



sassa

SOUTH AFRICAN SOCIAL SECURITY AGENCY

Terms of Reference

for

**Annual Strategic Risk Assessment and
Information Technology (IT) Risk
Assessment for a period of four (4)
months**

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1. OVERVIEW OF SASSA

The South African Social Security Agency (SASSA), listed as a schedule 3A public entity in terms of the PFMA, is an extension of government's delivery arm that administers the delivery of social grants to the poor people in South Africa. SASSA aims to deliver quality and comprehensive social security services in partnership with various stakeholders.

The founding legislation of the Agency is the South African Social Security Agency Act of 2004. The SASSA Act makes provision for the effective management, administration and payment of social assistance and services through the establishment of the South African Social Security Agency.

The key functions of SASSA are the administration and payment of social grants and include:

- a) The processing of applications for social grants;
- b) On-going entitlement reviews of beneficiaries;
- c) Disbursement and payment of grants to eligible beneficiaries;
- d) Quality service assurance ensuring compliance with norms and standards; and
- e) Fraud prevention and detection.

SASSA disburses payments to beneficiaries for the following types of social grants:

- a) Old Age Pension;
- b) War Veterans;
- c) Disabled Persons;
- d) Grant-in-Aid;
- e) Child support;
- f) Foster Child;
- g) Care Dependency, and
- h) Social Relief of Distress.

2. BACKGROUND

2.1 SASSA is undertaking a comprehensive review of its strategic and IT risks as part of its annual risk management cycle. The risk assessment will encompass the agency's IT infrastructure, including critical systems and processes, as well as key strategic business areas.

2.2 To support this initiative, SASSA seeks a suitably qualified service provider with demonstrable experience in risk management within public sector organisations to conduct the annual risk assessment.

2.3 The successful provider will be expected to ensure the risk assessment aligns with SASSA's strategic outcomes, objectives, enabling the agency to effectively risk assess, and manage its Annual Performance Plan (APP) targets.

3. OBJECTIVES OF THE BID

3.1 The objective of this bid is to appoint a suitably qualified and experienced service provider to conduct an annual Strategic and IT Risk Assessment for SASSA, resulting in a comprehensive report with recommendations to support the achievement of SASSA strategy and APP. The service provider will be expected to effectively identify and assess strategic and IT risks, ensuring appropriate engagement of management, the Risk Management Committee, and the Audit Committee,

4. SCOPE OF WORK AND EXPECTED DELIVERABLES

The scope of the project should encompass the following key activities:

- Completion of a Strategic Risk Assessment identifying key risks to SASSA and corresponding mitigation strategies aligned with SASSA outcomes and APP targets.
- Completion of IT Risk Assessment detailing risks associated with critical IT infrastructure, systems, and processes, along with recommended control measures.
- Development of clearly defined Risk Appetite and Tolerance Levels to guide risk-taking and decision-making across the SASSA.
- Creation of a dashboard with measurable Key Risk Indicators (KRIs), tailored to SASSA's APP and providing actionable insight for management and oversight bodies.
- Update of the Risk Management Strategy and Implementation Plan, ensuring alignment with SASSA's current mandate, strategic priorities, and regulatory requirements.

To be more specific, the scope of the project includes but not limited to:

4.1 Project Planning

As part of project planning process:

- I. A comprehensive Project Plan developed to outline timelines, responsibilities, and key deliverables.
- II. Data collection and an in-depth information review are conducted to prepare for the risk assessment workshops. This should ensure a robust understanding of SASSA's mandate, strategic outcomes and objectives, and operational context.

- III. Engagement with key role players including Executive Management, the Risk Management Committee, and the Audit Committee to clarify SASSA's strategic priorities, identify strategic operational challenges, and highlight potential risk areas.
- IV. Pre-engagement meetings may be conducted either physically or virtually, depending on the preference of the interviewee.

4.2 Facilitate Risk Assessments in line with the Risk Management Standards and Framework.

As part of annual strategic risk assessment process:

- I. Facilitate and lead physical risk assessment workshop(s) to comprehensively identify potential risks and opportunities at the strategic level. Ensure that all identified risks and opportunities are directly aligned with SASSA's strategic objectives, outcomes focusing on APP targets
- II. Work collaboratively with department heads to identify specific risks and jointly develop Risk Action Plans. Assign clear responsibilities and timelines for each mitigation measure to ensure accountability and effective implementation.
- III. Prepare the Strategic Risk and IT Risk Registers, as well as detailed Risk Profile Reports, for formal submission and review by the Executive Committee, Risk Management Committee, and Audit Committee.
- IV. Develop standardized reporting templates that integrate Key Risk Indicators (KRIs), Key Performance Indicators (KPIs), and clearly define Risk Appetite and Tolerance Levels.

4.3 Developing, Defining and Setting Risk Appetite & Tolerance Levels

As part of annual strategic risk assessment process:

- I. Facilitate the development of Risk Appetite and Statement
- II. Establish Risk Tolerance Levels to define the acceptable variance from performance objectives.
- III. Determine and define Key Risk Indicators (KRIs) to monitor whether SASSA's activities remain within the established risk appetite and tolerance levels.
- IV. Develop and formalise the Risk Appetite and Tolerance Framework thereby consolidating the risk appetite statement, risk tolerance levels, and KRIs into a comprehensive Risk Appetite and Tolerance Framework.

5. EXPECTED DELIVERABLES

Expected deliverables for the project include:

- I. Annual Risk Assessment report, presentation, dashboards, and Strategic Risk and IT Risk Registers.
- II. SASSA Risk Appetite and Tolerance Framework including KRIs.
- III. Revised and updated SASSA Risk Management Strategy and Implementation Plan and Risk Management Policy and Risk Management Framework.

6. KNOWLEDGE, EXPERIENCE AND QUALIFICATIONS

The service provider must:

- 6.1 Have at least a minimum of five (5) years' experience in conducting Annual Strategic Assessment and IT Risk Assessment, collectively.
- 6.2 Provide a project leader or a facilitator with at least NQF L8 in Risk Management.
- 6.3 Provide a project team with IT Risk Management Specialist(s) to conduct IT Risk Assessment (Attach CV's of all project team members)

7. ROLES AND RESPONSIBILITIES

7.1 SASSA will be responsible for the following:

- Arrange key meetings and Risks Assessment workshop logistics for the Service Providers;
- Provide appropriate information as and when is required and only in situations where the service provider is required to fulfil their duties; and
- Will not be responsible for accounts/expenses incurred by the service provider when not agreed upon by the contracting parties.

7.2 The Service Provider will be responsible for the following:

- Facilitate Risk assessment workshops and transfer the skills and knowledge to the officials as identified by SASSA; and
- Conduct business in an ethical, courteous and professional manner.

8. MONITORING, EVALUATION AND REPORTING

8.1 Monitoring and evaluation of this service will be undertaken by the Chief Risk Officer of SASSA;

8.2 Project status meetings will be held on a weekly basis;

8.3 The service level agreement will be developed by SASSA and may be reviewed as and when the need arises; and

8.4 The Agency reserves the right to effect penalties for any breach of contract as specified in the service level agreement.

9. PRICING

9.1 Bidders to provide cost breakdown where necessary under each line item and sub-total and the overall bid price (Total) should be included as below.

#	Service Description	Price excl. VAT	VAT	Price incl. VAT
1.	Strategic Risk Assessment, register and reports			
2.	IT Risk Assessment, register and reports			
3.	Risk Appetite and Tolerance levels Framework including KRIs			
4	Revised Risk Management Strategy and Implementation Plan, Risk Management Policy and Framework.			
Total Bid Price including VAT				R

10. BID EVALUATION CRITERIA

10.1 The evaluation process will be carried out in terms of the two (2) stages below.

10.2 The bid proposals shall be evaluated in accordance with the 80/20 principle. The evaluation shall be conducted as follows:

STAGE 1: Mandatory Requirements, Administrative Compliance & Functionality Evaluation

- ✓ **Phase One:** Mandatory Requirements
- ✓ **Phase Two:** Administrative Compliance
- ✓ **Phase Three:** Functionality Evaluation

10.2.1 Phase One: Mandatory Requirements

- The bidder must be registered with the Institute of Risk Management of South Africa (IRMSA). Submit a valid proof of registration with IRMSA.

NB: SASSA will verify the information provided and failure to meet the above mandatory requirement will invalidate the bid.

10.2.2 Phase Two - Administrative Compliance

- Bidders are required to submit electronic copies of their bid proposals through the e-Tender Portal and deposit the original proposal in the tender box as per the address stated in the bid advert.

The bidder to submit the following:

- Valid Tax Compliance Status Pin (SARS).
- Proof of registration with Central Supplier Database (CSD)
- Fully completed and signed Standard Bidding Documents (SBD's).

NB: Failure to submit the above-required documentation may result in your proposal being disqualified.

10.2.3 Phase Three: Functionality Evaluation

An assessment of Functionality will be based on the evaluation criteria noted in the table below. Each of the evaluation criteria will carry a weighting as indicated, and the bidder will be required to score a minimum of 70 points out of the 100 points for Functionality to qualify and proceed to the next stage of the evaluation process.

The criteria below will be evaluated according to the following values.

Values: 1= Poor; 2=Average; 3= Good; 4 = Very good; 5= Excellent

Evaluation Criteria	Scoring	Weighted Score
Bidder/Company experience		
Contactable reference letters for previously completed work as evidence of company experience in conducting Annual Risk assessment and IT Risk assessment for the public sector. • The contactable reference letter(s) must not be older than 5 years, • Must be on the letterhead of the previously serviced client. • Should reflect at least the name of the client, title of the related work conducted, period conducted and completed, contactable reference name and contact details. • Contactable reference letter should indicate the quality of the service rendered. • The letter must be signed by the client's representative.	More than 3 valid contactable reference letters attached = 5 3 valid contactable reference letters attached = 4 2 valid contactable reference letters attached = 3 1 valid contactable reference letter attached = 2 No contactable reference letters attached = 1	10

Evaluation Criteria	Scoring	Weighted Score
Methodology and Approach		
Bidders must submit a concise proposal demonstrating relevant experience, a clear methodology, and a practical timeline for the project and should address the following: Methodology: - Outline a structured approach to facilitating annual strategic risk assessment incorporating frameworks such as ISO 31000 and Treasury regulations. - Outline a structured approach to facilitating IT risk assessments incorporating frameworks such as ISO 31000 and relevant IT ISO standards. - The method should reflect understanding of public sector governance and risk priorities. - Clear risk appetite and risk tolerance methodology. - Clear key risk indicators aligned to key performance indicators - Review and update of the Risk Management Strategy, Risk management Implementation Plan, Risk Management Policy and Risk Management Framework. Approach: - Highlight how the facilitator will engage both Executive Management, the Risk Management Committee and the Audit Committee to ensure meaningful participation and alignment with strategic objectives. Timeliness: Provide a brief project timeline covering the milestones of the project.	Comprehensive and detailed methodology aligned to SASSA = 5 Very good, clear and tailored methodology aligned to SASSA = 4 Good understanding and aligned methodology = 3 Limited understanding and unclear methodology = 2 Non-submission = 1	40
Qualification and Professional Designations in Risk Management		
Bidder must provide valid qualifications of the project leader/facilitator. NB: Professional designations in Risk Management will be an added advantage (e.g., CRM, IRMSA certification, ISO 31000 training) Failure to attach as per the above requirement, bidders will result in not being allocated related points. Foreign qualifications are required to be accompanied by a SAQA evaluation certificate.	Postgraduate/NQF L10 = 5 Postgraduate/NQF L9 = 4 Postgraduate/NQF L8 = 3 NQF L7 = 2 NQF L6 = 1	20

Evaluation Criteria	Scoring	Weighted Score
Experience of the Risk Assessment Facilitator/Project leader		
Detailed CV for the Facilitator/Project leader indicating years of experience in Risk Management, and workshop/s facilitated.	More than 10 years' experience in Risk Management = 5 More than 8 years up to 10 years' experience in Risk Management = 4 More than 5 years up to 8 years' experience in Risk Management = 3 More than 2 years up to 5 years of experience in Risk Management = 2 Two (2) or less than 2 years of experience in Risk Management = 1	30
TOTAL POINTS		100

NB: Bidders who score less than 70 points of the Functionality Points will be disqualified and thus will not be evaluated further on price and specific goals points.

11. STAGE 2: Price & Specific Goals

11.1 EVALUATION CRITERIA ON PRICE AND SPECIFIC GOALS

Price and Preference	100
Price	80
Specific Goals	20

80 points will be for price and the 20 points will be for specific goals.

Price

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

Specific Goals

Preference points will be awarded to a bidder for attaining the specific goals in accordance with the table below:

Specific Goals	Number of points (80/20)
B-BBEE Status Level 1 - 2 contributor with at least 51% black women ownership	20
B-BBEE Status Level 3 - 4 contributor with at least 51% women ownership	18
B-BBEE Status Level 1 - 2 contributor with at least 51% black youth or disabled ownership	16
B-BBEE Status Level 1 - 2 contributor	14
B-BBEE Status Level 3 - 8 contributor with at least 51% youth or disabled ownership	12
B-BBEE Status Level 3 - 4 contributor	8
B-BBEE Status Level 5 - 8 contributor	4
Others (Non-Compliant)	0
NB: In the event of a bidder claiming more than one specific goal category, SASSA will allocate points based on specific goal with the highest points.	

- Bidders must submit a B-BBEE verification certificate from a verification agency accredited by the South African National Accreditation System (SANAS) or certified copies thereof and/or a CSD MAAA number and/or a sworn affidavit indicating the percentage of ownership of all shareholders and/or owners and signed by the commissioner of oaths. A sworn affidavit should be submitted over and above the SANAS or CSD MAAA number to claim for the below contributor level points:
- Failure to submit the required documents shall be interpreted to mean that preference points for specific goals are not claimed.

12. BID CONDITIONS

Bids to comply with the following conditions:

- I. Bidders should be compliant with Protection of Personal Information Act, 2013 (POPI) in all aspects of the bid.
- II. The successful bidder must ensure that the information provided by SASSA during and after the contract period is not transferred/copied/corrupted/amended in whole or in part by or on behalf of another party.
- III. The successful bidder will be required to sign a declaration of secrecy with SASSA.

- IV. The successful bidder will be required to sign a service level agreement with SASSA prior the commencement of the contract.
- V. SASSA reserves the right to negotiate with the preferred bidder.

13. DURATION OF CONTRACT

13.1 The duration of the contract will be for a period of four (4) months.

14. BID ENQUIRIES

- 14.1 All questions and/or enquiries related to this bid, to be submitted in writing, and addressed to the following email address: Risk2025@sassa.gov.za
- 14.2 No meetings or telephonic enquiries will be entertained or responded to.
- 14.3 All questions and/or enquiries should be raised within 4 working days from the date of the bid advertisement. No questions and/or enquiries will be considered beyond that period. Responses will be provided within 6 working days of bid advertisement.