agreement (NDAs) and CFT member appointment letters.
- Review Conflict of interest declarations and mitigation measures.
- Review the approval obtained by Dual or Triple Adjudication, at PTC, R1.5bn TC, ETC, IFC and any other conditions.
- Confirm alignment between procurement strategy, enquiry documentation, and contract terms
- Review the Request for RFP/RFQ, advert, etc. as well as the associated appendixes.
- Review of the approved Evaluation Criteria.
- Review of tender documents to be issued to the market, i.e. entire Enquiry Pack specific to the tender
- Review of Tender Clarification Meeting Minutes (where applicable).
- Review of the tender closing administration process
- Review of the tender evaluation process, in particular requirements for supplier qualification, in terms of basic compliance, technical or functional criteria, i.e., signed independent technical evaluation score sheets and alignment of scores allocation with the stipulated criteria.
- Review Price Evaluation Reports in relation to Price and Preference Points Scorecards
- Review the submission reports, i.e. Mandate, Feedback, etc, which are to serve at the Delegated approval authority
- Evaluate reputational risk indicators, including supplier history and market perception.
- Review of the award of bid and contracting process.

The evaluation scope for SHEQ, Supplier Financial analysis, Supplier Development localisation and Industrialisation shall be excluded from the *Consultant's* proactive assurance scope as these requirements are contractual.

8.1.2 Proactive assurance services for panel Task Orders

The scope for proactive assurance service for panel Task Orders shall entail the following:

- Review and assess alignment between the approved panel strategy and the RFQ for the Task Order.
- Recommend issuance of RFQ to the panel once the assessment is finalised and no issues are identified which may render the transaction irregular.
- Review the tender closing process and release of tender documents by the Tender Office.
- Review Commercial Evaluation report for basic compliance.
- Review Technical Assessment report for conclusions and recommendation to ensure suppliers are not irregularly disqualified.
- Review Price Evaluation Reports in relation to Price and Preference Points Scorecards
- Review Mandate to Negotiation/Conclude approval submission request for adjudication by Panel Control Committee (PCC).
- Identify early control weaknesses, recommend corrective actions, and verify implementation before award decision and produce final report for sign off by Middle Manager Procurement.
- Conduct of the recommended entities which should include political exposed persons in line with JSE requirement, if the firm has been blacklisted and any matter that might have a reputational risk to NTCSA.

Provide a final assurance report to Senior Manager: Audit for acceptance and presentation to the PCC.

The *Consultant's* review work shall confirm whether the procurement process or scope for review in relation to the transaction complies to the the 7 pillars of procurement, namely, Fairness; Transparency; Unbiased towards a predetermined outcome; Competitiveness; Cost Effectiveness; Compliant with relevant internal policies and applicable legislation/regulations and; free of conflicts of interest.

Communication during the proactive assurance process shall be conducted in accordance with manner described below:

- During the audit process, the service provider shall communicate any findings to the Middle/Senior Manager: Procurement responsible for the transaction.
- The Middle/Senior Manager: Procurement shall address all issues raised by the service provider before the proactive assurance report is finalised.
- Where an audit issue cannot be resolved between the service provider and the Middle/Senior Manager: Procurement, the General Manager: Auditing and the Senior/General Manager: Procurement shall be consulted within 24 hours.The consultation shall seek to resolve the issues raised by the service provider.

The *Consultant* shall in its work and as part of its final proactive assurance report independently apply the following audit ratings:

Rating	Rating description
1	Isolated/negligible instances of ineffectiveness in relation to internal controls tested (effectiveness testing). Gaps in internal controls have a negligible impact on the control environment (adequacy testing). Findings do not necessarily need to be formally remediated. Relative ease to remediate findings in terms of time, effort and cost.
2	Multiple immaterial instances of ineffectiveness in relation to internal controls tested (effectiveness testing). Gaps in internal controls have a minor/immaterial negative impact on the control environment (adequacy testing). Findings may require slightly more time, effort and cost to remediate. Findings must be remediated within 12 months.
3	Isolated or multiple material instances of ineffectiveness in relation to internal controls tested (effectiveness testing). Gaps in internal controls have a material negative impact on the control environment (adequacy testing). Findings are serious and significant time, effort and cost may be required to remediate. Findings must be remediated within 3-6 months.
4	Pervasive instances of ineffectiveness in relation to internal controls tested (effectiveness testing). Gaps in internal controls have a material pervasive impact on the control environment (adequacy testing). Findings are critical and significant time, effort and cost may be required to remediate. Findings must be remediated within 0-3 months.

Process rating classification

The following rating scale shall be used to rate the processes being reviewed:

Process Rating classification	
1	Effective control environment
2	Partially effective control environment
3	Ineffective control environment
4	Inadequate control environment

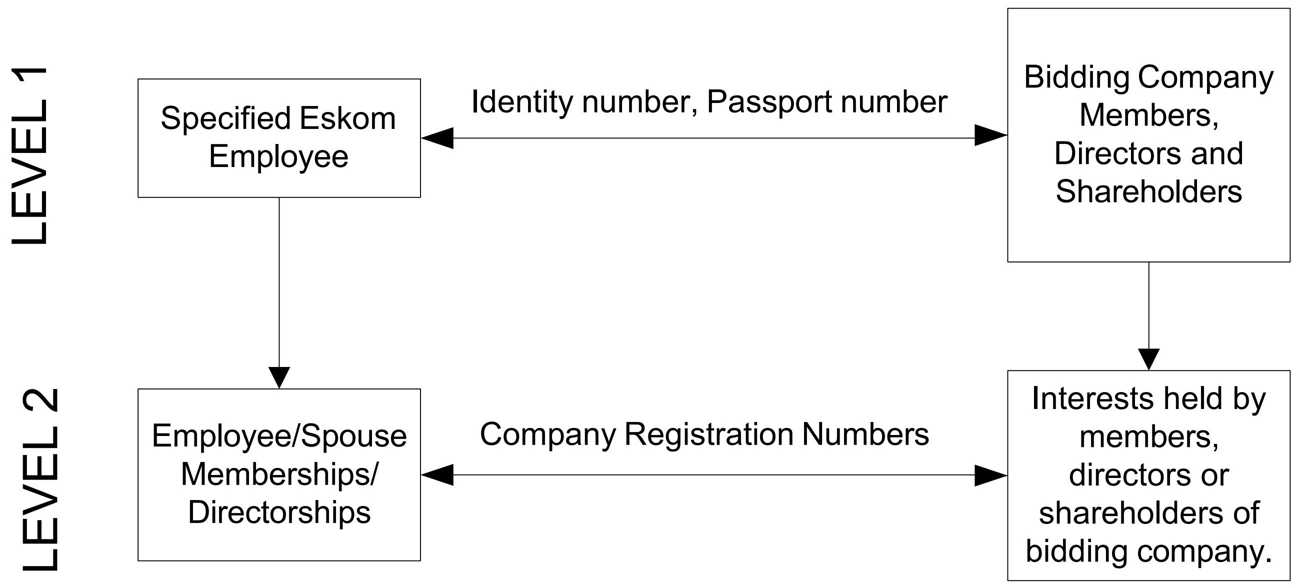
The *Consultant* in its report shall clearly distinguish between findings, observations, and housekeeping. Any procurement finding with a 3 or 4 rating shall be addressed by Procurement with the results of it being converted to a 1 or 2. No report should be submitted to a governance structure on proactive assurance with a rating of a 3 or 4.

8.1.2.1 Deliverables for the Support of *Prime Activity 1*

- Deliverables for the proactive assurance support is a report on the work done by the *Consultant* on a transaction, addressed to the Senior/General Manager: Procurement or Head of procurement for the transaction under evaluation.

8.1.3 Description of Prime Activity 2 - Probities

- The NTCSA Board Investment and Finance Committee requested that transactions adjudicated by Dual and Triple Adjudication, the PTCs, R1.5 billion Tender Committee and Exco Tender Committee be accompanied by an independent external probity review report. Probity reviews shall be performed on transactions to confirm that no conflicts of interest exist between the directors, members or shareholders of suppliers and the members or officials involved in NTCSA governance, approval or evaluation structures, including Board members, Investment and Finance Committee members and officials, Exco and Extended Exco members, Exco Tender Committee members and officials, Cross-Functional Team members, Commercial Team members, and their respective spouses or partners. These requirements shall also apply to panel service contracts/task orders valued at R300 million and above.
- The review shall be carried out on the cross functional team members and their spouses, commercial team responsible for the transaction and their spouse, and all persons involved in the transaction to be approved by the Delegated Approval Authority for which the probity review has been requested. The list of committee members and their spouses shall be issued by the NTCSA Secretariat directly to the *Consultant* and the results of the review shall form part of the probity review for the transaction.
- Probity checks are confined to Level 1 & 2 probities (graphic attached) and encompassed, amongst others, ascertaining and review of the following details:



8.1.3.1 Deliverables for *Prime Activity* 2

- The turnaround time for probity reviews and reporting by the service provide is 36 hours. A period of 48 hours will be allowed for transactions with more than ten (10) suppliers.
- Deliverables for the probity reviews support is a probity report addressed to the Senior Manager: Auditing with a summary of outcomes to be presented to the Chairperson of the relevant DAA.
- Probity checks/review report which confirms whether there is any potential or perceived conflict of interest that might exist between the directors, members or shareholders of suppliers and the members or officials involved in NTCSA governance, approval or evaluation structures, including Board members, Investment and Finance Committee members and officials, Exco and Extended Exco members, Exco Tender Committee members and officials, Cross-Functional Team members, Commercial Team members, and their respective spouses or partners.

8.1.4 Description of *Prime Activity 3* – Adequacy and effectiveness of business processes, including governance, risk management and controls

- The scope for *services* required under prime activity 3 shall be defined in the mini tenders issued to panel members.

8.1.4.1 Deliverable for of *Prime Activity 3*

- Deliverables for prime activity 3 is a report on the work done by the *Consultant* on a transaction, addressed to the requestor of the services.

8.1.5 Description of Prime Activity 4 – Co-sourcing

- The scope for *services* required under prime activity 3 shall be defined in the mini tenders issued to panel members

8.1.5.1 Deliverable for of *Prime Activity 4*

- Deliverables for prime activity 4 is a report on the work done by the *Consultant* on a transaction, addressed to the requestor of the services.

9. ASSOCIATED REQUIREMENTS AND ACTIVITIES

The *Consultant* will be required to deliver on proactive assurance requests as per agreed timelines with procurement. Non-conformance reports will be issued to the *Consultant* that delivers inferior assurance reviews. Where a *Consultant* has been issued more than Five (5) Non-Conformance Reports, the *Consultant* will be reported to the Supplier Review Committee where its fitness to be on the panel will be reviewed.

10. AUDIT PROCESS

Every proactive assurance or audit process shall be executed as follows:

- The *Consultant* shall receive a Task Order from the *Employer* with details of the scope for the services to be performed. The *Consultant* shall within one (1) day of receipt of the Task Order from the *Employer*, engage with the Middle Manager: Procurement responsible for the transaction. The *Consultant* shall in this engagement confirm its understanding of the audit scope and shall reduce this understanding in a communication to be signed off by both.
- The *Consultant* shall within two (2) days of receipt of the Task Order provide the Middle Manager: Procurement responsible for the transaction with the audit plan. The plan shall include details of deadlines, the period for compiling the report, review and approval of the report, and the day on which it will be tabled at the committee. The *Consultant* develops this programme in consultation with the Middle Manager: Procurement responsible for the transaction.
- The *Consultant* and its employees appointed for the *services* shall be available at all times for the work they are appointed for and shall ensure the services are delivered within the agreed timelines. All proactive assurance work shall be done at the *Employer's* premises. It should be in exceptional circumstances that any work that involves proactive assurance is done outside of the *Employer's* premises.
- No work outside of the approved Task Order scope should be performed by the *Consultant.* Any additional work required to be conducted by the *Consultant* by the *Employer* shall be subject to the NEC early warning and compensation events process. A modification to the Task Order must be processed and approval granted by the *Employer* before the *Consultant* can carry out additional work to the Task Order.
- The *Consultant* shall commit resources and the effort required on a Task Order unhindered. Underquoting with the objective of raising variation orders during the execution of the Task Order will be severely dealt with and subjected to the NTCSA Supplier Review Committee for the contract with the *Consultant* to be terminated and the *Consultant* blacklisted from doing business with NTCSA.

11. REVIEW AND ACCEPTANCE OF DELIVERABLES

Deliverables (refer to Note 2 at the end of paragraph 11) generally follow the process outlined in **Error! Reference source not found.**.

Table 1: Process for Review and Acceptance of Deliverables

Ref.*	Task	Responsibility
a	*Consultant* Prepares Deliverable and submits to its lead auditor for review	*Consultant*
b	Internal Review	*Consultant*
c	*Consultant* submits report to Procurement Senior Manager/Service Requestor for Review	*Employer*
d	Senior Manager: Procurement and *Consultant* review comment	*Employer/ Consultant*
e	Review Meeting	*Consultant* and *Employer*
f	*Consultant* updates Deliverables report	*Consultant*
g	Report is issued to Auditing for Acceptance	*Audit*
h	Report is submitted for Acceptance by the General Manager: Procurement	*Audit*
i	Report is presented to the Governance structures	*Audit and where required with the Consultant*

* Refer paragraphs below.

a. The *Consultant* prepares all Deliverables in accordance with his internal quality assurance procedures.
b. The *Consultant* reviews all Deliverables in accordance with his internal quality assurance procedures. The reviewer is qualified in the process used to generate the Deliverable, and is not the same individual who prepares the Deliverable, but may be from the same organization. Reviewers have access to pertinent background information upon which they may base their review.
c. The *Employer* reviews the Deliverables, using the requirements set in this document as a basis for review.
d. The *Employer* forwards review comments to the *Consultant* within one (1) working day after receipt of the Deliverables.
e. The *Employer* and *Consultant* hold a review meeting to discuss and clarify the *Employer's* review comments. The *Consultant* minutes the changes to be incorporated as agreed between the Parties, as well as follow-up action.
f. The *Consultant* updates/corrects the Deliverables as per the *Employer's* comments or as per the minutes of the review meeting.
g. An authorized person within the *Consultant's* organization approves the revised Deliverables and submitted the final report to Assurance and Forensic department.
h. Report is submitted to the Senior Manager/GM Procurement.
i. Report is presented to NTCSA Governance structures.

For Probity reviews, the NTCSA P&SCM function shall:

a. Contact the firm after the PO is awarded to ensure the dates/deadlines are clear.
b. Obtain the draft report and working papers for review.
c. Ensures completeness of the report.
   Checks the request form, excel spreadsheet of Execs details and the report to ensure all have been probed.
d. Finalise the report with the *Consultant*.
e. Share the report with Audit management, the secretariat, company secretary.
f. Share the results with the relevant Delegated Approval Authority Chairman.
g. Share the results with the Delegated Approval Authority.

12. REVIEW MEETINGS

a. The *Consultant* and the *Employer/End User* will review the Deliverables in meetings organized and scheduled by the *Employer/End User*.

b. The *Consultant* ensures that all follow-up actions are carried out within the time stipulated.

c. The *Employer/End User* may, in addition to the scheduled review meetings indicated, request additional reviews.

d. The *Employer* may involve independent third parties in any of the review meetings.

e. The schedule and the scope of planned review meetings are indicated in **Error! Reference source not found.**.

13. PROGRESS MEETINGS

The Service Requestor/End User and the *Consultant* hold regular meetings to review the progress made with respect to services on the Task Order.

The *Consultant* agrees the frequency and venue of the progress meetings with the Service Requestor.

The *Consultant* agrees a schedule for the progress meetings with the Service Requestor.

The *Consultant* keeps minutes of these meetings.

Note: Minutes of meetings will not form any basis of variations or amendments to the contract. The *Employer* communicates contract variations or amendments formally and separately to the *Consultant* by means of compensation events.

14. DELIVERABLES

Deliverables on Each Task Order placed with the *Consultant* is the report on the services required for the Task Order. This report is signed off by the *Consultant's* directors or senior partner who take accountability for the results of the work as required in the Task Order. The *Consultant* will ensure it is available for any requests by NTCSA for it to testify in any enquiry, investigation, or court proceedings on the work done and for which it was appointed.

15. RECEIVABLES

- Purchase order
- Task Order

16. DOCUMENTS AND DRAWINGS

The *Consultant* is responsible for obtaining the documents referenced in paragraph 6 eg Supply Chain Management Procedure 1034, PFMA, PPPFA, BBBEE.

17. INVOICING AND PAYMENT

All invoices shall be supported, where applicable, by a detailed breakdown of the manpower hours, and rates applicable to a Task Order. The Invoice shall be addressed to the Middle Manager: Procurement responsible for the service request.

The *Consultant* shall address the tax invoice to NTCSA Holdings SOC Limited and include on it the following information:

- Name and address of the Consultant and the Middle Manager: Procurement;
- The contract number and title;
- The Purchase order number
- *Contractor;s* VAT registration number;
- The *Employer*'s VAT registration number 4740101508;

Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT

The invoice shall be submitted with the signed off breakdown on manpower costs (Proactive Assurance work)