10 AUGUST 2023

REQUEST FOR QUOTATIONS FOR CONDUCTING A FRAUD RISK ASSESSMENT

1. Purpose

1.1. The Railway Safety Regulator (RSR) requires the services of a suitable service provider to assist with conducting a fraud risk assessment for the RSR.

2. Considerations/background

2.1. Fraud represents a significant potential risk to the Railway Safety Regulator (RSR)'s assets and reputation. The RSR has a zero tolerance on fraudulent or corrupt activities, whether internal or external to it, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so. The provisions of Section 51 (1)(a)(i) of the Public Finance Management Act stipulates that the Accounting Officer / Authority is responsible for ensuring that the department, trading entity or constitutional Institution has and maintains effective, efficient and transparent system of financial and risk management and internal control

2.2. Furthermore, sections 3.2.1 and 27.2.1 of the Treasury Regulations require that risk assessment is conducted on regular basis and a risk management strategy, which includes a fraud prevention plan, be used to direct internal audit effort. The strategy must be clearly communicated to all employees to ensure that risk management is incorporated into the language and culture of the department or entity.

3. Scope of work / Specification

The RSR has 3 regions with the Head Office based in Gauteng Province. A fraud risk assessment should be conducted in the Head Office. The purpose of this fraud risk assessment is:

(i) To conduct a desktop evaluation of the fraud prevention plan and strategy to identify gaps and input those into the document/s.
(ii) To conduct interviews and anonymous surveys to determine possible areas of vulnerability for fraud and corruption.
(iii) To analyse the Internal and external audit reports to identify possible areas of fraud.
(iv) To define a practical fraud prevention plan.
(v) To identify and assess possible fraud risks

Specifications are as follows:

The Risk and Strategy department seeks to appoint a knowledgeable service provider registered with the Association of Certified Fraud Examiners (ACFE) to submit a proposal to conduct a fraud risk assessment for the organisation. The successful provider will be expected to perform the following activities in this project:
1. Do a desktop evaluation of the Fraud and Corruption Prevention Framework, Fraud and Corruption Prevention Plan to identify gaps and input those into the document/s
2. Conduct the fraud risk assessment to identify possible areas in the business where fraud and corruption could happen – doing a desk top evaluation, conducting interviews and conducting anonymous survey/s, (Interviews should include stakeholders such as a relevant sample based on the number of employees
3. Analyse the 2022-23 internal and external audit reports to identify areas of vulnerability of fraud. Reports will be made available to the successful service provider.
4. Identify and assess possible fraud risks and populate them on the organisational fraud risk register. Risk methodology will be provided to the successful service provider.
5. Prepare a report and recommendations on the fraud risk assessment. The structure of the report is to be as follows:
5.1. Introduction.
5.2. Objective and scope.

5.3. Executive summary
5.4. Highlighting significant findings.
5.5. Findings and recommendations
5.6. Conclusion.
6. Prepare an implementation plan for this project as per the deliverables in this document. Including an introduction of this fraud risk assessment to the organization to ensure buy in.
7. Provide the RSR with the following documentation during the project:
7.1. Minutes of entrance meeting, other meetings and exit meeting.
7.2. Risk Assessment documents.
7.3. Sampling methodology to conduct surveys and interviews.
7.4. Reporting during and at the close out of the project
7.5. Project plan to conduct the fraud risk assessment

4. MANDATORY DOCUMENT

4.1 Potential service provider or persons conducting training must be a member of the Association of Certified Fraud Examiner - Membership or accreditation with the Association of Certified Fraud Examiners to be submitted.

Failure to submit will results in immediate disqualification.

5. Administrative / Compliance Requirements

5.1. Registration on National Treasury CSD report
5.2. Comprehensive quotation (prices must be VAT Inclusive)
5.3. Tax Pin & Tax clearance certificate
5.4. Fully Completed and signed Standard Bidding Documents (SBD) forms documents
5.5. A valid BBBEE certificate or sworn affidavit (on sworn affidavit indicate the day, month and year of the financial year period ie, 31 March 2022)
5.6. Valid company registration documentation that are issued by Companies & Intellectual Property Commission (CIPC)
5.7. A Copy of the identity document of the company owner(s)

5.8. Valid Medical Certificate
5.9. Valid South African Social Security Agency (SASSA) registration **(Where applicable)**
5.10. Valid National Council for Persons with Physical Disability in South Africa registration (NCPPDSA)

*Failure to submit valid documents listed above (**No - 4.5, 4.6, 4.7, 4.8, 4.9, 4.10**) for proof of claim specific goals as stipulated in Section 6 below will lead to the service provider not being awarded points for specific goal.*

6. Functionality Criteria Evalution

EVALUATION CRITERIA

ITEM	FUNCTIONALITY CRITERIA	POINTS
Qualification and Experience	The service providers must demonstrate years of experience in conducting fraud risk assessment (Include signed reference letters in conducting fraud risk Assessment) The scoring of company experience will be as follows: • Four (4) relevant reference letters = **15 points** • Two (2) to three (3) relevant reference letters = **10 points** • One (1) relevant reference letters **= 5 points**	**15 points**
Project Manager/Facilitator years of Experience in conducting fraud risk assessment	(Include detailed CV, indicating the company name, position, period (e.g. Mar 2020 - Apr 2021) and all duties & responsibilities) ● 7 years and above = **15 Points** ● 4 to less than 7 years = **10 Points** ● 3 to less than 4 Years = **5** points	**15 points**

RAILWAY SAFETY REGULATOR
RAIL SAFETY ON THE RIGHT TRACK

Qualifications of the Project manager/ facilitator in Risk Management, Internal Audit, Forensics and related qualification. (Please attach certified copies)	(Please attach certified copies) NB: No points shall be awarded for a submitted project lead if both his/her CV and Certified qualification/s are not attached. ● Degree **= 15 points** ● Diploma = **10 points** ● Certificate **= 5 points**	**15 points**
Provide detailed project implementation plan and associated timeframes. (Include milestones, critical factors, roles, responsibilities and dependencies)	● Exceptionally defined **= 25 points** ● Moderately defined = **15 points** ● Poorly defined **= 5 points**	**25 points**
Project Manager or Facilitator certified as Fraud Examiner by ACFE (provide proof of the certificate).	● Submitted certificate **= 30 points** ● No certificate submitted = **0 points**	**30 points**

Service Providers must obtain a minimum of 70 points out of 100 points to be considered for price and specific goal points evaluation.

7. Evaluation 80/20 Preference Point System

7.1. The price quotations will be evaluated in accordance with the pre-scripts of the Preferential Procurement Policy Framework Act (PPPFA) and its regulations, in particular Preference Procurement Regulation 2022 which stipulate **80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million (inclusive of all applicable tax).**

7.2. **A maximum of 80 points for price and 20 points for the specific goal specified on the request for quotation may be awarded to a Service Provider.**

7.3. **Points for the specific goal will be awarded as specified on the table below:**

NO	SPECIFIC GOALS	PREFERENCE POINT (OUT OF 20)	PROOF OF CLAIM
1	An Exempt Micro Enterprises (EME) or Qualifying Small Enterprise (QSE) which is ***at least 51% owned by black people***	10	• Copy of the identity document of the owner(s) • A valid SANAS accredited BBBEE certificate or a valid BBEEE sworn affidavit (whichever is applicable)

			• Central Supplier Database (CSD) report • Valid company registration documentation that are issued by Companies & Intellectual Property Commission (CIPC)
2	An Exempt Micro Enterprises (EME) or Qualifying Small Enterprise (QSE) which is ***at least 51% owned by black women***	5	• Copy of the identity document of the owner(s) • A valid SANAS accredited BBBEE certificate or a valid BBEEE sworn affidavit (whichever is applicable) • Central Supplier Database (CSD) report • Valid company registration documentation that are issued by Companies & Intellectual Property Commission (CIPC)
3	An Exempt Micro Enterprises (EME) or Qualifying Small Enterprise (QSE) which is ***at least 51% owned by youth***	3	• Copy of the identity document of the owner(s) • A valid SANAS accredited BBBEE certificate or a valid BBEEE sworn affidavit (whichever is applicable) • Central Supplier Database (CSD) report

			• Valid company registration documentation that are issued by Companies & Intellectual Property Commission (CIPC)
4	An Exempt Micro Enterprises (EME) or Qualifying Small Enterprise (QSE) which is ***at least 51% owned by person(s) with disabilities***	2	• Copy of the identity document of the owner(s) • A valid SANAS accredited BBBEE certificate or a valid BBEEE sworn affidavit (whichever is applicable) • Central Supplier Database (CSD) report • Valid company registration documentation that are issued by Companies & Intellectual Property Commission (CIPC) • Valid Medical Certificate • Valid South African Social Security Agency (SASSA) registration **(Where applicable)** • Valid National Council for Persons with Physical Disability in South Africa registration (NCPPDSA)

7.4. **For Points to be awarded for the specific goals the proof for the claim for such goal must be submitted.**

8. Technical Enquiries

8.1. SCM: Lesego Dire

lesegod@rsr.org.za/087 284 6655

8.2. Project Manager: Mokgadi Chweu

mokgadi.chweu@rsr.org.za /087 284 6666

9. Closing Date and Time for responses to this request for quotation

9.1. The request will be **closed on 17 August 2023 at 15h00.** Responses may be emailed to lesegod@rsr.org.za