



TERMS OF REFERENCE

INTERNAL AUDIT SERVICES



27 November 2020

TERMS OF REFERENCE: PAYROLL SERVICES
REF NO. ECPACC/024/2020

Abbreviations, Acronyms and Definitions

TOR	TERMS OF REFERENCE
ECPACC	EASTERN CAPE PROVINCIAL ARTS AND CULTURE COUNCIL
PFMA	PUBLIC FINANCE MANAGEMENT ACT

1. BACKGROUND OF ECPACC

The Eastern Cape Arts and Culture Council (ECPACC) is a public entity of the Department of Sport, Recreation, Arts and Culture, with a vision to create an enabling environment for the development of arts and culture in the province and enable artists to realise their potential. As part of its strategic goals, ECPACC is responsible for the creation of a vibrant cultural industry that offers opportunities for economic development in the Province.

Over the past two years, while maintaining the same core vision but articulated differently, ECPACC has introduced new and innovative strategies, and a new way of envisioning the future of the sector, new internal business systems and fostered new partnerships and alliances with key provincial and national and international institutions. This paradigm shift has channelled a new way of thinking and repositioning of ECPACC into a properly re-engineered, well governed, and financially viable entity that is resilient and capable of executing its mandate.

2. OBJECTIVES OF THE ASSIGNMENT

The primary objective of this request for proposal is to invite suitably qualified and experienced service providers to submit proposals to ECPACC for the Internal Audit services.

3. TERM OF CONTRACT

The prospective service provider will be appointed for a period of three years (36 months) The period of service will be from 31st March 2024 (2021/22, 2022/23 and 2023/24).

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4. THE SCOPE OF SERVICE

The area of internal audit coverage is detailed as follows:

No.	Audit Coverage	Audit Plan 2021/22	Audit Plan 2022/23	Audit Plan 2023/24
Mandatory Coverage				
1	Audit Committee Meeting attendance (4 meetings per annum)	✓	✓	✓
2	Review of the Internal Audit Charter and Audit & Risk Committee Charter	✓	✓	✓
3	Quarterly Performance Information Report Review (4 reports per annum)	✓	✓	✓
4	Annual Financial Statements and Annual Performance Information Report Review	✓	✓	✓
5	Supply Chain Management Review	✓	✓	✓
Risk Based Coverage				
6	Annual Performance Plan Review	✓	✓	✓
7	Project Funding Expenditure Review	✓	✓	✓
8	Risk Assessment	✓	✓	✓
7	Human Resource Management Audit	✓		
8	Inventory and Asset Management		✓	
9	Corporate Governance Review		✓	
Follow-up Audits				
11	Internal & External Audit Findings	✓	✓	✓

5. Eligibility Criteria

5.1 TECHNICAL REQUIREMENTS

The functional / technical criterion that was utilized to test the capability of service providers was set as follows:

5.1.1 Technical Requirements

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

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	Sub-Criteria	Weight	Value	Actual Score										
1.	<p>Must have a relevant academic qualification. Preferably in Auditing, Financial Management or equivalent</p> <table border="1"> <tr> <td>4 Points</td> <td>8 Points</td> <td>12 Points</td> <td>16 Points</td> <td>20 Points</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	4 Points	8 Points	12 Points	16 Points	20 Points	1	2	3	4	5	20	<p>5 = Post Graduate degree/diploma</p> <p>4 = Degree</p> <p>3 = Diploma</p>	
4 Points	8 Points	12 Points	16 Points	20 Points										
1	2	3	4	5										
2.	<p>A minimum of five years in auditing services.</p> <table border="1"> <tr> <td>6 Points</td> <td>12 Points</td> <td>18 Points</td> <td>24 Points</td> <td>30 Points</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	6 Points	12 Points	18 Points	24 Points	30 Points	1	2	3	4	5	30	<p>5 = More than five years' experience</p> <p>3 = Between three- and five-years' experience</p> <p>1 = Less than three years' experience</p>	
6 Points	12 Points	18 Points	24 Points	30 Points										
1	2	3	4	5										
3.	<p>Proven track record in auditing services.</p> <table border="1"> <tr> <td>4 Points</td> <td>8 Points</td> <td>12 Points</td> <td>16 Points</td> <td>20 Points</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	4 Points	8 Points	12 Points	16 Points	20 Points	1	2	3	4	5	20	<p>5 = More than five projects</p> <p>3 = Between three- and five-projects</p> <p>1 = Less than three projects</p>	
4 Points	8 Points	12 Points	16 Points	20 Points										
1	2	3	4	5										
4.	<p>A detailed proposed Project Methodology (not more than five pages)</p> <table border="1"> <tr> <td>4 Points</td> <td>8 Points</td> <td>12 Points</td> <td>16 Points</td> <td>20 Points</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	4 Points	8 Points	12 Points	16 Points	20 Points	1	2	3	4	5	20	<p>5 = Excellent</p> <p>3 = Good</p> <p>2 = Average</p> <p>1 = Poor</p>	
4 Points	8 Points	12 Points	16 Points	20 Points										
1	2	3	4	5										
5.	<p>Local Supplier (Proof of address)</p> <table border="1"> <tr> <td>2 Points</td> <td>4 Points</td> <td>6 Points</td> <td>8 Points</td> <td>10 Points</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	2 Points	4 Points	6 Points	8 Points	10 Points	1	2	3	4	5	10	<p>5 = Buffalo City Region</p> <p>3 = Other regions in EC</p> <p>2 = Other regions outside EC province</p> <p>1 = Outside RSA</p>	
2 Points	4 Points	6 Points	8 Points	10 Points										
1	2	3	4	5										
Threshold		60												
Total		100												

NB: Bidders who fail to meet the minimum score of 60 points out of 100 in stage 2 will not be considered for evaluation in terms of Stage 2 (Price and B-BBEE).

5.2 Preferential Points System

A preferential point system will be applied in the procurement of goods and services as prescribed in the PPPF Act, Section 2(a).

A 80/20 procurement point system will be applied on procurement of goods and services between R30 000 and R50 million where a maximum of 80 points are awarded for price and a maximum of 20 points are awarded for the bidder's B-BBEE status. The preferential points awarded under the 80/20 threshold are awarded using the framework detailed below:

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CRITERIA		POINTS
BID PRICE		80
B-BBEE CONTRIBUTION LEVEL		20
1	20	
2	18	
	14	
4	12	
5	8	
6	6	
7	4	
8	2	
Non-compliant contributor	0	
TOTAL		100

6. Pricing

- 6.1 Kindly ensure that the quote submitted corresponds to the specification prescribed in this communication and the quoted amount if Value Added Tax (VAT) inclusive.
- 6.2 References of internal audit assignments undertaken over the past three years.
- 6.3 Qualification and curriculum vitae of the audit team members allocated to ECPACC for the internal audit assignment.
- 6.4 Kindly submit a fee schedule in the format detailed below:

No.	Audit Coverage	Team Member	Hours	Rate/Hour	Total (Incl VAT)
1	Audit Committee Meeting attendance (4 meetings per annum)				
	Total				R

- 6.5 The audit work performed will primarily occur at ECPACC Head Office at 16 Commissioner Street, East London, 5200, however out of town trips may be required on the following audits:
- Employee verification.
 - Inventory and Assets verification.
 - ECPACC Funded projects verification.

7. Application Procedure

The deadline for submission of proposals is the **11 December 2020 at 15h00**. Service providers are expected to submit the following:

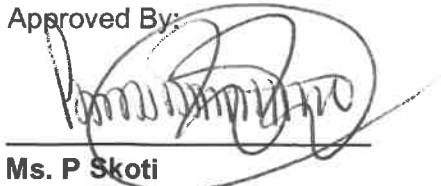
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- a) The proposal may be emailed to ksigasa@ecpacc.co.za or delivered at the ECPACC offices located at: No.16 Commissioner Street, Old Elco Building – Second Floor, East London.
- b) The proposal must correspond and be exact to the specification prescribed in this communication and be VAT inclusive.
- c) All enquiries regarding the specification should be directed to the Office of the CEO via email **ONLY** at info@ecpacc.co.za
- d) All enquiries regarding the Supply Chain Management should be directed to SCM Officer at ksigasa@ecpacc.co.za and zmatshoba@ecpacc.co.za

8. Bidders shall take note of the following bid conditions

- a) Bidders must be registered with the National Treasury Central Supplier Database (CSD).
- b) Eastern Cape Provincial Arts and Culture Council does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid.
- c) The award of this bid may be subjected to price negotiation with the preferred bidder(s)
- d) Bids which are late, incomplete or unsigned will not be accepted.
- e) ECPACC reserves the right to terminate the contract if not satisfied with the work produced by the service provider.
- f) Only bidders that have met the requirements of the proposal / specification shall be considered during the adjudication process.
- g) Service providers who are not registered with the National Treasury Central Database of Suppliers must visit www.csd@treasury.gov.za to register their companies, after the completion of the registration report, a summary report must be included to their bid documents
 - Company Profile
 - A copy of your CSD Report
 - A complete attached SBD 4.
 - Copy of SARS tax clearance certificate
 - Certified Copy or an original B-BBEE Certificate OR a Sworn Affidavit
 - Companies who bid as a joint venture must submit a consolidated B-BBEE Verification Certificate only for this bid.
- g) Companies that bid as joint venture must submit an official signed business agreement by both parties. If the service provider does not meet this requirement it will be automatically disqualified.
- h) In order to meet the requirements of the Eastern Cape Framework for Local Economic Development through Procurement Initiatives, preference will be given to contractors who reside within Eastern Cape
- i) Bids submitted are to hold good for a period of 90 days

Approved By:



Ms. P Skoti

Chief Executive Officer

Eastern Cape Provincial Arts and Culture Council