



## **Independent Communications Authority of South Africa**

350 Witch-Hazel Avenue, Eco Point Office Park

Eco Park, Centurion.

Private Bag X10, Highveld Park 0169

### **DRAFT TERMS OF REFERENCE FOR THE APPOINTMENT OF A FORENSIC INVESTIGATION FIRM TO CONDUCT AN INVESTIGATION INTO FRAUDULENT PAYMENTS**

#### **1. PURPOSE OF THE BID**

- 1.1. The Independent Communications Authority of South Africa ("Authority/ICASA") is a constitutional entity as listed in the Public Finance Management Act (PFMA).
- 1.2. As a constitutional entity, ICASA makes use of the National Treasury Central Supplier Database, JDE and internet banking to effect payments to suppliers. Various officials within ICASA have powers delegated to them by the Chief Executive Officer in order to perform their functions.
- 1.3. The purpose of the bid is to appoint a suitably qualified forensic investigation firm to conduct an investigation, using various forensic techniques, to which they will be required to:
  - 1.3.1. Conduct the necessary interviews;
  - 1.3.2. gather evidence relating to the type of fraud being investigated and/or committed;
  - 1.3.3. determine:
    - parties involved;
    - when the fraudulent or illegal conduct began; and
    - why the fraudulent/illegal act was not detected by the internal security measures.

- 1.3.4. report their findings in a written report, which must include supporting evidence; and
  - 1.3.5. support the Authority, as an expert witness, in relation to any proceedings instituted against any person found to have committed fraud against the Authority.
- 1.4. The findings report developed by the forensic investigation firm will assist the Authority to take the appropriate cause of action, including instituting disciplinary, civil and/or criminal proceedings against anyone (including staff members) found to have defrauded (including the intention to defraud the Authority) or acted negligently in exercise of their duties for the Authority.

## **2. SCOPE OF WORK**

The forensic investigation firm appointed will be required to, inter alia (together with the ICASA Internal Audit and Risk and Compliance team), to

- 2.1. Conduct interviews with ICASA staff to understand the ICASA systems and processes.
- 2.2. Utilize the latest available technology or specialized systems to image relevant computers, interrogate ICASA system, download and analyse the relevant electronic data.
- 2.3. Identify systems and internal control deficiencies (if any) giving rise to reported outcomes.
- 2.4. Engage with the relevant person/s as determined by investigations.
- 2.5. Compile evidence file/s supporting the investigation reports.

## **3. PROCUREMENT POLICIES AND PROCEDURES**

The general conditions of tender, contract and order will be applicable to this tender. ICASA reserves the right to cancel the bid at its sole discretion or to award the bid in full or part.

#### 4. EVALUATION CRITERIA (FUNCTIONALITY)

- 5.1. Only bidder/s that meets the minimum required percentage or minimum points, will be evaluated in terms of price and preference as per the PPPFA Act, 2000 (Act No.5 of 2000) and the associated Regulations issued by the National Treasury.
- 5.2. Bidders will also be evaluated on:
- (a) Functionality; and
  - (b) Price /BB-BEE.
- 5.3. A bidder /s that score less than 70 points out of 100 in respect of overall functionality will be regarded as having submitted a non-responsive bid and will be disqualified.
- 5.4. For the purpose of comparison and in order to ensure a meaningful evaluation, bidders must submit detailed information in substantiation of compliance to the mentioned evaluation criteria (e.g. details of relevant previous work undertaken, original letters from previous /current clients, etc.)
- 5.5. The project is expected to commence within a week of appointment and completed within a period of 30 days. A service provider must indicate their availability due to the project constrained timelines.

#### 6. FUNCTIONALITY CRITERIA

| NO | FUNCTIONALITY CRITERIA                                                                                                                                                                              | SCORE                                                                                                                                                                                             | WEIGHT |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1. | <b>Methodology:</b><br>Provide detailed methodology that includes legal process for resolving signs or allegations of fraud and demonstrating understanding of the requirements and expectations of | <b>Rating of 5</b> = Provided detailed methodology, excellent understanding of scope, project plan to be completed within 30 days<br><br><b>Rating of 4</b> = Provided detailed methodology, good | 40     |

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|    | <p>the ICASA as outlined in the scope of work].</p> <p>Provide in relations to the outline of scope of work, a complete list of services the forensic investigator can provide.</p>                                                                            | <p>understanding of project scope, project plan to be completed within 40 days</p> <p><b>Rating of 3</b> = Provided detailed methodology, average understanding of scope, project plan to be completed within 45 days</p> <p><b>Rating of 2</b> = Provided detailed methodology, average understanding of scope, project plan to be completed within 60 days</p> <p><b>Rating of 1</b> = No methodology and/or poor understanding of scope and/or no project plan</p> |    |
| 2. | <p><b>Experience:</b></p> <p>Contactable references (in company letter heads) as proof of having conducted forensic investigations, within the public sector, not older than 3 years.</p> <p>ICASA is entitled to validate the provided reference letters.</p> | <p><b>Rating of 5</b> = four and above reference letters</p> <p><b>Rating of 4</b> = three reference letters</p> <p><b>Rating of 3</b> = two reference letters</p> <p><b>Rating of 2</b> = one reference letter</p> <p><b>Rating of 1</b> = no reference letters</p>                                                                                                                                                                                                  | 30 |
| 3. | <p><b>Team Qualifications &amp; Skills:</b></p> <p>CV's for: Project leader, Manager and team members detailing the qualifications, skills and membership to professional bodies for each of the members listed.</p>                                           | <p><b>Rating of 5</b></p> <ul style="list-style-type: none"> <li>• Project leader is a Certified Fraud Examiner (CFE) or Chartered Accountant CA (SA) or Admitted attorney or Advocate with more than 10 years of investigative experience.</li> <li>• Skills mix within the assigned team should include: Certified Information Systems Auditor</li> </ul>                                                                                                           | 20 |

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|  |  | <p>(CISA), CA (SA), Certified Internal Auditor (CIA, legal practitioner and Risk Management.</p> <ul style="list-style-type: none"><li>• 100% of the staff members possess forensic investigation, financial, risk management, law and auditing related skills.</li></ul> <p><b>Rating of 4</b></p> <ul style="list-style-type: none"><li>• Project leader is a CFE or CA (SA) or Admitted attorney or Advocate with experience of between 7-9 years of investigative experience</li><li>• Skills mix within the assigned team should include: CISA, CA (SA), CIA, legal practitioner, Risk Management</li><li>• 75% of the staff members possess forensic investigation, financial, risk management, law and auditing related skills.</li></ul> <p><b>Rating of 3</b></p> <ul style="list-style-type: none"><li>• Project leader is a CFE or CA (SA) or Admitted attorney or Advocate with experience of between 4-6 years of investigative experience.</li><li>• Skills mix within the assigned team should include: CISA, CA (SA), CIA, legal practitioner, Risk Management</li><li>• 50% of the staff members possess forensic investigation, financial, risk management, law and auditing related skills.</li></ul> <p><b>Rating of 2</b></p> <ul style="list-style-type: none"><li>• Project leader is not a CFE or CA (SA) or Admitted attorney or Advocate with experience of</li></ul> |  |
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|   |                                                                                                                     | <p>between 1-3 years of investigative experience</p> <ul style="list-style-type: none"> <li>• Skills mix within the assigned team should include: CISA, CA (SA), CIA, legal practitioner, Risk Management</li> <li>• 30% of the staff members possess forensic investigation, financial, risk management, law and auditing related skills.</li> </ul> <p><b>Rating of 1</b></p> <ul style="list-style-type: none"> <li>• Project leader is not a CFE or CA (SA) or Admitted attorney or Advocate with no experience of investigative experience.</li> <li>• There is no skills mix within the assigned team.</li> <li>• None of the staff members possess forensic investigation, financial, risk management, law and auditing related skills.</li> </ul> |    |
| 4 | <p><b>Availability</b></p> <p>The ability of the firm to commence with the project immediately upon appointment</p> | <p><b>Rating of 5</b> = Commence project within 1-10 working days of appointment letter received</p> <p><b>Rating of 4</b> = Commence project within 11-15 working days of appointment letter received</p> <p><b>Rating of 3</b> = Commence project within 16-20 working days of appointment letter received</p> <p><b>Rating of 2</b> = Commence project within 21-25 working days of appointment letter received</p> <p><b>Rating of 1</b> = Commence project after 26 working days of appointment letter received</p>                                                                                                                                                                                                                                  | 10 |

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| 5. | <b>Total</b>             |  | <b>100</b> |
| 6. | <b>Minimum Threshold</b> |  | <b>70</b>  |