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 thirty-six 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 in order to conduct Internal Audit assignments as required by the DMPR to augment the current skills and capacity areas.

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 Audit to evaluate the adequacy, efficiency, and effectiveness of internal controls for mitigating business risks and 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 any other format that the department may require/demand. Furthermore, all the working papers will 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, the Audit Committee and any other relevant Authority in relation to audit assignments performed.

6. EVALUATION CRITERIA

This bid will be evaluated in three (3) stages, i.e., mandatory requirements, functionality and administrative compliance

6.1 Gate 01 – Mandatory requirements

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

i) For the Operational, Performance and Financial Audit teams, each proposed Team Leader and Team Member must submit the following mandatory documents: Failure to submit both forms of proof for each proposed individual will result in disqualification.

   a. Each member, including the Team Leader, must provide proof of current/active individual annual membership certificate issued by the Institute of Internal Auditors South Africa (IIA SA), valid at the closing date of the bid. No other form of proof of IIA SA membership will be accepted.

   b. For the Team Leader: a Certified Internal Auditor (CIA) certification issued by the Institute of Internal Auditors (IIA), showing an actively verified certification status and valid at the closing date of the bid. No other form of proof of CIA certification status will be accepted.

ii) The Team Leader and Team Members of the proposed ICT Team Leader and ICT Team Members must submit the mandatory documents specified below. Failure to submit the applicable mandatory documents for each proposed individual will result in disqualification.

   a. Each member, including the Team Leader including the Team leader must provide proof of a current/active individual annual membership certificate issued by the Information Systems Audit and Control Association (ISACA), valid at the closing date of the bid. No other form of proof of ISACA membership will be accepted.

   b. For the ICT Team Leader only: provide proof of Certified Information Systems Auditor (CISA) certification issued by ISACA, showing an actively verified certification status and valid at the closing date of the bid. No other form of proof of CISA certification status will be accepted.

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 who score 70% or more will be considered further.

No.	*Evaluation criteria*	*Points*	*Weight*
1.	**Company Experience**		**25**
	Bidders should have conducted projects across all five (5) types of internal audit assignments indicated, supported by relevant Testimonials/reference letters from contactable references.	5 projects = **5 points** 4 projects = **4 points** 3 projects = **3 points** 2 projects =**2 points** 1 project = **1 point** Less than 1 project = **0 points**	**25**
2	**Experience of Team Leaders and Team Members**		**35**
2	**Experience of Team Leader** **Experience of Team Leader (operational, financial and performance audit)** The team leaders must have relevant experience across all areas of specialisation in leading audit teams, and the Team Leader for ICT should have relevant experience leading ICT Audits. **(Detailed CV including years of experience and contactable references**).	5 years = **5 points** 4 years = **4 points** 3 years = **3 points** 2 years = **2 points** 1 year = **1 point** Less than 1 year / no relevant evidence submitted = **0 points**	**10**

No.	*Evaluation criteria*	*Points*	*Weight*
	Experience of Team Members (operational, finance and performance, ICT Audit) Team members must have relevant experience in at least one area of specialisation (compliance, Operational, Financial) with the overall team experience covering all disciplines. **(Detailed CV including years of experience and contactable references).**	5 years = **5 points** 4 years = **4 points** 3 years = **3 points** 2 years = **2 points** 1 year = **1 point** Less than 1 year / no relevant evidence submitted = **0 points**	**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. **NB: Copies of certificates of Qualifications to be attached to the technical proposal.**	Relevant Honours/Postgraduate or higher with CIA or CISA = **5 points** Bachelor's Degree/Advanced Diploma and CIA/CISA = **4 points** Honours/ post graduate diploma without CIA/CISA= **3 points** Bachelor's Degree/ Advance Diploma without CIA/CISA = **2 points** National Diploma = **1point**	**10**

No.	*Evaluation criteria*	*Points*	*Weight*
		Below National Diploma = **0 points**	
	Qualification of Team Members Team members must possess relevant SAQA-compliant qualifications in the areas of Operational, Financial, Performance, and ICT Audit. NB: **Copies of certificates of Qualifications to be attached to the technical proposal.**	Honours Degree/postgraduate Diploma and above with CIA/CISA= **5** points Bachelor's Degree or Advanced Diploma with CIA/CISA = **4 points** Bachelor's Degree or Advanced Diploma no CIA/CISA= **3 points** National Diploma = **2 points** Higher Certificate = **1point** Matric or no relevant qualifications = **0 points**	**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 Milestones, Deliverables, and Quality Assurance.	Project Plan with all detailed elements included = **5 points** Project Plan with five (5) detailed elements =**4 points** Project Plan with four (4) detailed elements = **3 points** Project Plan with three (3) detailed elements =**2 points** Project Plan with two (2) elements =**1 point** Less than 2 elements = **0 points**	**10**

No.	*Evaluation criteria*	*Points*	*Weight*
(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 seven (7) activities = **4 points** Planning lists all phases with six (6) activities = **3 points** Planning lists all phases with five (5) activities = **2 points** Planning lists all phases with four (4) activities = 1 **point** Less than 4 activities = **0 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 seven (7) activities = **4 points** Execution lists all phases with six (6) activities = **3 points** Execution lists all phases with five (5) activities = **2 points** Execution lists all phases with four (4) activities = 1 **point** Less than 4 phases **=0 points**	**10**

No.	*Evaluation criteria*	*Points*	*Weight*
(iii)	**Reporting and Quality Assurance -** Review the draft audit report with findings, recommendations, and conclusions; conduct an 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; and 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 five (5) activities = **4 points** Reporting and Quality lists all phases with four (4) activities = **3 points** Reporting and Quality lists all phases with three (3) activities = **2 points** Reporting and Quality lists all phases with two (2) activities = 1 **point** or less than two (2) activities = **0 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 with 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 non-compliance.

- Price amendments / other amendments without signature/initials.
- Use of correction fluid
- Completion of the bid document in coloured ink other than black ink.

(iv) Bidders must attach company profile to the technical proposal.

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 scores the same number of points overall and the 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 scores the same number of points in all aspects, the bid will be determined by the drawing of lots.

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

7.1 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:

7.1.1 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.

7.1.2 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.

7.1.3 The representatives from the service providers' organisation shall be obliged to attend at their own cost. Where applicable, conference calls or virtual meetings shall be held to facilitate such meetings.

7.1.4 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

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

8.1.1 A 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.

8.1.2 The DMPR reserves the right to appoint more than one service provider for a project.

8.1.3 The successful service provider must develop a detailed Project Plan and Schedule.

8.1.4 The successful service provider will be required to submit a payment schedule providing projections for the work to be done commensurate with the period of award.

8.1.5 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 after the respective milestones (see section 4).

10.3 The service provider shall present the work done after 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 audit project. The progress reports should be organized in a systematic way, with adequate indexing. The progress reports shall contain all documents produced, including all working papers and supporting evidence.

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 the entire 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 the Department of Public Service and Administration (DPSA), the 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 aligned with 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 **20 November 2026** at **11:00** online e-tender submission.

18 ENQUIRIES

18.1 All general enquiries relating to bid documents should be directed to:

Mr. Tebogo Katjeni/ Ms. Lucia Nkhethoa

Tel No: (012) 444 3197/ 012 444 3778

E-mail: Tebogo.Katjeni@dmpr.gov.za / 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