NSG/BID/03/2021/22

REQUEST FOR PROPSAL:

PROVISIONING OF AN INTERNAL AUDIT SERVICE FOR THE NATIONAL SCHOOL OF GOVERNMENT (NSG)

3 YEAR CONTRACT

BIDDING DOCUMENT

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SBD 9	Certificate of Independent Bid Declaration
GCC	General Conditions of Contract
RFP	Request for Proposal and Terms of Reference.
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ANNEXURE A	Evaluation Criteria
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	Three Year Coverage Plan 2021/22 to 2023/24

Advertising Date: 29 October 2021

Closing Date: 19 November 2021

Closing Time: 11:00

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE *(NAME OF DEPARTMENT/ PUBLIC ENTITY)*					
BID NUMBER:	NSG/BID/03/2021/2022	CLOSING DATE:	19 NOVEMBER 2021	CLOSING TIME:	11:00
DESCRIPTION	RFP: PROVISIONING OF INTENAL AUDIT SERVICES FOR THE NATIONAL SCHOOL OF GOVERNMENT – 3 YEAR CONTRACT				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT ***(STREET ADDRESS)***					
National School of Government					
ZK Matthews Building					
70 Meintjies Street					
Sunnyside, PRETORIA					

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON	**Anet de Beer**	CONTACT PERSON	**Takalani Madzole**
TELEPHONE NUMBER	**n/a**	TELEPHONE NUMBER	**n/a**
FACSIMILE NUMBER	**n/a**	FACSIMILE NUMBER	**n/a**
E-MAIL ADDRESS	Annetha.debeer@thensg.gov.za	E-MAIL ADDRESS	Takanani.madzole@thensg.gov.za

SUPPLIER INFORMATION				
NAME OF BIDDER				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		**OR** CENTRAL SUPPLIER DATABASE No:	MAAA

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] ☐ Yes ☐ No

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER PART B:3]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

PART B
TERMS AND CONDITIONS FOR BIDDING

1.	**BID SUBMISSION:**
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**
2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

PRICING SCHEDULE
(Professional Services)

NSG – INTERNAL AUDIT SERVICES

NAME OF BIDDER: .....BID NO.: **NSG/BID/03/2021/2022**

CLOSING TIME 11:00 CLOSING DATE 19 NOVEMBER 2021

OFFER TO BE VALID FOR **120** DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
1.	The accompanying information must be used for the formulation of proposals.	
2.	Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.	R.....
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)	
4.	PERSON AND POSITION	HOURLY RATE / DAILY RATE
	----------	R---------- / ----------
	----------	R---------- / ----------
	----------	R---------- / ----------
	----------	R---------- / ----------
	----------	R---------- / ----------
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT	
		R---------- ---------- days
		R---------- ---------- days
		R---------- ---------- days
		R---------- ---------- days
5.1	Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.	

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
----------	.....	.....	R.....
----------	.....	.....	R.....
----------..	.....	.....	R.....
----------..	.....	.....	R.....

TOTAL: R.....

** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

Name of Bidder: .....

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
----------	.....	.....	R.....
----------	.....	.....	R.....
----------	.....	.....	R.....
----------	.....	.....	R.....

TOTAL: R.....

6. Period required for commencement with project after acceptance of bid .....

7. Estimated man-days for completion of project .....

8. Are the rates quoted firm for the full period of contract? *YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index. .....

.....

.....

.....

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

The NSG:

A de Beer
Annetha.debeer@thensg.gov.za

Or for technical information –

Takalani Madzole

Takalani.Madzole@thensg.gov.za

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state[1], or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

   - the bidder is employed by the state; and/or

   - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative: .....

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder[2], member): .....

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: .....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

[1] "State" means –
(a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(b) any municipality or municipal entity;
(c) provincial legislature;
(d) national Assembly or the national Council of provinces; or
(e) Parliament.

[2] "Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: .....
Name of state institution at which you or the person connected to the bidder is employed : .....
Position occupied in the state institution: .....

Any other particulars:
.....
.....
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attach proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....
.....
.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:
.....
.....
.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.9.1 If so, furnish particulars.
.....
.....

.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES/NO**

2.10.1 If so, furnish particulars.

.....
.....
.....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? **YES/NO**

2.11.1 If so, furnish particulars:

.....
.....
.....

3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

4 DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	.....
Signature	Date
.....	.....
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

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1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) "EME" means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(f) **"functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.

(g) **"prices"** includes all applicable taxes less all unconditional discounts;

(h) **"proof of B-BBEE status level of contributor"** means:

1) B-BBEE Status level certificate issued by an authorized body or person;

2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . = ...(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES		NO	

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....%
ii) The name of the sub-contractor.....
iii) The B-BBEE status level of the sub-contractor.....
iv) Whether the sub-contractor is an EME or QSE
(Tick applicable box)

YES		NO	

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	**EME** √	**QSE** √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....
.....
.....
.....
.....

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[*TICK APPLICABLE BOX*]

8.7 Total number of years the company/firm has been in business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a

fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

WITNESSES 1. ..... 2.	..... SIGNATURE(S) OF BIDDERS(S) DATE: ..... ADDRESS ....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1 This Standard Bidding Document must form part of all bids invited.

2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-

a. abused the institution's supply chain management system;
b. committed fraud or any other improper conduct in relation to such system; or
c. failed to perform on any previous contract.

4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? **(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied).** The Database of Restricted Suppliers now resides on the National Treasury's website(**www.treasury.gov.za**) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)..... CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	.....
Signature	**Date**
.....	.....
Position	**Name of Bidder**

SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids[1] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

[1] **Includes price quotations, advertised competitive bids, limited bids and proposals.**

[2] **Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.**

SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
    (a) prices;
    (b) geographical area where product or service will be rendered (market allocation)
    (c) methods, factors or formulas used to calculate prices;
    (d) the intention or decision to submit or not to submit, a bid;
    (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
    (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

[3] **Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....	.....
Signature	Date
.....	.....
Position	Name of Bidder

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

REQUEST FOR PROPOSAL FOR THE PROVISION OF INTERNAL AUDIT SERVICES FOR THE NATIONAL SCHOOL OF GOVERNMENT (NSG) FOR A PERIOD OF 3 (THREE) YEARS

NSG/BID/03/2021/2022

Date issued:

Closing date and time:

Bid Validity Period: 120 days

TENDER BOX ADDRESS:
ZK Matthews Building
70 Meintjies Street
Trevenna / Sunnyside
Pretoria

NOTE TO BIDDER:

ONLY BIDS FROM EME AND QSE SUPPLIERS AT BBBEE CONTRIBUTION LEVEL 1 TO 3 WILL BE ACCEPTED.

1 TERMS OF REFERENCE: NSG/BID/03/2021/2022

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF AN INTERNAL AUDIT SERVICE FOR A PERIOD OF THREE (3 YEARS)

1. OVERVIEW OF THE NATIONAL SCHOOL OF GOVERNMENT (NSG)

The NSG is a government department within the portfolio of the Ministry for Public Service and Administration. The NSG is the primary vehicle through which government is addressing capacity and skills development needs of public servants at all employment levels. In terms of its capacity building role, the NSG is a key player in contributing to the developmental agenda of government, as well as transformation and service delivery in the public service with a vision of building an ethical and capable public sector in service of the people. More information about the NSG can be obtained at www.thensg.gov.za

The NSG is committed to ensure a high performance working environment and quality of work life by, amongst overs, providing an internal auditing service to support the Accounting Officer and to achieve organisational objectives in accordance to The Public Finance Management Act, No 1 of 1999, as amended, requires the establishment of an effective internal audit function under the control and direction of an Audit Committee (Section 51(1)a)(ii)). The NSG wishes to strengthen its Internal Audit function by establishing in-house Internal Audit capacity, whilst also co-outsourcing this function.

2. PURPOSE OF THE REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential bidders for the rendering of internal audit services to the NSG.

This RFP document details and incorporates the tasks and responsibilities required by the NSG for the rendering of internal audit services to the NSG.

This RFP does not constitute an offer to do business with the NSG, but merely serves as an invitation to bidder(s) to facilitate a requirements-based decision process.

3. SCOPE OF THE TERMS OF REFERENCE

The Terms of Reference (ToR) are intended to provide a scope of work and deliverables to appoint Internal Auditors in terms of Treasury Regulations 27.2.7 for the provision of Internal Audit Services for a period of three (3) years.

4. ROLE OF INTERNAL AUDIT

In terms of Treasury Regulation 27.2.5, the Accounting Officer must have an internal audit function that must, in accordance with the Accounting Officer, be formally defined in an audit charter and must be consistent with the Institute of Internal Auditors (IIA). The preferred service provider is required to provide an internal audit service to the NSG.

The internal Audit Function must assist the Accounting Officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the organisational processes.

Bidders should indicate the process they propose to follow should they receive a request to conduct special assignments and investigations on behalf of the Audit Committee or Accounting Authority into any matter or activity affecting the probity, interest and operating efficiency of the NSG.

The internal audit function must apply due care and professionalism during the performance of audits to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the Accounting Authority or the Audit Committee, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularity is uncovered.

5. ORGANISATIONAL STATUS OF INTERNAL AUDIT

The internal audit function reports administratively to the Accounting Officer and functionally to the Audit Committee. The Internal Auditors must be independent of activities that are audited, with no limitation on access to information.

The internal audit function is an integral part of the organisation and functions under the policies established by NSG. The purpose, authority and responsibility of the internal audit function are formally defined in the Internal Audit Charter which is consistent with the Institute of Internal Auditors (IIA) definition of internal auditing.

The charter clarifies the purpose of the Internal Audit function, specify the unrestricted scope of this function, and declare that the Internal Auditors shall not be involved in any operational work.

6. SERVICES REQUIRED

The NSG requires the services of an independent service provider to assist in rendering planned and *ad hoc* Audit Committee and management requests of the following services utilising a delivery-based costing model:

6.1 Regularity Audits

These reviews can be of an assurance or consulting nature and is also referred to as Risk Based audits. This involves an assessment of risks that may deter the department from reaching its strategic goals and objectives looking at the processes that management have put in place to reach these strategic goals and objectives.

The provider will deal with an assessment of controls put in place by management to mitigate the risks identified. An assessment is made of whether controls in place are adequate to mitigate the risks and where controls are found to be adequate an assessment is made of the extent to which these controls are being effective or applied as intended.

These audits also include consulting engagements which may include providing guidance on development of policies and procedures, conducting governance reviews as requested by management as well as assisting on self-control assessments initiated by management.

6.2 Compliance Audits

These reviews assess the extent to which policies, procedures and processes comply with legislative and contractual requirements.

6.3 Performance Audits

These reviews are independent audit reviews aimed at evaluating the measures instituted by management, or the lack of these measures in ensuring that resources have been acquired economically and are utilised efficiently and effectively and reporting on the acquisition and the use of these resources to management or the relevant authority.

6.4 IT Audits

These reviews can be of an assurance or consulting nature and provides the platform for evaluating the internal control design and effectiveness of information systems within the organisation to ensure confidentiality, integrity and availability.

The main objective of these reviews is to assess and evaluate the IT environment in order to ascertain whether an information system safeguards assets, maintains data integrity, achieves organisational goals effectively and consumes resources in an efficient manner. These may include amongst others:

- **General controls review**: Performed to obtain an understanding of the IT control environment.
- **Physical and environmental review**: Assessment of physical security as well as environmental factors such as power supply, air conditioning, humidity control and other environmental factors.
- **Security management review**: Review of the operating systems, database management systems and system administration procedures.
- **Application controls review**: Review of such business applications includes access control and authorisations, validations, error and exception handling, business process flows within the application software and complementary manual controls and procedures.
- **Project assurance review**: Review of the system development lifecycle as well as pre and post implementation software development activities.
- **Network security review**: Review of internal and external network connections, perimeter security, firewall review, router access control lists, port scanning and intrusion detection systems.
- **IT service continuity review**: Ensures the existence and maintenance of fault tolerant and redundant hardware, backup procedures and storage, and documented and tested disaster recovery/business continuity plans.

6.5 Quality Assurance and Improvement Program

A quality assurance and improvement program is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

- The bidder should maintain a quality assurance methodology/plan designed to assist the NSG Internal Audit function in adding value, improving NSG's operations and providing assurance that the Internal Audit services of the NSG are in conformity with the Standard and the Code of Ethics of the IIA; and

6.6 Service providers' independence and objectivity of personnel

The independent service provider shall ensure that:

The key personnel and nominated representatives of the independent service provider shall at all times be available to meet the requirements that will be agreed upon.

The replacement of key personnel involves in the internal audit, from manager level and higher, shall take place only with the written content of the NSG and such consent shall not be unreasonably withheld.

The independent service provider shall ensure that their staff maintains their objectivity by remaining independent of the NSG and the activities that will be audited.

6.7 Working papers

Internal Audit working papers must be in conformity with accepted practices, the IIA standards and the in-house internal audit methodologies. Internal Audit files and/or working papers shall be made available to the AG in accordance with the present and future NSG policy and legislative provisions.

At the completion of each project, the service provider will hand over the engagement file to the NSG (the engagement files remains the property of the NSG), however, the NSG agrees that the service provider may retain a copy of the engagement file and all working papers in line with its retention policy.

6.8 Confidentiality

The service provider shall not for the duration of the contract or thereafter, regardless of the reasons for termination, use for its benefit or the benefit of any other person or communicate or divulge to any unauthorised person and confidential matter or information relating to the business affairs, processes, marketing techniques, trade secrets, client lists and/or professional connections of the NSG or any of its clients.

7. COMPETENCY AND EXPERTISE REQUIREMENTS

7.1 Preference will be given to firms registered in terms of the Registered Accountants and Auditors Act, Act 80 of 1991 (PAAB) and of the Institute for Internal Auditors (IIA) or the Institute of Public Finance and Auditing (IPFA).

7.1.1 Preference will be given to firms with a dedicated Internal Audit business unit and dedicated internal audit staff of which the staff within the unit are registered members of the IIA.

7.1.2 An organogram or list of partners, managers, specialists and assistants together with CV's of the resources that will be available for the duration of the assignment. Any possible staff changes during the course of the audit must be done in consultation and with approval of the NSG.

7.1.3 The core management team proposed for this assignment should at least have the CIA or related professional qualification, e.g. CA, CISA; and should possess current knowledge of the standards.

7.1.4 It is essential that the service provider has and shall make use of dedicated internal audit resources who have a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of Government practices.

7.1.5 The service provider must be well versed in the best practices of the profession;

7.1.6 Bidders should indicate their current and previous involvement and knowledge of the NSG and the sector within which the NSG operates;

7.1.7 Bidders should submit a list of clients confirming current and past internal audit experience in the public sector;

7.1.8 The service provider should have at least three (5) years of recent experience in the practice of internal auditing at executive management level.

7.1.9 Bidders should submit the following details for contactable references of at least three (3) current clients:

- Name of organisation;
- Name of contact person;
- Contract Value with the client
- Telephone number; and
- E-mail address.

8. GENERAL MANAGEMENT OF THE INTERNAL AUDIT FUNCTION

The internal audit must be conducted in accordance with the Standards for the Professional Practices of Internal Auditing and Code of Ethics set by the Institute of Internal Auditors (IIA).

The key performance indicators shall be agreed upon at the beginning of each project by the parties at the time of the commencement of the project.

Key Performance Indicators of Internal Audit:

- Review and update of the Internal Audit and Audit Committee Charters in compliance with the regulatory requirements;
- Conduct risk-based audit assessments as per the standards and guidelines set out by the South African Institute of Internal Auditors;
- Develop a three year rolling audit plan and an annual internal audit plan indicating the scope of each audit and costing of all activities at an average hourly tariff based on an assumption of **2000 hours** per annum;
- Quarterly progress reports directed to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary once the reports are signed off with management and the Accounting Authority;
- A close-off report at the end of each financial year in line with the Annual Internal Audit Plan for presentation to the Audit Committee;
- Perform any ad hoc assignments requested by Audit Committee and management of the NSG as and when necessary;
- Liaison with the Auditor General and ensuring alignment of the audit work to be performed to ensure reliance where applicable and minimise duplication of audit effort;
- Bidders should demonstrate how it intends to assist in building of the internal audit capacity and how it will transfer skills to the NSG's internal resources, with emphasis on the latest developments in the internal audit profession.

9. PRICING AND PAYMENTS

Bidders must take note of the prescribed rates as set out by the Auditor General and must use such rates as a guideline to develop a detailed costed activity plan per year over the three year period and annual audit plan.

Invoices will be payable upon receipt of the complete project file that has been through all the relevant internal processes has been received by the NSG.

10. CONTRACT PERIOD

The NSG will enter into a Service Level Agreement with successful bidder who will be appointed for a period of three years with effect from the 01 January 2022 to 31 December 2025.

However, the NSG reserves the right to terminate the agreement for whatever reason by, giving the service provider three months written notice.

11. DOCUMENT APPROVAL

Approval of the Terms of Reference and Special Conditions of Contract: Internal Audit Service for the NSG

Principal

Date 28-10-21

SPECIAL CONDITIONS OF CONTRACT

BID NUMBER NSG/BID/03/2021/2022

INTERNAL AUDIT SERVICES FOR THE NATIONAL SCHOOL OF GOVERNMENT FOR A PERIOD OF THIRTY-SIX (36) MONTHS

CLOSING DATE AND TIME OF BID: 19 November 2021 @ 11:00

BID VALIDITY PERIOD: 120 DAYS

NATIONAL SCHOOL OF GOVERNMENT

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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
CSD	Central Supplier Database
DVD	Digital Versatile Disc
EME	Exempt Micro Enterprises
NSG	National School of Government
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
QSE	Qualifying Small Enterprise
SA	South Africa
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
VAT	Value Added Tax

RETURNABLE DOCUMENTS

Table 1: Returnable Bid Document Checklist

#	Document Name	Included in the published bid document?	To be returned by bidder
LEGISLATIVE REQUIREMENTS DOCUMENTS			
1	SBD 4 Declaration of Interest	Yes	Yes
2	SBD 6.1 Preference Points Claim Form	Yes	Yes
3	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
4	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
PHASE I: MANDATORY REQUIREMENTS			
5	Legislative Requirements Documents	Yes	Yes
PHASE II: TECHNICAL REQUIREMENTS EVALUATION			
6	Documentation and evidences as per paragraph six (6) of the Terms of Reference	No	Yes
PHASE III: PRESENTATION			
7	Presentation in response to the ToR	No	No
PHASE IV: PRICE AND B-BBEE EVALUATION			
8	Pricing Schedule	Yes	Yes

#NB 1: All the prospective bidders are required to return these documents as per above sequence.

#NB 2: The above table for returnable documents is a guide only on how and which documents must be submitted.

#NB 3: It is the responsibility of the bidder to ensure that they read each paragraph in the Special Conditions of Contract and Bid to determine all documents required and templates must be completed and submitted accordingly.

1. LEGISLATIVE AND REGULATORY FRAMEWORK

1.1 This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

1.2 **Standard Bidding Documents**

The following standard bidding documents must be submitted with the bid at the closing date and time of bid.

- SBD 1 – Invitation to bid
- SBD 4 – Declaration of interest
- SBD 6.1 – Preference Points Claimed (B-BBEE)
- SBD 8 – Declaration of Past SCM Practices
- SBD 9– Certificate of Independent Bid Determination

1.3 **Tax Compliance Requirement**

1.3.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1.3.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.

1.3.3 It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.

1.3.4 Bidders are required to be registered on the Central Supplier Database (CSD) and NSG shall verify the bidder's tax compliance status through the CSD or through SARS.

1.3.5 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.

2. SPECIFICATIONS AND SCOPE OF WORK

2.1.1 The Terms of Reference (ToR) are intended to provide a scope of work and deliverables to appoint Internal Auditors in terms of Treasury Regulations 27.2.7 for the provision of Internal Audit Services for a period of thirty -six (36) months.

2.2.2 Bidders need to adhere to the specifications listed in the terms of reference under section 1.6

2.2.3 Preference will be given to firms registered in terms of the Registered Accountants and Auditors Act, Act 80 of 1991 (PAAB) and of the Institute for Internal Auditors (IIA) or the Institute of Public Finance and Auditing (IPFA).

2.2.4 Preference will be given to firms with a dedicated Internal Audit business unit and dedicated internal audit staff of which the staff within the unit are registered members of the IIA.

2.2.5 An organogram or list of partners, managers, specialists and assistants together with CV's of the resources that will be available for the duration of the assignment. Any possible staff changes during the audit must be done in consultation and with approval of the NSG.

2.2.6 The core management team proposed for this assignment should at least have the CIA or related professional qualification, e.g., CA, CISA; and should possess current knowledge of the standards.

2.2.7 It is essential that the service provider has and shall make use of dedicated internal audit resources who have a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of Government practices.

2.2.8 The service provider must be well versed in the best practices of the profession.

2.2.9 Bidders should indicate their current and previous involvement and knowledge of the NSG and the sector within which the NSG operates.

2.2.10 Bidders should submit a list of clients confirming current and past internal audit experience in the public sector.

2.2.11 The service provider should have at least 36 (5) years of recent experience in the practice of internal auditing at executive management level.

2.2.12 Bidders should submit details for contactable references of at least three (3) current clients:

SECTION A

CONDITIONS OF BID

3. PART 1: EVALUATION CRITERIA

3.1 BRIEFING SESSION

There will be no briefing session for this bid.

3.2 TIMELINE OF THE BID PROCESS

The period of validity of tender and the withdrawal of offers, after the closing date and time is **120 days**. The project timeframes of this bid are set out below:

Activity	Due Date
Advertisement of bid on Government e-tender portal, Tender Bulletin (if available) and NSG Website	29 October 2021
Bid Closing date	**19 November 2021 @ 11:00**

3.3 BID EVALUATION PHASES

3.3.1 The bid shall be evaluated in four (4) phases as per the table below:

Table 2: Evaluation Criteria

PHASE I	PHASE II	PHASE III	PHASE IV
Compliance with mandatory and other standard bidding documents	**Technical Evaluation**	**Presentation**	**Price and B-BBEE**
Compliance with mandatory and other bid requirements	Documentation and evidence as per paragraph six (6) of the Terms of Reference and Evaluation Criteria (**Annexure A)**	Bidders will be required to do a presentation as per the requirements listed in the Evaluation criteria (**Annexure A**)	Bids evaluated in terms of the 80/20 preference system

3.4 PHASE I: MANDATORY BID REQUIREMENTS

3.4.1 Bidders' must submit all required documents indicated in table 4 hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated

based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory criteria will be disqualified.

Table 4: Mandatory Requirements

Mandatory requirements - Documents that must be submitted in Phase I	
Service Provider Profile	The bidder shall submit a company profile which included but not limited to the following: • Description of similar work undertaken; • Risk management strategy to mitigate any risk that might arise for the duration of the contract; • Footprint: Bidders must submit proof of address such as a copy of municipal rates and taxes, not older than three (3) months; and • Contactable references (at least 3) with the bid documents at the closing date and time of the bid.
Company Financial Statements	The bidder shall submit a copy of the bidder's latest available audited financial statements, alternatively submit a confirmation from the bidder's auditors that the bidder is a going concern, with the bid documents at the closing date and time of the bid.
Shareholding Portfolio	The bidder shall submit valid proof of registration of the company with CIPRO/CIPC with the bid documents at the closing date and time of the bid. If by law registration with CIPRO/CIPC is not required, proof of ownership/shareholding must be provided
BBBEE Certificate / Avid David-spelling	Only bids received from service providers who are EME or QSE which is at least 51% owned by black will be considered for evaluation.
SBD 1 - Invitation to Bid	Complete and sign the attached pro forma document
SBD 4 - Declaration of Interest	Complete and sign the attached document
SBD 6.1 - Preference Point Claim Form	Complete and sign the attached document – non-submission will lead to a zero (0) score on BBBEE.
SBD 8 - Declaration of Bidder's Past Supply Chain Management Practices	Complete and sign the attached document
SBD 9 - Certificate of Independent Bid Determination	Complete and sign the attached document
Registration on Central Supplier Database (CSD)	The bidder must be registered as a service provider on the CSD. If the bidder is not registered proceed to complete the registration of your company prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. **Tax Status must be compliant**, In the event where a bidder submits a hard copy of the Tax Clearance Certificate, the CSD verification outcome will take precedence Submit proof of registration.

Bidder's declaration (**Annexure B**)	Complete and sign
Pricing Submission (**Annexure C**)	Complete and sign – placed in separate envelope.

3.5 PHASE II EVALUATION: TECHNICAL EVALUATION

Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory criteria will be disqualified.

3.5.1 The Bid Evaluation Committee will evaluate in terms of technical requirements and a bidder who scores a minimum of 70% will be evaluated further

3.6 PHASE III EVALUATION: PRESENTATION

3.6.1 Service providers will be required to do a presentation before a panel of NSG evaluation committee, they are required to meet a minimum threshold of 70%. Only bidder who score a minimum threshold or 70% or above will be evaluated on price and B-BBEE.

3.7 PHASE IV: PRICE AND B-BBEE (80/20 CRITERIA)

3.7.1 **Value Added Tax**

All bid prices must be inclusive of fifteen percent (15%) Value Added Tax. Failure to comply with this condition may invalidate the bid.

3.7.2 **Pricing Structure**

3.7.2.1 The Pricing Schedule (see **Annexure B** attached) must be included in the bid document and submitted at the closing date and time of bid.

3.7.2.2 The pricing schedule provided in this bid, forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.

3.7.3 **Preferential Point System**

3.7.3.1 In terms of Regulation 7 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20 preference point system in terms of which points are awarded to bidders based on:

i. The bid price (Maximum of 80 points)
ii. B-BBEE status level of contributor (maximum 20 points)

3.7.3.2 The following formula will be used to calculate the points for price:

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

3.7.3.3 A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

Table 3: Preference Point System

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-Compliant Contributor	0

3.7.3.4 Bidders are required to complete the preference claim form SBD 6.1 and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

3.7.3.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

3.7.3.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by an accredited verification agency or a sworn affidavit will be considered for preference points.

3.7.3.7 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.

3.7.3.8 The points scored will be rounded off to the nearest two (2) decimals.

3.7.3.9 If two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.

3.7.3.10 However, when functionality is part of the evaluation process and two (2) or more bidders have scored equal points including equal preference points for B-BBEE, the awarded will be to the bidder scoring the highest for functionality.

3.7.3.11 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.

3.7.3.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

4. RECOMMENDATION AND APPOINTMENT OF BIDDERS

4.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.

4.2 The award of the Contract is subject to meeting all the requirements of the bid.

1. PART 2: ADDITIONAL BID REQUIREMENT

1.1 Introduction

All bidders must comply with the requirements below as well as submit all required documents referred below. Unless the requirements specifically provide for mandatory compliance, the National School of Government reserves the right to disqualify a bid that does not comply with any of the requirements.

2. TERMS AND CONDITIONS

2.1 Third Party Agreements and Subcontractor Agreements

2.1.1 No Agreement between the bidder and any third party will be binding to the State.

2.1.2 The bidder must declare as required in terms if SBD 6.1 its intention to subcontract voluntarily and the percentage of subcontracting thereof and must provide full description of subcontractor.

3. SUPPLIER DUE DILIGENCE

The State reserves the right to conduct supplier due diligence during bid evaluation, prior to final award or at any time during the contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof and the contract may be terminated.

4. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by bidders may result in the invalidation of such bids.

5. FRONTING

5.1 The NSG supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent, and legally compliant manner. Against this background the NSG does not support any form of fronting.

5.2 The NSG, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the DTI, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NSG may invalidate the bid / contract and may also result in the restriction of the bidder to conduct

business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

6. RIGHT OF AWARD

The State reserves its following rights:

- To award the bid in part or in full.
- Not to make any award in this bid.
- Award the bid to more than one (1) bidder for the same item.
- Request further technical information from any bidder after the closing date.
- Verify information and documentation of the service provider.
- Not to accept any of the bids submitted.
- To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award; and
- If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

7. NEGOTIATION

The State reserves the right to negotiate with the preferred bidders in line with the legislative requirements.

8. SUBMISSION OF BIDS

8.1 Bidders must respond to the bid as follows:

8.1.1 Bidders must submit **one (1) original document and four (4) soft copies in USB format** of the original document at the National School of Government, 70 Meintjies Street, Trevenna, Sunnyside, Deposit the bid in the tender box that will be placed at the **security entrance in Greeff Street**.

8.1.2 Bid Closing date and time : 19 November 2021 @ 11:00

8.1.3 Bidders must ensure that the bid is be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

8.1.4 **#NB:** Bid document are required to be submitted in the order as indicated on Table 1 – Returnable Documents Check list.

9. LATE BIDS

Bids received after the closing date and time, will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

10. COMMUNICATION AND CONFIDENTIALITY

10.1 The Supply Chain Management Unit within the Office of the Chief Financial Officer (CFO) may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

10.2 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NSG (other than minor clerical matters), the bidder must promptly notify the NSG in writing of such discrepancy, ambiguity, error, or inconsistency in order to afford the NSG an opportunity to consider what corrective action is necessary (if any).

10.3 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NSG will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.

10.4 All communication between the bidder and the National School of Government must be done in writing.

11. CONTACT DETAILS

11.1 **General**

National School of Government, Supply Chain Management Unit, Office of the Chief Financial Officer, Private Bag x759, Pretoria, 0001

Physical address: 70 Meintjies Street, Trevenna, Sunnyside

11.2 **Bid Enquiries**

All enquiries should be in writing to Annetha.debeer@thensg.gov.za The closing date for receipt of all enquiries is 15 November 2021. All enquiries beyond the closing date will not be considered.

SECTION B:

CONDITIONS OF CONTRACT

12. CONCLUSION OF CONTRACT

12.1 The Contract between National School of Government and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.

12.2 The Service Provider (s) shall be appointed in terms of this bid.

12.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term "service provider "shall refer to the preferred bidder appointed in terms of the contract.

13. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

13.1 **Supplier Performance Management**

13.1.1 Supplier performance management will be the responsibility of the Project Leader and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, NSG Legal services and/or NSG SCM must be contacted for corrective actions. .

14. SECURITY AND CONFIDENTIALITY INFORMATION

14.1 The Supplier will regard all information which he/she obtains or is entrusted with concerning the NSG whilst executing the contract, as confidential, secret, or top secret.

14.2 The Supplier, his/her employees, sub-contractors, or agents may not make any such information obtained or entrusted with to any other person or to the media.

15. MERGERS, TAKE OVERS AND CHANGES IN SUPPLIER DETAILS

15.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the NSG in writing 90 days prior to such event of relevant details.

15.2 NSG reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of contract or to cancel the contract

15.3 A contracted supplier must inform the NSG within 7 days of any changes of address, name, contact or banking details.

16. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

16.1 Awarded bidder must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.

17. TERMINATION

17.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –

- The service provider decides to transfer the contract or cede the contract.
- The service provider does not honour contractual obligations including submission of information.
- The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract.
- The service provider enters into settlement arrangements with their creditors.
- The service provider commits an act of insolvency.
- In the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.
- There is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
- Overall poor performance rating during the contract period

THE END

school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

ANNEXURE A

EVALUATION CRITERIA – CAPACITY AND CAPABILITY

NSG/BID/03/2021/2022

INTERNAL AUDIT SERVICES

EXAMPLE OF HOW THE BIDDER MUST COMPLETE THE COMPLIANCE CHECKLIST:

Section No	Technical Criteria	Reference page in Proposal	Comments
1.2	**Experience of the bidder**	Annexure A	Bidder to summarise the motivation of compliance, partial compliance or non-compliance to the requirement.

EXAMPLE OF A RATING SCALE THAT BID EVALUATION COMMITTEE MEMBERS WILL USE

Rating	Definition	Score
Excellent	**Exceeds** the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	**5**
Good	**Satisfies** the requirement with **minor additional benefits**. Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	**4**
Acceptable	**Satisfies** the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services, with supporting evidence.	**3**
Minor Reservations	Satisfies the requirement with **minor reservations**. Some minor reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	**2**
Serious Reservations	Satisfies the requirement with **major reservations**. Considerable reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	**1**
Unacceptable	**Does not meet the requirement**. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource & quality measures required to provide the goods / services, with little or no supporting evidence.	**0**

The Bidders will be evaluated according to the technical evaluation criteria in the scorecard below.

Bidders must indicate their ability to do the following and to substantiate as required with supporting documentation.

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION				*TO BE COMPLETED BY THE BIDDER*	
DESKTOP EVALUATION		100			
1	COMPANY / PROVIDER PROFILE	10			
1.1	Provide a company profile that includes • An overview of the company; • A clear description of services rendered; • A risk mitigation strategy to ensure continued service delivery; and • Physical address (or national footprint of the company where applicable)	10	Special Conditions of The Contract (SCC) Page 8 of 16 – Table 4 – Mandatory Requirements.		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION				*TO BE COMPLETED BY THE BIDDER*	
DESKTOP EVALUATION		100			
2	TECHNICAL PROPOSAL	50			
2.1	**Methodology:** • Details on what activities will need to be carried out to achieve the responsibilities of Internal Audit. • -Risk Assessment methodology to be used to develop plans. • -Identifying possible challenges that may deter delivery and how these could be addressed. • -Indicate the process to be followed should there be a request to conduct special assignments and investigations into any matter or activity affecting the probity, interest and operating efficiency of the National School of Government. • -Demonstrate an in-depth understanding in risk-based audits, and value add services.	30	Terms of reference, Section six (6)		
2.2	Demonstrate how you will assist the National School of Government in	10	Terms of reference, Section six (6)		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
	TO BE COMPLETED BY THE TENDERING INSTITUTION			*TO BE COMPLETED BY THE BIDDER*	
	developing and implementing an effecting combined assurance model.				
2.3	Description of ways to bring innovation, best practice to the function to assist in enhancing performance and ensuring continuous improvements, influence and value add to the National School of Government.	10	Terms of reference, Section six (6)		
3	**COMPANY EXPERIENCE and QUALIFICATION**	**25**			
3.1	• The service provider must provide proof of quality assurance reviews of internal audit work performed by an external independent accredited service provider within the last five (5) years. • Entity's experience in the auditing profession: • Entity's profile, the organisational chart must be included. Furthermore, the following must be included:	15	Terms of reference, Section six (6)		

	• Entity's experience in internal audit, including how long has the entity been offering internal audit services; and • Entity's experience in servicing the public-sector, state-owned entities.				
3.2	• Provide a minimum of three contactable references for whom similar work has been undertaken by completing Annexure E. • Include a minimum of three reference letters from previous and/or existing clients that indicate the level of satisfaction with similar services rendered.	10	Terms of Reference, section 7		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION				*TO BE COMPLETED BY THE BIDDER*	
4	**CAPACITY TO DELIVER**	**15**			
4.1	• Provide CVs of key personnel that will be allocated to this project indicating their defined roles and responsibilities, qualifications, and experience. The core management team should be in possession of at least a CIA or CA(SA) qualification and have current knowledge of auditing standards. Furthermore, must be registered and in good standing with the IIA or SAICA, and /or any other relevant professional bodies. • It is essential that the service provider has and shall make use of dedicated internal audit resources who have a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of Government practices.	15	Terms of Reference, section 7		

Presentation Phase – Evaluation Criteria	% Weight
Methodology and project planning	50
Key personnel appointed to the audit (profiles, qualifications & experience)	40
Plan for the transfer of knowledge/skills	10
Maximum Score	**100**

ANNEXURE B

BIDDER DECLARATION

The bidder hereby declare the following:

We confirm that _____ (Bidder's Name) will:

a) Act honestly, fairly, and with due skill, care and diligence, in the interests of the NSG;

b) Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;

c) Act with circumspection and treat the NSG fairly in a situation of conflicting interests;

d) Comply with all applicable statutory or common law requirements applicable to the conduct of business;

e) Agree to accept the conditions stipulated in the GCC and SCC;

f) Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with the NSG;

g) Avoidance of fraudulent and misleading advertising, canvassing and marketing;

h) To conduct their business activities with transparency and consistently uphold the interests and needs of the NSG as a client before any other consideration; and

i) To ensure that any information acquired by the bidder(s) from the NSG will not be used or disclosed unless the written consent of the client has been obtained to do so.

Signature_____ Date_____

Print Name of Signatory: _____ Designation: _____

FOR AND ON BEHALF OF: _____ (Bidding Company's Name)

Cost Breakdown Matrix **Annexure C** to Special Conditions of Contract

Project Objective/Scope	Partner/Director			Manager			Assistant Manager			Senior Internal Auditor			Junior Auditor			Total Y1	Total Y2	Total Y3
GENERAL MANAGEMENT OF THE INTERNAL AUDIT FUNCTION																		
Strategic Risk Assessment	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Revision of 3-year rolling Strategic Internal Audit Plan and Development of 1-year Operational Internal Plan	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Review of Audit Committee- and Internal Audit Charters	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Attendance of Audit Committees	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Attendance of Risk Committees	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Attendance of EMC meetings per invitation	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Liaison with Auditor-General and other assurance providers	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
EXECUTION OF INTERNAL AUDITS																		
Financial Controls Review Review of : Vote and Trading Account Review the Adequacy and effectiveness of key financial controls within the following risk areas • Asset & inventory Management; • Budgeting, planning and reporting processes; • Banking and Cash Management; • Compensation of employees; • Expenditure management; • Course Fees; • Compensation of employees.	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Performance Information Review of: • Alignment of Strategic Plan, APP, Quarterly and Annual Reports; • Accuracy, completeness, and validity of Quarterly and Annual Reports; • Availability, accuracy and safeguarding of substantiating evidence;	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			

• The review mechanisms designed by management to ensure the information is valid, accurate and complete; • The monitoring systems to identify exceptions with action plans where required; • Assessment of the adequacy of the Reasons and Action plans relating to performance/non achievement of targets.																		
Annual Financial Statements and Annual Performance Information • 2021/22 Annual financial Statements (AFS)of the VOTE and Trading Accounts; • 2021/22 Annual Performance Information																		
Supply Chain Management Review of : • Post Reviews – Compliance Review to assess if SCM transactions adhere to NSG policies and procedures; • Scope of the review will include the following areas: • RFQ's; • RFP's; • Emergency, sole supplier; • Deviations, Contract extensions and variation; • COVID procurement;	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
ICT Review of: Cyber Security Resilience to provide assurance that NSG has effective mitigating controls in place to ensure that timely identification, detection and handling of IT Security Incidents; and to evaluate the adequacy and effectiveness of NSG IT Disaster Recovery preparedness controls. Review focus area: • Network Vulnerability Management (Internal and External Network Vulnerability Assessment)	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			

Cost Breakdown Matrix **Annexure C** to Special Conditions of Contract

• IT Security Management • IT Governance (Contract/Outsourced IT Services) • IT Disaster Recovery																		
Human Resources: Perform a real time review to assess if the various projects are being delivered on time, are cost effective within budget and meets quality requirements. Key projects; • Skills Audit • Internal Trainer capacity assessment • Operational management framework	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Operational Review: Perform an adequacy and effectiveness review as it relates to key operational controls to ensure the delivery of the training targets. The review will focus on the following key processes • Planning and Resourcing; • Contract Management of Consultants & Facilitators; • Execution and delivery of training (all spheres of government); • Management and issuing of certificates.	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Quality Assurance Review of: • Policies and Procedures • Quality Assurance Framework • Professional Practice and Communication • Internal & external assessment • Peer review mechanism Capacity assessment and training needs identification.	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
Training Management System Review(Data Integrity and Security) Review the adequacy and effectiveness of the critical operational controls and will assist in enabling the	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			

Cost Breakdown Matrix **Annexure C** to Special Conditions of Contract

strengthening of the control environment of operational management and execution of its various activities. It will also focus on the key information systems that enable effective and efficient operational execution, management and decision making. Focus area: • Data Integrity tests; • Data Analytics/CAATS; • TMS database security controls.																		
Follow-up Reviews • Monitoring the resolution of audit issues by management. This will ensure that audit findings that are resolved and ready for audit are timeously identified and audited; • Performing follow up audits of resolved issues to verify whether they have been resolved in a sustainable manner and action plans have been implemented to prevent recurring control breakdowns;	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost			
TOTAL																		

school of government
Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

ANNEXURE C.1

1. PRICE DECLARATION

Dear Sir/Madam,

Having read through and examined the Request for Proposal (RFP) document, the General Conditions, the Terms of Reference and all other Annexures to the RFP document, we offer to provide an internal audit service for the National School of Government for a period of three (3) years.

We undertake to hold this offer (as per cost breakdown matrix) open for acceptance for a period of **120 days** from the date of submission of the offers. We further undertake that upon final acceptance of our offer, we will commence with the provision of services when required to do so by the National School of Government.

We understand that the National School of Government are not bound to accept the lowest or any offer and that we must bear all costs which we have incurred in connection with preparing and submitting this bid.

We hereby undertake for the period during which this bid remains open for acceptance not to divulge to any person, other than the persons to which the bid is submitted, any information relating to the submission of this bid or the details therein except where such is necessary for the submission of this bid.

_____ _____

Signature Date

Print name of signatory: .....

Designation: .....

FOR AND ON BEHALF OF (company name) .....

Tel No: .....

Fax No: .....

Cell No: .....

Email: .....

Three Year Coverage Plan 2021/22 to 2023/24

General Management of Internal Audit Function	Financial Year Coverage		
	FY 2021/22	FY 2022/23	FY 2023/24
Strategic Risk Assessment	✔	✔	✔
Revision of the 3-year rolling Strategic Internal Audit Plan and Development of 1-year Operational Internal Plan	✔	✔	✔
Review of the audit committee and internal audit charters	✔	✔	✔
Attendance of audit committees	✔	✔	✔
Attendance of Risk Committees	✔	✔	✔
Attendance of EMC committees	✔	✔	✔
Liaison with Auditor General and other assurance providers	✔	✔	✔

								Assurance Providers		
#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	M	IA	EA
1.	Financial Control Review	Management relies on Financial Reporting Controls to mitigate the risk of material misstatement in the NSG financial statements (i.e. Vote and Trading accounts) as well as non-compliance to the applicable accounting standards and related legislation. A material misstatement in NSG's financial statements will have a negative impact on reputation and stakeholder trust. The following conditions exists within the • An unqualified audit report for the 2019/20 financial year was achieved; • The NSG is currently faced with significant financial difficulties due to COVID 19 and its impact on its Revenue generation through Training	Internal Audit will review the Adequacy and effectiveness of key financial controls within the following risk areas Vote Account and Trading Account • Asset & inventory Management; • Budgeting, planning and reporting processes; • Banking and Cash Management; • Compensation of employees; • Expenditure management; • Course Fees; • Compensation of employees.	Control Adequacy and Control Effectiveness Evaluation	✔	✔	✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers M	IA	EA
		• The NSG has prioritised to review their revenue generation and explore other sources of funding, where possible during 2021/22. • 52% of the Vote budget, after transfers, for the 2021/22 financial year is allocated to compensation for employees and for goods and services. • 52% of the Trading budget, for the 2021/22 financial year is allocated for goods and services and 48% to compensation for employees Link to Strategic Risk Register • Financial sustainability Risk • Operational Inefficiencies								

2.	Supply Chain Management	A key component to delivering Revenue and associated parts will be the efficient, effective and economic execution of the NSG's Supply Chain practices to its business.
		
		NSG must ensure that the procurement process is fair, transparent, and provides value for money to minimise the risks of irregularities
		
		The following condition exists within the NSG:
			IA approach to SCM will be as follows:
			
			• Post Reviews – Compliance Review to assess if SCM transactions adhere to NSG policies and procedures
			• Scope of the review will include the following areas:
			  • RFQ's
			  • RFP's
			  • Emergency, sole supplier
				Agreed Upon Procedures	✔	✔	✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers M	IA	EA
		• NSG's proposed spend for good and services for the 2021/22 financial year is estimated at R117 million for the Trading account and R 54 million for the Vote Account. • The impact of COVID19 and revised budget announcement in June 2020 has required Departments to apply more stringent ensures to manage expenditure. • In addition compliance to SCM regulations is still viewed as a high risk area by both the National Treasury and the Auditor General and is susceptible to fraudulent transactions. Link to Strategic Risk Register • Operational Inefficiencies	• Deviations, Contract extensions and variation • COVID procurement							
3	Performance Information	A key requirement of NSG is to deliver across all operational, financial, economic and social areas as outlined in the Annual Performance Plan and to report and account for its performance to the DPSA in respect of financial and non-financial matters. NSG must ensure that the Department is able to track, monitor and evaluate performance on all Outcomes and related, outputs	IA will review the following key areas with respect to the Performance Information: • Alignment of Strategic Plan, APP, Quarterly and Annual Reports; • Accuracy, completeness, and validity of Quarterly and Annual Reports; • Availability, accuracy and safeguarding of substantiating evidence;	Control Adequacy and Control Effectiveness Evaluation	✔	✔	✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers		
								M	IA	EA
		across all programmes to ensure that NSG meets its performance targets in relation to the Strategic Plan and APP. The following condition exists within the NSG: • Management and the Department require assurance that the performance information is reported timeously and accurately on a quarterly basis Link to Strategic Risk Register • Operational Inefficiencies • Lack of effective stakeholder management	• The review mechanisms designed by management to ensure the information is valid, accurate and complete • The monitoring systems to identify exceptions with action plans where required • Monthly and Quarterly reporting to management and DPME • Assessment of the adequacy of the Reasons and Action plans relating to performance/non achievement of targets							
4.	Annual Financial Statements & Annual Performance Information	Management requires Internal Audit to perform a review of the Annual financial statements prior to being submitted to the AG. In addition, management requires quality assurance of the annual performance information prior to being submitted by 31 May	Our review will focus on the following: • 2020/21 Annual financial Statements (AFS)of the VOTE and Trading Accounts • 2020/21 Annual Performance Information	Agreed Upon Procedure Review	✔	✔	✔			
5.	Information Technology Review (Cyber Security Resilience Review)	Cybersecurity is among the most critical risks that organizations need to address today. Cyber security risks pose serious threats to investors, capital markets, and our country. Accordingly, given the magnitude and the cost of recent	The objective of the review will be to provide assurance • that NSG has effective mitigating controls in place to ensure that timely identification, detection	Control Adequacy and Control Effectiveness Evaluation	✔	✔	✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers		
								M	IA	EA
		cyber security incident that occurred at NSG during 2020, it is critical for NSG to take all required actions to inform all stakeholders of material cybersecurity risks and incidents in a timely fashion. Effective Cyber Security will position NSG to assess, detect, protect, respond and report possible cyber risks the organisation is exposed to, and provide solutions to mitigate those risks.	and handling of IT Security Incidents; and • to evaluate the adequacy and effectiveness of NSG IT Disaster Recovery preparedness controls. Our review will focus on the following: 1) Network Vulnerability Management (Internal and External Network Vulnerability Assessment) 2) IT Security Management 3) IT Governance (Contract/Outsourced IT Services) 4) IT Disaster Recovery							
6	Operational Review	The NSG in the past offered the majority of its ETD interventions through face-to-face learning. However for the 2021/22 financial year NSG has initially set an overall target of training the following: • 38 460 trained on compulsory and demand led ETD interventions • 36 active online learning ETD interventions available by March 2022 NSG risk register highlighted the following:	Internal Audit will perform an adequacy and effectiveness review as it relates to key operational controls to ensure the delivery of the training targets. The review will focus on the following key processes • Planning and Resourcing • Contract Management of Consultants & Facilitators • Execution and delivery of training (all spheres of government) • Management and issuing of certificates	Control Adequacy and Control Effectiveness Evaluation	✔		✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers		
								M	IA	EA
		Operational Inefficiencies: • Inadequate internal capacity to deliver training as the mandate of the NSG has expanded • The excessive dependence of NSG on the consultants • Long turnaround time from request to actual issuing of certificates • Contracts with facilitators are not signed • Failure to manage MOA's								
7	Quality Assurance	The NSG curriculum framework is made up of 129 accredited and non-accredited courses and programmes covering the ETD bands. All learning programmes are internally quality assured. Credit bearing programmes aligned to registered qualifications on the NQF are externally accredited by quality assurance bodies. The NSG reviews curriculum every three years and will strengthen this review process through a peer review mechanism. It will also work towards developing a full qualification over the next three financial years, starting from this financial year. This will be in line with the provisions of section 4 of the Public Service Act, 1994. Management requires assurance as it relates to its current quality assurance processes.	Internal Audit will perform an adequacy and effectiveness review as it relates to key Quality Assurance controls. The review will focus on the following key processes • Policies and Procedures • Quality Assurance Framework • Professional Practice and Communication • Internal & external assessment • Peer review mechanism	Control Adequacy and Control Effectiveness Evaluation	✔		✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers		
								M	IA	EA
		Link to Strategic Risk Register • Lack of Total Quality Management System (Organisation wide) • Operational inefficiencies								
8	Human Resources	Since the approval of the new five-year strategy, the following has been undertaken by the NSG: i. The organisational structure was reconfigured in line with the strategy and the future positioning of the NSG. ii. The Minister for the Public Service and Administration approved a service delivery model for the NSG. In the 2020/21 financial year, the NSG commenced an internal skills audit so that the available talent may be better utilised within the organisation. This process will inform the match and place of NSG employees within the new organisational structure. Furthermore, the NSG will be reviewing its internal capacity with the intention of determining trainer capacity in the rollout of ETD interventions. There is also a need For more automation of business processes, and greater integration between and within business processes. This will be key as part of the implementation of an operations	Internal audit will perform a real time review to assess if the various projects are being delivered on time, are cost effective within budget and meets quality requirements. Key projects; 1. Skills Audit 2. Internal Trainer capacity assessment 3. Operational management framework	Project Assurance Review	✔		✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers		
								M	IA	EA
		management framework within the NSG Link to Strategic Risk Register Organisational Development Risk								
9	Training Management System(TMS) Data Integrity and Security review	Data integrity is an essential component of information security that measures the overall accuracy, completeness and consistency of data throughout its life cycle. In our increasingly digital world, data has cemented itself as the lifeblood of the enterprise and business sector as it acts as a foundation for new decisions and strategies, as well as an integral component in day-to-day operations. Effective Training Management System (TMS) Data Integrity and Security will position NSG to assess, detect, protect, respond and report possible data issues the organisation is exposed to, and provide solutions to mitigate those risks.	This audit activity will review the adequacy and effectiveness of the critical operational controls and will assist in enabling the strengthening of the control environment of operational management and execution of its various activities. It will also focus on the key information systems that enable effective and efficient operational execution, management and decision making. Our proposed focus area are as follows: • Data Integrity tests • Data Analytics/CAATS • TMS database security controls	Control Adequacy and Control Effectiveness Evaluation	✔		✔			
10	Follow-up Reviews	In accordance with the "International Standards for the Professional Practice of Internal Auditing", Performance Standard 2500.A1 and	The scope of follow up audits include the following processes:	Follow-up of Agreed Management Actions	✔	✔	✔			

#	Audit Focus Area	Rational	High Level Scope	Type	FY 2021/22	FY 2022/23	FY 2023/24	Assurance Providers		
								M	IA	EA
		Practice Advisory 2500.A1-1, Internal Audit must establish a follow-up audit process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking remedial action on audit findings. **Objective** The objective of follow up audits is to monitor and audit the findings flagged by management as "resolved and ready for audit".	▪ Monitoring the resolution of audit issues by management. This will ensure that audit findings that are resolved and ready for audit are timeously identified and audited ▪ Performing follow up audits of resolved issues to verify whether they have been resolved in a sustainable manner and action plans have been implemented to prevent recurring control breakdowns							