

TERMS OF REFERENCE FOR THE APPOINTMENT OF THE PANEL OF SERVICE PROVIDERS TO CONDUCT INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF MINERAL AND PETROLEUM RESOURCES (DMPR) FOR A PERIOD OF THIRTY-SIX (36) MONTHS

1. BACKGROUND AND MOTIVATION

In accordance with Section 38(1)(a)(ii) of the Public Finance Management Act, 1999, the Accounting Officer of a public institution must ensure the establishment of an Internal Audit function to assess governance, risk management, and internal controls. To support this requirement, the DMPR intends to appoint a panel of Internal Audit service providers for a period of 36 months to supplement existing audit resources and ensure comprehensive coverage of the audit universe.

Appointing a panel of service providers will help the Department improve turnaround times for both ad-hoc and planned audits, especially when internal capacity or specific skills are limited.

2. CONTRACT PERIOD

Once the technical evaluation is concluded. Successful service providers will be listed on the panel for a period of thirty-six (36) months. The DMPR will request quotations from this panel as and when services are required during this period. It should be noted that being appointed to the panel does not guarantee the award of a contract.

3. OBJECTIVE

To appoint a panel of service providers for the period of thirty-six (36) months to conduct Internal Audit assignments as required by the DMPR to augment the current capacity and skills.

4. SCOPE OF WORK

Successful service providers will be required to conduct the following types of Internal Audit Assignments:

- 4.1 Compliance Audits – to assess whether the Department complies with its own legislation and other applicable laws, regulations, policies, and procedures.
- 4.2 Financial Audits - to assess the completeness, accuracy and integrity of financial records, to ensure the reliability of Interim and Annual Financial Statements.
- 4.3 Operational Audits Operational audits to evaluate the adequacy, efficiency and effectiveness of internal controls for mitigating business risks to identify areas for improvement in productivity, resource utilization, and service delivery.
- 4.4 Information and Communications Technology (ICT) Audits - to examine the controls over IT infrastructure, applications, data, cyber security, system availability, and ICT governance.
- 4.5 Performance Audits - To examine whether programs or branches are achieving their intended goals by evaluating outcomes and reported performance information to evaluate the cost effectiveness of processes and their impact.

5. DELIVERABLES OR PROJECT OUTPUT AND OR OUTCOME

Successful bidders will be required to provide the following should they be appointed to provide services to the department:

- 5.1 Detailed audit working papers prepared in accordance with the Global Internal Auditing Standards (GIAS) as published by the Institute of Internal Auditors (IIA).
- 5.2 Working papers must be provided in an electronic format and remain the property of the DMPR.
- 5.3 A detailed Internal Audit Report with findings and implementable recommendations.
- 5.4 Successful bidders might be required to attend meetings with management, Audit Committee and any other relevant Authority in relation to audit assignments performed.

6. EVALUATION CRITERIA

This bid will be evaluated in four stages, i.e. mandatory requirements, functionality, administrative compliance and point scoring system.

6.1 Gate 01 – Mandatory requirements

The following requirements are mandatory. Bidders who do not comply with the mandatory requirements will be disqualified.

- i) The Team Leader and members of the Operational, Performance and Finance Audits must provide proof of membership of the Institute of Internal Auditors (IIA) and;
- ii) The Team Leader and members of the ICT Audit Team must provide proof of membership of the Information Systems and Controls Association (ISACA).

6.2 Gate 02 – Functionality

Bidders will be scored in terms of the functional requirements indicated in the table below. The corresponding points and weightings will be used to calculate the overall score a bidder has achieved. The minimum threshold for this bid is 70%. Bidders who score less than 70% will be disqualified. Only bidders that score 70% or more will be considered further.

No.	Evaluation criteria	Points	Weight
1.	Company Experience		25
	Bidders should have relevant experience in conducting all four types of internal audit assignments indicated. Testimonials/reference letters should be attached as proof of experience of on completed projects.	5 or more years = 5 points 4 years = 4 points 3 years = 3 2 years = 2 1 year = 1 point	25
2	Experience of Team Leader and Team Members		35

No.	Evaluation criteria	Points	Weight
2	Experience of Team Leader The team leaders must have a good understanding of at least one area of specialisation (compliance, Operational, Financial and ICT Audits) and experience in leading Internal Audit teams. (Detailed CV including years of experience and contactable references).	5 or more years= 5 points 4 years = 4 points 3 years= 3 2 years =2 1 year= 1 point	10
	Experience of Team Members Team members must have a good understanding of at least one area of specialisation (compliance, Operational, Financial and ICT Audits) years of experience. (Detailed CV including years of experience and contactable references).	5 or more years = 5 points 4 years = 4 points 3 years = 3 2 years =2 1 year= 1 point	10
	Qualification of Team Leaders Team leaders must possess relevant SAQA compliant qualifications including the Certified Internal Auditor Designation for Financial, Operational and Performance Audit and Certified Information Systems Auditor for ICT Audit.	NQF-level-9 or higher with CIA/CISA= 5 NQF-level-8 with CIA/CISA= 4 points NQF-level-7 With CIA/CIA= 3 points	10
	Qualification of Team Members Team members must possess relevant SAQA compliant qualification in the areas of Operational, Financial, Performance and ICT Audit.	NQF-level-8 or higher = 5 points NQF-level-7 = 4 points NQF-level-6 = 3 points NQF-level-5 = 2 Below NQF-level 4 = 1	5

No.	Evaluation criteria	Points	Weight
3	Project Plan and Methodology		40
	Detailed project plan with Audit Objectives, Scope of the Audit, Resources and Roles, Timeline and Milestone, Deliverables, and Quality Assurance.	Project Plan with all detailed elements included = 5 points Project Plan with 5 detailed elements = 4 points Project Plan with 4 detailed elements = 3 points Project Plan with 3 detailed elements = 2 points Project Plan with 2 or less elements = 1 point	10
(i)	Detailed Internal Audit Methodology covering the following: Planning (Preliminary Survey, Audit Planning Memorandum, Resource Planning, Engagement Meeting, Systems Description, Risk Assessment and Audit Program, and Review Planning.	Planning clearly lists all phases with activities = 5 points Planning lists all phases with 7 activities = 4 points Planning lists all phases with 6 activities = 3 points Planning lists all phases with 5 activities = 2 points Planning lists all phases with 4 or less activities = 1 points	10

No.	Evaluation criteria	Points	Weight
(ii)	Execution - Conduct entrance meeting with stakeholders, Perform fieldwork, Prepare Working Papers, Gather Evidence, Document findings accurately, write recommendations, obtain management action plans, and Review Execution.	Execution clearly lists all phases with activities = 5 points Execution lists all phases with 7 activities = 4 points Execution lists all phases with 6 activities = 3 points Execution lists all phases with 5 activities = points Execution lists all phases with 4 or less activities = 1 points	10
(iii)	Reporting and Quality Assurance Reviewed Draft Audit report with findings, recommendations, and conclusions, Conduct exit meeting to discuss findings, Finalize and distribute the report to relevant parties, Obtain up-to-date management comments and action plans, distribute the report to relevant stakeholders, Follow-up on implementation of agreed action plans.	Reporting and Quality clearly lists all phases with activities = 5 points Reporting and Quality lists all phases with 5 activities = 4 points Reporting and Quality lists all phases with 4 activities = 3 points Reporting and Quality lists all phases with 3 activities = points Reporting and Quality lists all phases with 2 or less activities = 1 points	10

Formula; $\frac{A}{B} \times 100 = C\%$

Where: A = Total score for the bid under consideration
 B = Maximum possible score
 C = Percentage score for the bid under consideration

6.3 Gate 03 - Administrative compliance

- (i) Compliance to the specification / Terms of Reference.
- (ii) Fully completed SBDs (Duly signed and dated) listed hereunder
 - SBD 1
 - SBD 4
 - SBD 6.1
- (iii) The following will be regarded as noncompliance.
 - Price amendments / other amendments without signature/initials.
 - Use of correctional fluid
 - Completion of the bid document in coloured ink other than black ink.

6.4 Gate 04 – Point Scoring System (Point scoring system will only be applicable during issuance of the request for quotation once a panel of service providers is appointed)

6.4.1 Bids will be evaluated on the 80/20 preference point system as outlined in the Preferential Procurement Regulation of 2022.

- Price points = 80
- Preferential points = 20

6.4.2 The bidder that scores the highest points in this phase will be awarded the tender.

6.4.3 Should more than one bidder score the same number of points; the award will be made to the bidder who scores more points on specific goals.

6.4.4 Should there be more than one bidder who score the same number of points

overall and same points on specific goals, the award will be made to the bidder who scored the highest points on functionality.

6.4.5 Should there be more than one bidder who score the same number of points in all aspects, the bid will be determined by the drawing of the lot.

6.4.6 The preferential points will be allocated in terms of the Departmental objectives on specific goals. Points allocation on specific goals are tabulated hereunder.

6.4.7 Bidders who do not submit proof (means of verification) of specific goals claimed will not qualify for preference points for specific goals.

Specific Goal	Number of points (80/20 Preference System)	Means of Verification
Enterprise owned by Black people	4	Identity documents and CIPC document
Enterprise owned by Women	4	Identity documents and CIPC document
Enterprise owned by Youth	4	Identity documents and CIPC document
Enterprise owned by disabled persons	4	Medical certification
Enterprise owned by SMMEs (QSE or EME)	4	B-BBEE certificate issued by a SANAS accredited Agency or DTIC, or sworn statement

7. REPORTING REQUIREMENTS

There are no reporting requirements currently because the TOR is for placement on the panel. However, once the panel has been set up, and a request for quotation is issued, successful bidders will be required to:

7.1 Attend an initial meeting with the DMPR officials to kick start the audit assignment and bi-weekly meetings to discuss progress until the completion of the project.

- 7.2 The venue for the progress meetings shall be: Building 2 C, Trevena Campus, C/o Mentjies and Francis Baard Street, Schoeman St, Sunnyside, 0007 only unless otherwise stated.
- 7.3 The representatives from the service providers' organisation shall be obliged to attend at their own costs. Where applicable, conference calls or virtual meetings shall be held to facilitate such meetings.
- 7.4 There may be a need for the Project Leader to present the Final Audit Report to the Accounting Officer or the Audit Committee if required.

8 ROLE AND RESPONSIBILITY

Should a service provider on the panel win an award of the contract to provide services, the following shall apply:

- 8.1 Service Level Agreement will be entered into with the successful service provider which will include, *inter alia*, obligations of the DMPR and the successful service provider.
- 8.2 The DMPR reserves the right to appoint more than one service provider for a project.
- 8.3 The successful service provider must develop detailed Project Plan and Schedule.
- 8.4 The successful service provider will be required to submit payment schedule providing projections for the work to be done commensurate with the period of award.
- 8.5 The service provider shall disclose all information in its proposal regarding any interests that may result in an actual or perceived conflict of interest.

9 CONFIDENTIALITY OF INFORMATION

- 9.1 The names of all the members of the service provider team must be disclosed for the prior approval of DMPR. Any changes, replacements and additions should be submitted for prior approval of DMPR.
- 9.2 All members will have to sign a Non-Disclosure Agreement before project commencement and may be required to undergo security screening and tests as the DMPR deems necessary.

10 PAYMENT (Payment terms will only be applicable during issuance of the request for quotation once a panel of service providers is appointed).

- 10.1 The Department will not make an upfront payment to a successful service provider. Payment will only be made in accordance with the delivery of service that will be agreed upon by both parties and upon receipt of an original invoice.
- 10.2 The payment will be made at the completion of the respective milestones (see section 4).
- 10.3 The service provider shall present the work done at the completion of the milestone, and the payment shall be processed when the completed work is agreed with the project team of the DMPR

11 TAX CLEARANCE CERTIFICATE

- 11.1 Bidders must ensure compliance with their tax obligations.
- 11.2 Bidders are required to submit their unique personal identification number (pin) issued by SARS to enable the state organ to view the taxpayer's profile and tax status.
- 11.3 Application for tax compliance status (TCS) or pin may also be made via e-filing. To use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.
- 11.4 A bidder may also submit a printed TCS together with the proposal.
- 11.5 In proposals where consortia / joint ventures / sub-contractors are involved, each party must submit separate proof of TCS / pin / CSD number.
- 11.6 Where no TCS is available, but the bidders are registered on the central supplier database (CSD), a CSD number must be provided

12 DOCUMENTATION

- 12.1 The successful service provider shall submit progress reports after completion of each investigation project. The progress reports shall be organised in a systematic way, with adequate indexing. The progress reports shall contain all documents produced including statements from interviews conducted.

12.2 The copyright in the end product will vest in DMPR and be presented with its logo, and it will be at liberty to use the report and results as deemed necessary.

13 COST / PRICING (Pricing will only be applicable during issuance of the request for quotation once a panel of service providers is appointed)

13.1 The service provider will be requested to provide a quoted proposal regarding the work to be undertaken.

13.2 Service providers are required to indicate a ceiling price based on the total estimated time for completion of all investigation process and including all expenses inclusive of all applicable taxes for the project. The total cost must be VAT inclusive and should be quoted in South African Rands (i.e. ZAR).

13.3 The service provider should provide hourly rates as prescribed by Department of Public Service and Administration (DPSA), Auditor- General (AG) or the body regulating the profession of the consultant.

13.4 The service Provider should provide (Subsistence & Travel (S&T)) rates that are in aligned to the National Treasury instruction note as follows:

- i) Hotel Accommodation – R1700 per night per person, including breakfast, dinner and parking.
- ii) Air travel must be restricted to economy class.
- iii) Claims for kilometres may not exceed the rates approved by the Automobile Association of South Africa.

14 CONDITIONS OF THE CONTRACT

14.1 The General Conditions of Contract must be accepted as these are issued by National Treasury and are non-negotiable.

14.2 The service provider will sign a confidentiality agreement regarding the protection of DMPR information that is not in the public domain.

14.3 No state information may be furnished/ communicated to the public or news media by the security service provider or any of their employees.

14.4 The service provider shall ensure that the contract is executed in line with the scope of work.

14.5 The service provider will be subjected to security screening by the State Security

Agency.

- 14.6 The DMPR reserves the right to verify the authenticity of the information submitted; any falsified information may result in the disqualification or cancellation of the contract.

16. BRIEFING SESSION DETAILS

- 16.1 Briefing session is not required.

17. CLOSING DATE

- 17.1 Proposals must be submitted on or before **06 February 2026** at **11:00** at the Department of Minerals and Petroleum Resources, at Building 2
C, Trevena Campus, C/o Mentjies and Francis Baard Street, Schoeman St,
Sunnyside, 0007

18 ENQUIRIES

- 18.1 All general enquiries relating to bid documents should be directed to:
Ms. Lucia Nkhethoa
Tel No: 012 444 3778
E-mail: Lucia.Nkhethoa@dmpr.gov.za
- 18.2 Technical enquiries can be directed to :
Mr Moses Mphuthi at Moses.mphuthi@dmpr.gov.za or Ms. Eve Lavhengwa at
Eve.Lavhengwa@dmpr.gov.za Tel No: 012 444 3216/3516