



LGSETA

CREATING GREATER IMPACT

ANNEXURE A

**REQUEST FOR PROPOSAL TO APPOINT A SUITABLY QUALIFIED BIDDER FOR THE
PROVISION OF FRAUD RISK ASSESSMENT, FORENSIC AUDIT AND INVESTIGATIONS IN
RELATION TO LGSETA'S SKILLS DEVELOPMENT SERVICE PROVIDERS'
ACCREDITATION AND OTHER APPOINTED SERVICE PROVIDERS**

TENDER NO: LGSETA/FORENSICAUDIT/22/36

TERMS OF REFERENCE

2.1 INTRODUCTION AND BACKGROUND

The LGSETA is a schedule 3 public entity established in terms of Section 9(1) of the Skills Development Act (SDA), No 97 of 1998. The mandate of the LGSETA is to facilitate skills development in the local government sector. On 31 March 2020, the Minister of Higher Education and Training appointed the Accounting Authority with effect from 01 April 2020 to 31 March 2025. It is therefore against the above background that, The Accounting Authority (Board) and CEO have a responsibility to ensure in terms of section 56 of the PFMA that,

- the entity has & maintains an effective, efficient & transparent system of risk management - PFMA51(a)(1);
- effective and appropriate steps are taken to prevent irregular expenditure, fruitless & wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the entity; and
- compliance with the provisions of the PFMA and any other legislation applicable to the institution is ensured.

2.2 PURPOSE

LGSETA seeks to appoint a competent services provider to render, fraud risk assessment and forensic audit and investigations in relation to LGSETA'S Skills Development Providers' accreditation and panel appointments' processes over the past 2 years from 01 May 2019 to 31 May 2021.

2.3 SCOPE OF WORK

The following broad areas will form part of the areas for the scope of work:

Discretionary Grants:

- LGSETA process accreditation of Skills Development Providers i.e. from application to awarding for the period starting 01 May 2019 ending 31 May 2021;
- Process of awarding Discretionary Grants projects/funding
- Contract management processes (SDP performance, consequence management)
- Fraud risk assessment at strategic (Executive) and operational level (projects).
- Investigation into possible fraudulent activities throughout the process.

Supply Chain Management:

- Procurement processes in awarding of all tenders from 01 May 2019 – 31 May 2021
- Process of awarding/ allocating work in terms of panels

- Contract management processes (supplier performance, consequence management)
- Fraud risk assessment at strategic (Executive) and operational level (tenders).
- Investigation into possible fraudulent activities throughout the process.

The service provider should have the following;

- Demonstrate technical competence and expertise in the discipline of Risk management and Fraud Prevention and Forensic Investigations;
- Develop a detailed project plan or methodology for undertaking the assignment;
- Team members assigned to the project should possess the required qualifications, skills and expertise to execute the project successfully; be registered as practitioners with minimum of 5 years individual experience
- The resources should have membership and/or registration with relevant professional bodies (ACFE, ICFP, IIASA, IRMSA).

2.3.1 PROPOSED SELECTION CRITERIA/FUNCTIONALITY EVALUATION CRITERIA

The functionality evaluation process will be based on a threshold criteria, where bidders which fail to achieve a minimum of **70 points out of a total of 100 points** on the functional stage will not be considered further in the evaluation. **It should be further noted that a minimum qualifying score per criteria must be met as set out in the table below.**

EVALUATION CATEGORY	DESCRIPTION	Maximum points
1. *COMPANY EXPERIENCE Bidder's experience in the provision of forensic investigation services in the public sector environment. <i>NB: The bidder will strictly be assessed ONLY based on contactable client references where the bidder's similar services can be verified</i> The reference letter should indicate the Project name, the description of services rendered, the value of the project, Start and End Date of the project. The letter should also indicate/rate the service rendered. Bidders should note that multiple reference letters from the same company will be regarded as one	○ The bidder must provide demonstrable experience in the Public Sector in forensic investigation. ○ The bidder is required to provide a minimum of five (5) contactable references where its services are verifiable. Reference letters should be in a form of a written letter on an official letterhead from clients where similar services have been provided and may not be older than ten (10) years. NB: No appointment letters from clients will be accepted as reference letters. ○ Evaluation rating 0 (0) ○ Have less than 5 year experience in Forensic Investigation Services ○ Failed to submit the required reference letters or detailing list of clients supported by number of years of experience, ○ Submitted irrelevant information or provided private sector experience. ● Evaluation rating 1 (10) (5 years' experience in Forensic Investigation Services). ● Evaluation rating 2 (20) (Above 5-9 years' experience in Forensic Investigation Services).	30

letter and points may therefore not be awarded depending on the total number of letters submitted.	○ Evaluation rating 3 (30) (Above 9 years of experience in Forensic Investigation Services)	
2. <u>EXPERIENCE AND QUALIFICATIONS OF TEAM MEMBERS</u> 2.1 **Team leader/Project Director Knowledge of the team leader in the forensic investigation and auditing industry in the public sector. Include CV of the envisaged dedicated team leader entailing skills and experience in forensic investigation and auditing. The resources should have membership and/or registration with relevant professional bodies (ACFE, ICFP, IIASA, IRMSA).	• Evaluation rating 0 (0) ○ Less than 5 years' experience in forensic investigation or ○ Less than 2 years engagement relationship experience or competency at engagement management level. ○ The proposed team leader/project director does not have the minimum qualifications. ○ No proof of relevant experience/professional body registration attached. ○ Evaluation rating 1 (10) 5 years' experience in forensic investigations and auditing with 2 years in engagement management (directorship/partnership level) or with relevant competency at engagement level. • Evaluation rating 2 (15) Above 5-9 years' experience in forensic investigations and auditing with 2 years in engagement management • Evaluation rating 3 (20) Above 9 years of experience in forensic investigation and auditing with 2 years and more in engagement management or with relevant competency at engagement level.	20
2.2 **Investigation Manager The Service Provider must demonstrate that the Investigation Manager responsible for the project has relevant experience in management of project and the team.	○ Evaluation rating 0 (0) ○ Less than 5 years' experience in forensic investigation and auditing. ○ Less than 2 years in management experience or level ○ No proof of relevant experience/professional body registration attached. ○ Evaluation rating (05) 5 years' experience in forensic investigation and auditing with 2 years in	15

Attach a concise CV/profile of Audit Manager with at least three (3) contactable references. The resources should have membership and/or registration with relevant professional bodies (ACFE, ICFP, IIASA, IRMSA).	management or with relevant competency at management level. ○ Evaluation rating 2 (10) Above 5 9 years' experience in forensic investigation and auditing with 2 years in management or with relevant competency at management level ○ Evaluation rating 3 (15) Above 9years of experience in forensic investigation and auditing with 3 years in management or with relevant competency at management level	
2.3 **Senior Forensic Investigators The Service Provider must demonstrate that the Senior Forensic Investigators responsible for the project has relevant experience in leading or supervising the project and the team. Attach a concise CV/profile of Senior Forensic Investigators with at least three (3) contactable references. The resources should have membership and/or registration with relevant professional bodies (ACFE, ICFP, IIASA, IRMSA).	○ Evaluation rating 0 (0) ○ Less than 5 years' experience in forensic investigation and auditing services and/or ○ Less than 2 years supervisor experience ○ No proof of relevant experience/professional body registration attached ○ Evaluation rating 1 (3) 5 years' experience in forensic investigation and auditing of which 2 years is in team leader/supervisory role or with relevant competency at supervisor level. ○ Evaluation rating 2 (7) Above 5-9 years' experience in forensic investigation and auditing of which 2 years is team leader/supervisory role or with relevant competency at supervisor level. ○ Evaluation rating 3 (10) Above 9 years of experience in forensic investigation and auditing of which 3 years is in team leader/ supervisory role or with relevant competency at supervisor level.	10

2.4 Forensic Investigators - Experience Forensic Investigators should possess experience in conducting similar forensic investigations in the public sector. Resources must have a National Diploma/Degree in Forensic Investigation or Auditing or any other relevant qualification.	○ Evaluation rating 0 (0) ○ Less than 1 year experience in forensic investigation and auditing services and/or ○ No proof of relevant experience/qualifications attached ○ Evaluation rating 1 (1) ○ 1-2 years' experience in forensic investigation and auditing ○ Evaluation rating 2 (3) ○ Above 2 -5 years' experience in forensic investigation and auditing ○ Evaluation rating 3 (5) ○ Above 5 years of experience in forensic investigation and auditing	5
3. TECHNICAL PROPOSAL INCLUDING METHODOLOGY The Methodology must include but not limited to the following: • Investigation plan, explaining the different stages of investigation required for a successful investigation • Laws and legislation the investigation firm is acquainted with • Proposed timeline of the investigation over a period of six (6) months	○ Evaluation rating 0 (0) ○ Methodology is irrelevant and/or doesn't cover any of the topics ○ No methodology is submitted ○ Evaluation rating 1 (10) ○ Methodology covers only one topic ○ Evaluation rating 2 (15) ○ Methodology covers two topics ○ Evaluation rating 3 (20) ○ Methodology covers three and more topics	20

*****THE BIDDER MUST NOT OBTAIN 0 POINTS ON ANY OF THE CRITERION.***

***This will mean that even if the bidder obtains a score of 90; they will still be disqualified if they obtain 0 points on any of the criterion:
Example, the bidder scored maximum points for every criteria except 1 where the bidder obtains 0 points for Senior Forensic Investigators with no experience [10];***

2.4 PRICING

Bidders are requested to provide all-inclusive prices where VAT is applicable

Pricing schedule (Important: The pricing is as per the scope of work indicated on the Terms of the References)

TABLE 1 RATES SCHEDULE

ROLE	No. OF RESOURCES	HOURLY RATE	No. OF HOURS PER MONTH	No. OF MONTHS	TOTAL AMOUNT (EXCL VAT)
Team leader/Project Director	1	R	80	06	R
Investigation Manager	1	R	160	06	R
Senior Forensic Investigator	4	R	640	06	R
Forensic Investigator	2	R	320	06	R
TOTAL OFFER (Excl. VAT)					R
VAT					R
GRAND TOTAL INCLUDING VAT					R

PLEASE NOTE:

Failure to submit a priced offer using the prescribed schedule will make the bid liable for disqualification. Disbursements should not be included in the price proposal as they will need to be approved by LGSETA as and when required. Disbursement will be reimbursed at actual cost.

- The successful bidder will be required to provide proof of expenses to be reimbursed. Other expenses, for example accommodation (specify, e.g., three-star hotel, bed and breakfast, telephone cost, reproduction cost, etcetera). On basis of these particulars, certified invoices will be checked for correctness.

LGSETA will utilize cost containment measures approved by National Treasury.