higher education & training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Eastcape Midlands TVET College
EMC
creating new futures

TERMS OF REFERENCE
REQUEST FOR PROPOSAL FOR PROVISION OF INTERNAL AUDIT SERVICES

1. REQUEST

The objective of this bid is to appoint a suitable independent internal audit service provider firm that can establish and maintain an appropriate internal audit service to the finance and audit committee of Eastcape Midlands College.

2. ROLE AND OBJECTIVE OF INTERNAL AUDIT

Internal audit should be an independent appraisal function within EMC, which provides management with a systematic review and evaluation of operations for determining efficiency, economy and effectiveness of policies, practises and control.

The objective of internal auditing Is to add value by assisting the finance and audit committee and management in effectively discharging their responsibilities, including the promotion of effective internal control at reasonable costs.

3. ORGANAISATIONAL OF INTERNAL AUDIT

Internal audit will report to the Finance and Audit committee and the principal of EMC and will help to promote and ensure:

- the independence of internal audits.
- broad audit coverage;
- adequate consideration of audit reports;
- the implementation of audit recommendation

4. SCOPE OF INTERNAL AUDIT WORK

The scope of internal audit work entails evaluating the adequacy and effectiveness of the organization system of internal control. This includes:

4.1 Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
4.2 Reviewing the system established by management to ensure compliance with those policies, plans, procedures, laws, and regulations that could have significant impact on operations, and determine whether the organisation is in compliance;

4.3 Reviewing the means of safeguarding assets and verifying the existence of assets;

4.4 Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance;

4.5 Reviewing operations or programmes to ascertain whether results are consistent with establishes objectives and goals and whether the operations or programmes are being carried out as planned;

4.6 Reviewing the planning, design, development, implementation, and operation of major computer based system to determine whether:

4.6.1 Adequate controls are incorporated systems;

4.6.2 Thorough systems testing is performed at appropriate stages;

4.6.3 System documentation is complete and accurate; and

4.6.4 The needs of the users are met

4.7 Reporting to the audit and risk committee in writing quarterly on the scope of reviews of good governance and any significant findings.

5. SCOPE OF INTERNAL AUDIT SERVICES

The audit services will be a co-sourced function. The College requires experienced service providers to render internal audit, forensic and enterprise risk management services, within the key focus areas below:

IT advisory and assurance

- Applications control reviews
- General control reviews
- IT governance framework and reviews
- IT policies, procedures and process reviews and updating
- Project pre, post and implementation reviews
- Software license management reviews
- Software development life cycle reviews
- Data forensics
- Data analytics and continuous auditing
- Business Continuity Management

Financial, operational and value add services.

- Engaging with the College in sharing audit programme, focus, audit working papers and files where practical and agreed upon.
- Legal and CET Act and PFMA compliance
- Proper accounting records to be prepared to support the full accounting for assets, expenditure, and impact on AFS in the process.
- Asset management
- Audit of pre-determined objectives
- Supply chain management processes.
- General internal auditing regarding financial internal control discipline.
- Any other value-add services such as forensic, legal, risk advice, admin support, etc.

Risk Management

- Facilitate the risk assessment based on the entity's current operations.
- Prepare the final risk assessment report for approval by the Audit and Risk Committee.
- Support to Risk officer
- Review of risk register.

Forensic Audits

- Conduct forensic investigations.
- Evaluation of Anti-fraud prevention strategies.
- Fraud awareness.

Infrastructure Projects

- Investigate certain projects.
- Advisory on infrastructure projects.
- Value for money and Performance audits.
- Project progress vs expenditure.
- Physical verification of capital projects (Infrastructural Projects).

Bidders are not limited to the above and should indicate their various product offerings in their proposals. Your proposal must demonstrate the internal audit services you are able to provide together with your experience in these areas.

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6. POINT SCORING (EVALUATION CRITERIA) Functionality (70/100 Points minimum)

No.	CREITERIA	POINTS	EVIDENCE
1	Company experience in public sector, specifically TVET Colleges. Demonstrate positive contribution to local government financial management and auditing	40	Minimum of 5 reference letters from public sector and TVET College in their letterhead, where internal audits services were rendered, and asset management and SCM etc. 5 Letters 40 points 4 Letters 30 Points 3 Letters 20 Points 2 Letters 10 Points
2	Lead Director -Qualified Chartered Accountant -Minimum of 10 years' experience	15	Detailed CV and qualifications of Lead Director. 10 Years 15 Points 5 to 10 years 10 Points 2 to 5 years 5 Points
3	Audit team -CA(SA)/ CIA Audit Manager - CA(SA)/ CIA Quality Control/Assurance Reviewer -Senior Auditors to have minimum bachelor's Degrees, completed articles and registered with SAICA (AGA(SA)) or IIA(SA) -Audit experience of senior auditors	15	Details CV and qualifications of audit team members indicating involvement in Internal Audit assignment, including quality assurance reviews.

4	Specialists -Qualified IT Audit specialists must be Certified Information systems Auditor (CISA) -CIA -Forensic specialists must be a Certified Fraud Examiner -Must demonstrate extensive successful experience in field audit experience in field audit experience -Engineering and project management experience.	15	Details CV and qualifications of specialists. 5 Specialist 15 points 3-4 Specialists 10 Points 1 to 2 Specialist 5 Points
5	**Methodology** -IT advisory and assurance -Assurance (incl Financial, operational, performance information) -Risk Management -Forensics -Value add services	10	Detailed Methodology plans for IT advisory, Assurance, Risk Management, Forensic and Value added services
6	Skills transfer plan	5	Detailed skills transfer plan proof of previous implantation of skills transfer plan
	Total	100	

Bidders should take note of the above technical (quality) evaluation criteria.

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All the necessary documentation must be submitted to the Evaluation Panel to make an informed evaluation. Evaluation of the Technical (Quality) Requirements will be based on the information provided by the bidder.

Experience - The experience annexure must be completed. Only list clients and projects of a similar nature undertaken. Reference letters from clients must be attached.
Expertise - The qualifications and experience of the company/team to undertake the work must be provided for evaluation purposes.

Also include the amount of time each team member is expected to spend on the project. Please
attached certified copies of qualifications of the team.

Methodology - The bidder must clearly demonstrate how the contract will be managed, detailing a work plan with timeframes and clearly explaining how the project will be implemented.

Bidders must score at least 70% on the above criteria to qualify for stage 2 of the evaluation process.