



TERMS OF REFERENCE

REQUEST FOR QUOTATIONS (RFQ) FOR PROVISION OF INTERNAL AUDIT SERVICES



29 FEBRUARY 2024

1. BACKGROUND

The Eastern Cape Provincial Arts and Culture Council (ECPACC) is a Schedule 3C Public Entity of the Department of Sport, Recreation, Arts and Culture (DSRAC), whose vision is to develop a globally competitive cultural and creative economy underpinned by the principles of social cohesion and influenced by the rich culture and heritage of the Eastern Cape Province. ECPACC hereby invites proposals from **suitably qualified and experienced** professional service providers to provide internal audit services for a period of 36 months.

2. DETAILED SCOPE OF WORK

The detailed scope of work covers the following:

Policies and procedures:

- a) Review policies and procedures for compliance with applicable laws and regulations.
- b) Review adherence to sound corporate governance practices, including review of all charters.
- c) The internal audit will be required to attend and participate in the Council and relevant Committees meetings.

Presentation of information:

- d) Review the accuracy and consistency of information presented.
- e) Review quarterly and annual performance information to check if the entity achieves its goals.
- f) Review quarterly financial information and the annual financial statements before submission for external audit.

Resource utilisation:

- g) Ensure that the entity's resources are utilized appropriately and are well managed.

Audit improvement plan

- h) Review the adequacy and effectiveness of remedial actions implemented to address audit findings raised.

Risk management

- i) Review the risk management processes implemented for adequacy and appropriateness.

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Internal control environment

- j) Conduct an overall review of the internal control environment.

Information and communication technology (ICT)

- k) Review the overall information and communication technology (ICT) environment.

3. PREQUALIFICATION/ MANDATORY DOCUMENTS (STAGE 1)

Prospective service providers must comply with the requirements and submit all required documents indicated hereunder with the bid documents. Service providers who fail to comply with all the mandatory criteria will be disqualified:

- a) Proof of registration with the Central Supplier Database (CSD report not older than one month old)
- b) Fully completed and signed standard documents attached to the RFQ.
- c) Submit a valid Tax Clearance Certificate / Tax Pin
- d) Copy of Business Registration Document (CIPC) and ID Copies of Directors
- e) Letter of Authority of Signatory / Resolution
- f) A valid JV Agreement to be attached where applicable (where applicable)

4. FUNCTIONALITY EVALUATION (STAGE 2)

The service provider must have a proven track record in the provision of the internal audit services, and the following will be specifically considered:

- (a) Extensive and relevant **company experience** in the provision of the Internal Audit services. Reference letters must be attached for the purposes of verifying relevant experience.
- (b) Relevant **experience and qualifications of proposed project team**. Detailed CVs and certified proof of qualifications must be attached for all the proposed project team members.
- (c) The proposed **methodology** must also include a detailed project methodology.
- (d) Proof of registration with the **recognized and relevant professional body** for the company or individual team members.

NB: Adherence to the proposed project team will be strictly monitored. The service provider is therefore advised to adhere to the proposed project team as much as possible, unless in circumstances beyond the service provider's control e.g. resignations or any other staff termination reasons, of which proof will be required.

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Resources will only be replaced with staff possessing similar qualifications and experience or higher.

The proposals will be evaluated as follows:

Item no	Evaluation criteria	Points
1	<p>Company relevant experience:</p> <ul style="list-style-type: none"> (i) 0 reference letters attached = 0 points; (ii) 1 – 2 reference letters attached = 10 points; (iii) 3 – 4 reference letters attached = 30 points; (iv) 5 or more reference letters attached = 40 points. <p>NB: Reference letters must be signed by at least a Manager</p>	40
2	<p>Relevant experience and qualifications of the proposed project team. (Please attach CVs and certified relevant proof of qualifications):</p> <ul style="list-style-type: none"> (i) Project Manager with at least 5 years relevant experience and relevant qualification= 15 points, else 0 points; (ii) Proposed team members (minimum 2) all have a financial/audit qualification and at least 3 years relevant experience= 15 points, else 0 points. 	30
3	<p>Methodology:</p> <ul style="list-style-type: none"> (i) Methodology fully covers all aspects as per the scope of work = 20 points; (ii) Methodology partially covers the scope of work and/or = 10 points; (iii) Methodology is significantly insufficient in all respects = 0 points. 	20
4	<p>Professional Registration</p> <ul style="list-style-type: none"> (i) Proof of registration with the recognized and relevant professional body = 10 points, else 0 points. 	10
TOTAL		100

A minimum score of at least 70 points must be obtained to proceed to the next stage of evaluation.

4. PRICING AND SPECIFIC GOALS (STAGE 3)

This RFQ will be evaluated in terms of the 80/20 preferential point system where 80 is for price and 20 for specific goals and the following specific goals will be considered:

Specific Goal	Points
Women owned enterprises (51% female owned) (SUBMIT CERTIFIED COMPANY REGISTRATION DOCUMENTS AND ID COPIES OF DIRECTORS)	6
Persons with disabilities (SUBMIT SUMMARY OF CSD)	2
Promotion of Youth (SUBMIT ID COPIES OF DIRECTORS)	2
Enterprises located in the Eastern Cape Province (SUBMIT PROOF OF MUNICIPAL CLEARANCE/LEASE AGREEMENT)	10
TOTAL	20

5 SUBMISSION PROCEDURE

The deadline for submission of proposals is the **12 March 2024 at 15h00**.

- a) The proposal may be emailed to bmhlaba@ecpacc.co.za or delivered to 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 should be directed to SCM Officer at bmhlaba@ecpacc.co.za

6. SERVICE PROVIDERS SHALL TAKE NOTE OF THE FOLLOWING TERMS OF REFERENCE CONDITIONS

- a) Service providers 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 proposal or any other proposal and reserves the right to accept the whole or part of the proposal.
- c) The award of this proposal may be subjected to price negotiation with the preferred service providers.
- d) Proposals which are late, incomplete or unsigned will not be accepted.
- e) Only service providers that have met the requirements of the proposal / specification shall be considered during the evaluation process.

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f) Proposals submitted are to hold good for a period of 30 days.

Prepared by:



Ms V Tshandu

Finance Manager

Date: 29 February 2024

Recommended by:



Mr S Mtintso

Chief Financial Officer

Date: 29 February 2024

Approved by:



Mr. M Nkasawe

Chief Executive Officer

Date: 29/02/2024