

TERMS OF REFERENCE

Appointment of a Professional Service Provider to Validate, Investigate, Reconstruct and Support the Resolution of Irregular Expenditure Disclosed by Department of Agriculture & Rural Development for the Period 2015/2016 to 2025/2026

Department	Department of Agriculture & Rural Development
Document Type	Terms of Reference / Specification

1. Background

The Department of Agriculture & Rural Development has disclosed irregular expenditure in its annual financial statements over a number of financial years. These disclosed matters require validation, investigation support, reconstruction of supporting records, status verification, and recommendations on the appropriate way forward in line with the PFMA and applicable Treasury prescripts.

The Department therefore seeks to appoint a suitably qualified and experienced professional service provider to assist with the validation, investigation, reconstruction, analysis and support for the resolution of irregular expenditure disclosed for the financial years **2015/2016 to 2025/2026**.

2. Purpose

The purpose of this terms of references is to appoint a service provider who will assist the Department to:

- validate irregular expenditure disclosed in the financial statements from financial year 2015/2016 to 2025/2026
- reconstruct and regularise supporting records and case files;
- investigate and analyse disclosed matters;
- support the Department with appropriate resolution steps in line with applicable prescripts;
- update and align records, schedules and supporting documentation; and
- provide management with recommendations and supporting reports.

3. Scope of Work

3.1 Validation and reconstruction

- Review all irregular expenditure disclosed by the Department from 2015/2016 to 2025/2026.
- Reconcile disclosed balances to annual financial statements, prior working papers, registers, SCM records, audit information and supporting documentation.
- Identify duplicate, overlapping, unsupported or fragmented cases.
- Reconstruct case files and supporting evidence where required.

3.2 Investigation and analysis

- Investigate disclosed matters and analyse supporting records.
- Identify the nature of the transgression, relevant facts, root causes and responsible officials where applicable.
- Assess records and information relevant to the appropriate treatment of each matter.
- Provide recommendations on the way forward for each case.

3.3 Resolution support

- Assist the Department with preparation of supporting schedules and submissions for the appropriate treatment of matters.
- Support processes relating to condonation, removal, write-off, disciplinary action, recovery and other relevant actions where applicable.
- Prepare case-based recommendations and supporting memoranda.

3.4 Registers and reporting

- Update and/or reconstruct the irregular expenditure checklist.
- Update and/or reconstruct the irregular expenditure lead schedule.
- Align case files, schedules and supporting records to disclosed balances.
- Prepare case status reports, management reports and other required outputs.

4. Deliverables

The deliverables shall include, at minimum:

- inception report and project plan;
- validated irregular expenditure population for 2015/2016 to 2025/2026;
- reconstructed case files and supporting evidence packs;
- investigation and analysis reports;
- updated irregular expenditure checklist;
- updated irregular expenditure lead schedule;
- recommendations and supporting memoranda on the treatment of matters;
- management report with case status and recommended actions; and
- final report with findings, recommendations and close-out summary.

5. Evaluation Criteria

The bid will be evaluated in three stages, administrative and mandatory requirements, functionality requirements, and price and specific goals. Only bidders who meet all mandatory requirements will be evaluated for functionality.

Bidders must score a minimum of 70 points out of 100 for functionality in order to proceed to the next stage of evaluation on price and specific goals.

5.1 Administrative requirements

- Proof of registration on the Central Supplier Database (CSD)
- Valid tax compliance status / tax PIN
- CIPC registration documents
- Fully completed and signed standard bidding documents (SBDs) and declarations
- Proof of authority for the signatory to sign on behalf of the bidder

5.2 Mandatory requirements

- The bidder must be a SAICA-registered firm
- The bidder must have a Certified Fraud Examiner (CFE) who is also a Chartered Accountant (South Africa) as part of the proposed team
- Proof of valid SAICA firm registration must be submitted
- Proof of valid CA(SA) membership and CFE certification must be submitted

NB: Failure to meet the mandatory requirements will result in disqualification and the bidder will not be evaluated further.

5.3 Functionality Evaluation Criteria

Experience of the bidder

Reference Letters

EVALUATION CRITERION	VERIFICATION METHOD	POINTS
Reference Letters	Three signed reference letters for similar assignments completed indicating the type of assignment completed, and the assignment period in the public sector environment. Reference letters must be on the letterhead of the company providing a reference	20
Three relevant reference letters	Attach 3 signed reference letters for similar assignments	20 points
Two relevant reference letters	Attach 2 signed reference letters for similar assignments	10 points
One relevant reference letter	Attach 1 signed reference letter for similar assignments	5 points
No relevant reference letters	No signed relevant reference letter attached	0 points

Experience of key personnel

EVALUATION CRITERION	VERIFICATION METHOD	POINTS
Team Profile - Auditor who is a registered CA(SA)	CVs and certified copies of qualifications / professional registrations to be attached	30
Certification and qualifications	Certified copy of CFE certification and CA(SA) proof must be attached	
Public sector auditing experience in PFMA department who is a CA(SA) with 15 years' experience	CV showing 15 years' experience as auditor in PFMA departments, plus CA(SA) proof	20 points
Public sector experienced auditor in PFMA department who is a CA(SA) with 10 years' experience	CV showing 10 years' experience as auditor in PFMA departments, plus CA(SA) proof	10 points
Public sector experienced auditor in PFMA department who is a CA(SA) with less than 10 years' experience	CV attached but less than 10 years' relevant experience	0 points
Team Profile - Investigator	CVs and certified copies of qualifications / professional registrations to be attached	10
Investigator with BCom Honours and 10 years' public sector experience as auditor in PFMA departments	Certified copy of BCom Honours and CV showing 10 years' relevant experience	10 points
Investigator with BCom Honours and 5 years' public sector experience as auditor in PFMA departments	Certified copy of BCom Honours and CV showing 5 years' relevant experience	5 points
Investigator with BCom Honours and less than 5 years' public sector experience	CV attached but less than 5 years' relevant experience	0 points

Methodology

EVALUATION CRITERION	VERIFICATION METHOD	POINTS
Methodology	Detailed methodology and approach to be attached	50
Excellent methodology demonstrating a clear and thorough understanding of irregular expenditure and a practical approach to the assignment	Detailed methodology attached	50 points
Good methodology demonstrating a sound understanding and workable approach	Detailed methodology attached	35 points
Fair methodology demonstrating limited understanding and partial approach	Detailed methodology attached	20 points
Poor / inadequate methodology	Inadequate or no meaningful methodology attached	0 points

Functionality Summary

CRITERION	POINTS
Reference Letters	20
Team Profile	30
Methodology	50
Total	100
Minimum qualifying score: 70 points	

NB: failure to meet the minimum qualifying functionality evaluation score of 70 points will result in not being evaluated on price and specific goals.

6. Price and specific goals evaluation

Evaluation	Points
Price	80
Specific goals	20

Specific goal	Ownership	Points	Evidence
Persons historically disadvantaged on the basis of race	At least 51% black ownership	2	CSD report/BBBEE certificate/sworn affidavit
Persons historically disadvantaged on the basis of disability	At least 51% owned by people living with disabilities	10	Medical certificate confirming a disability
Persons historically disadvantaged on the basis of gender	At least 51% women ownership	5	Identity document / CSD report
Persons who are youth	At least 51% youth ownership	3	Identity document / CSD report