



TERMS OF REFERENCE

Appointment of a suitably qualified and experienced Service Provider

For

**The provision of Assets Management Services and review of the Annual
Financial statements for a period of 36 months**

1. Introduction

The QCTO is a Schedule 3A Public Entity that was established in accordance with the Skills Development Act, No. 97 of 1998 (as amended), and the National Qualifications Framework Act, No. 67 of 2008 (as amended), and came into operation on 1 April 2010.

The main functions of the QCTO, among others, include developing standards for occupational qualifications, such as trades and skills programmes; accrediting skills development providers and assessment centres; conducting assessments; ensuring quality assurance; and issuing certificates to qualifying learners.

2. Background

Section 51 of the PFMA assigns responsibility to the accounting authorities for the management, including the safeguarding and maintenance of the assets and maintenance of an effective, efficient and transparent system of financial and risk management and internal control.

One of the major requirements of good internal control is to safeguard assets. Best practice requires that assets be appropriately secured and maintained, used for the purposes intended, periodically accounted for, and properly disposed.

Section 55(1) of the PFMA states that the accounting authority for a public entity must keep full and proper records of the financial affairs of the public entity, prepare financial statements for each financial year in accordance with generally accepted accounting practice.

QCTO currently uses Sage Intacct as its financial system to keep the accurate financial records as required by the PFMA and uses CaseWare application for financial reporting to produce the monthly, quarterly, and Annual Financial Statements.

QCTO uses AMS 360 for the assets management.

QCTO has been obtaining unqualified audit opinion for the past five years and wishes to maintain that, therefore it will be of great importance that the quality of the annual financial statements produced is of an acceptable standard.

3. Objective

The objective of this request is to appoint a suitable service provider who is competent and skilled:

- To provide assistance with asset management services as and when required.
- To assist with the independent Quality Review of the Annual Financial Statements to ensure that it is GRAP compliant to avoid the similar findings which can lead to a regression in the audit opinion.

4. Scope of work

The scope shall cover the following key aspects:

4.1. Assets Management Services

4.1.1. Movable and Intangible Assets

- Prepare the moveable assets register that is compliant with GRAP standards, including determination of appropriate remaining useful life of assets.
- Assist with the capitalisation of internally generated intangible assets arising from development in accordance with GRAP 31
- Compilation of Work in Progress Register
- Verify all moveable assets and intangible assets, and propose adjustment where necessary (Write-offs, impairments, impairment reversals etc.)
- Compile report on physical verification
- Accurately update the asset conditions, location, custodians, etc. and prepare an inventory list for each custodian.
- Assessment of useful lives and prepare report on methodology
- Address issues raised by the auditors during the audit.

4.1.2. Immoveable Assets (Note QCTO has recently acquired office building that is not yet captured on the assets register)

- Prepare the immovable assets register together with its appendices as required by GRAP standards
- Unbundling/ Componentisation of infrastructure assets according to GRAP 17 and capturing of it into the assets Register.
- Submit the unbundling workings together with the assets register.
- Assist with the revaluation of land and building
- Perform 100% verification of immovable assets to ensure the existence and completeness of the assets register

4.2. Independent Quality Review of the Annual Financial Statements

4.2.1. Compliance with Financial Reporting Standards

- Ensure that all applicable GRAP Standards requirements, PFMA related rules and regulations have been complied with.
- Assess the appropriateness of accounting policies and verify compliance with accounting standards and regulatory requirements
- Provide recommendations for improvements in financial reporting processes, internal controls, or accounting policies, if applicable.

4.2.2. Accuracy & Completeness of Financial Information Supporting the Annual Financial Statements

- Review the accuracy, reliability and integrity of the financial information supporting the AFS.
- Ensure that the annual financial statements figures are supported by accurate reconciliations and other documents where applicable

4.2.3. Review the general ledger accounts reconciliation

4.2.4. Assessment of Significant Accounting Estimates & Judgments

4.2.5. Presentation & Disclosure Review

- Ensure financial statements are presented in a clear, logical, and professional manner
- Check compliance with formatting and disclosure requirements
- Assess whether additional disclosures are necessary for transparency.

5. Deliverables

5.1. Assets Management Service

A detailed report after each assignment must be submitted.

5.2. Annual Financial Statement Review

The following deliverables are expected from the service provider:

- Quality assurance Review report
- Customized GRAP AFS Review checklist – prepared by the service provider
- Follow up quality review report – confirming that what was raised has been addressed
- Presentation to the Audit & Risk Committee (ARC)
- A project close-out report should be compiled for discussion, presentation and submission to the Chief Financial Officer, EXCO and the Audit & Risk Committee (ARC) respectively.

6. Mandatory Submission requirement

The prospective service providers must submit a proposal that includes:

- Profile of the company, including a description of work previously undertaken and positive contactable references for similar work.
- Project Plan, which includes timeframes, resources to be allocated and dependencies, to demonstrate the service providers' understanding of requirements
- Overall pricing, including VAT, indicating all price elements and disbursements associated with the service to be rendered in line with the pricing schedule.

7. Evaluation Criteria

QCTO will evaluate all proposals in terms of the Preferential Procurement Regulation of 2022 and the Preferential Procurement Policy Framework Act. No. 5 of 2000 (PPPFA).

The proposals will be evaluated in two phases. The first phase is the technical requirements (functionality).

A bid will be disqualified if it fails to meet the minimum threshold of 70 points for functionality stipulated in this document.

Bidders that meet the minimum threshold of 70 points will be further evaluated on price and specific goals

7.1. Stage1: Technical/Functionality Evaluation

An evaluation panel will award points for functionality according to the criteria below. Proposals scoring less than 70 points for functionality will be disqualified and will not advance to the next stage.

No	Evaluation Criteria	Weight	Scoring Matrix
1.	<p>Company Experience and Capacity</p> <p>i. Company Profile</p> <p>The Service Provider must demonstrate a minimum of 5 years' experience in providing similar assignments in the public and private sector. A company profile of not more than 14 pages must be provided. At minimum, the company profile should include the background, nature of business (services), relevant experience of the bidder and organogram of the company.</p> <p>Proof indicating number of years can be in the form of a company profile supported by verifiable appointment letter or signed SLA's</p> <p>ii. Written reference letters</p> <p>Provide written relevant reference letters for services previously performed from contactable existing / recent clients (public / private sector) within the past 5 years.</p> <p>Reference letters should be presented in a form of a written letter on an official letterhead from clients where similar services have been provided, the date on the letters must not be older than two (2) years and must be signed.</p> <p>No appointment letters from clients will be accepted as reference letters.</p>	30 Points	<ul style="list-style-type: none"> Less than 5 years of experience = 00 Points From 5 years but less than 7 years of experience = 05 Points From 7 years but less than 10 years of experience = 10 Points From 10 years and above of experience = 15 Points <ul style="list-style-type: none"> One (1) or less reference letter = 00 Points Two (2) reference letters in assets Management services & One (1) reference letter in AFS review = 05 Points Four (4) references in Assets Management services and two (2) references letters in AFS review service = 10 Points Six (6) reference letters in Assets Management service and three (3) reference letters in AFS review service = 15 Points
2.	<p>Capacity and experience of the proposed team</p> <p>i. Project Team Leader</p> <p>The project leader must be a registered chartered accountant and must demonstrate the following:</p> <ul style="list-style-type: none"> At least five (5) years' post article experience in financial management, accounting, or auditing Strong working knowledge of Generally Recognized Accounting Practice (GRAP) standards, Proven experience in ensuring compliance with PFMA, Treasury Regulations, and other public sector frameworks <p><i>Bidder must provide both the following:</i></p> <ul style="list-style-type: none"> CV of Project Lead clearly indicate the number of years and work done on each client or employer Letter of Membership or Letter of Good Standing from SAICA 	45 Points	<ul style="list-style-type: none"> Less than 5 years' experience = 00 Points From 5 years but less than 10 years of relevant experience = 05 Points From 10 years but less than 15 years of experience = 10 Points From 15 year and above = 15 Points

	<p>ii. Accountants or support staff</p> <p>Experience (Minimum of three team member) Team members must demonstrate a minimum of 3 years' relevant experience in similar work done.</p> <p><i>Bidder must submit the CV of the team members which clearly indicates the number of years and work done on each client or employer</i></p> <p>Qualification Minimum of a relevant tertiary qualification in Accounting, Finance, Auditing, or Asset Management (e.g., BCom Accounting, Finance, or equivalent).</p> <p><i>Bidders must submit the following document:</i></p> <ul style="list-style-type: none"> • Certified copies of qualifications • Letter of membership of good standing from SAICA • Letter confirming completion of articles (sign off letter) in the case where articles have been completed. 		<ul style="list-style-type: none"> • Team member with less than 3 years' experience = 00 Points • Team member with between 3 years and 5 years relevant experience = 1.5 Points • Team member with between 5 years and 10 years relevant experience = 03 Points • Team member with above 10 years relevant experience = 05 Points • Team member with a bachelor's degree (NQF level 7) = 1.5 Points • Team member with a bachelor's degree (NQF level 7) + Completed articles = 03 Points • Team member who are registered Chartered Accountant = 05 Points
3.	<p>Projects Plan and Methodology</p> <p>The bidder must provide a details project implementation plan which includes but not limited to the following:</p> <ul style="list-style-type: none"> • how the Asset management service and AFS review will be undertaken • Resource's to be allocated • Turnaround times required to complete the AFS review and the assets management service • The proposed methodology and approach 	<p>25 Points</p>	<ul style="list-style-type: none"> • Plan approach with milestones and key activities, demonstrating clear understanding of the scope of work and the proposed approach will attain the desired outcomes = 25 Points • Plan approach lacking some activities to attain desired outcome = 10 Points • Plan approach lacking activities to attain desired outcome = 00 Points
Total Score		100 Points	

8. Pricing Instructions

In order to facilitate a transparent selection process that allows equal opportunity to all bidders. Proposals will be evaluated using the 80/20 formulae for Price and specific goals as per the 2022 PPPFA Regulations

All pricing must be in SA Rands and inclusive of all applicable taxes.

Pricing Schedule

Description	Quantity	Rate Per hour Year 1	Rate Per Hour Year 2	Rate Per Hour Year 3
Project Team Leader				
Project Team members				

VAT @15% (if applicable)

Total Including VAT
