

NORTHERN CAPE COMMUNITY EDUCATION AND TRAINING COLLEGE (NCCETC) IN COLLABOURTION WITH THE PURCHASING CONSORTIUM SOUTHERN AFRICA (PURCO SA)

APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO RENDER AUDIT READINESS AND ANNUAL FINANCIAL STATEMENT PREPARATION SERVICES TO THE NORTHERN CAPE COMMUNITY EDUCATION AND TRAINING COLLEGE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. SCOPE AND DEFINITION OF WORK (SPECIFICATION)

The College's primary objective in issuing this RFP is to enter into agreement with a successful service provider who can assist the College to get ready for the 2022 financial year audit by performing the following services:

- a. Prepare GRAP compliant Annual Financial Statements for the year ending 31 December 2022
- b. Compile accounting file/audit file to support the Annual Financial statements
- c. Draft AFS to be presented to Management by 08 March 2023 and to provide for a period for oversight and review by the Audit & Risk Committee and Council by 15 March 2023. The service provider should consider:
 - c.a.1 Restatement requirements of all transactions and account balances resulting from audit findings from the audit of 2021 financial year as per external audit management letter.
 - c.a.2 Significant judgements and sources of estimating uncertainty in preparation of AFS have to be disclosed and working papers thereto prepared.
- d. Ensure that all required reconciliations are in place with relevant supporting documentation, with specific reconciliation on:
 - d.a.1 Income and Expenditure relating to Projects/grants (i.e. Public Private Partnerships) and reconciling the related Debtors or related Income Received in Advance
 - d.a.2 Payroll to identify corrective adjustments on expenditure and liabilities.
 - d.a.3 Prepare calculation/amortization schedules for inclusion of finance and operating leases in AFS as per GRAP requirements.

- d.a.4 Prepare Commitments Listing relating to Operational Expenditure and Capital Expenditure (inclusive of Lease Commitments) and reconcile to the Annual Financial Statements
- d.a.5 Reconcile general ledger to Fixed Asset Register to the Annual Financial Statements.
- d.a.6 Prepare fixed asset disclosure note
- d.a.7 Reconcile Revenue from Non-Exchange Transactions Accounts
- d.a.8 Reconcile Revenue from Exchange Transactions Accounts
- d.a.9 Reclassify and correct prior year errors and disclosure on AFS.
- d.a.10 Prepare audit intervention or audit action plan relating to prior year errors for consideration by external auditors.
- d.a.11 Perform cut off procedures for all classes of transactions to identify incorrect period allocation.
- d.a.12 Assess declarations and perform what is necessary for disclosure of related party note on AFS.
- d.a.13 Ensure the Annual Financial Statements are supported with working papers and source documentation that clearly explain where amounts are taken from indicating calculations breakdowns.
- d.a.14 Review of the college financial records, transactions, to identify required reconciliations that are not in place and assist to complete those.
- e. Prepare and recommend adjusting journals with sufficient supporting documentation to ensure accuracy and completeness of the Trial Balance and General Ledger amounts.
- f. Provide management file for all supporting working papers in gathering information and calculations made to determine balances on AFS.
- g. Compile audit file for the year ending 31 December 2022 audit in line with National Treasury guidelines.
- h. Prepare weekly progress reports based on work plan to be submitted in quotation and report upfront on any expected increase cost for prior approval by council.
- i. Compile a skills transfer plan which requires the identification of skills needs and assist to transfer of such skills to the college employees who will be directly involved in the audit readiness and preparation of the AFS in order to create future self-sustainability for the college in the matters above.

It is expected that the appointed service provider be able to deliver these services by the due dates with additional eight (8) weeks availability on request during the audit period as per scope to answer on prepared working papers done. Team members should be technically

proficient in GRAP and have relevant technical experience to correct and address any material audit issues including any of the prior year. The Service Provider must clearly demonstrate the capacity to deliver the services for which they are quoting. NC CET College reserves the right to ask for documentation to prove financial capacity of the Services Provider appointed.

8. MANDATORY DOCUMENTS

The College has set minimum standards that service providers need to meet as a precursor to evaluation and selection as the successful service provider.

Pre-qualification Criteria (Phase 0)	Technical Evaluation Criteria (Phase 1)	Price and B-BBEE Evaluation (Phase 2)
Bidders must submit all documents as outlined in paragraph 9.1 below. Only bidders that comply with ALL these criteria will proceed to Phase 1.	Bidders are required to have the minimum competences, skills and experience as outlined below	Bidders will be evaluated out of 100 points and Phase 2 will only apply to bidders who have met the requirements per phase 1.

9.1 PHASE 0: PRE-QUALIFICATION CRITERIA

Without any limitation in respect of the College's other critical requirements relevant to this Bid, prospective bidders must submit all the documents listed in the table below.

Table: Documents to be submitted for pre-qualification:

Document that must be submitted	YES/NO	Non-submission may result in disqualification
Invitation to Bid - SBD 1		Complete and sign the attached <i>pro-forma</i> document
Tax Status Tax Clearance Certificate - SBD 2		Written confirmation that SARS may on an ongoing basis during the period of the contract disclose the bidders' tax compliance status. Proof of Registration on the Central Supplier Database Vendor number/CSD number



		In the event where the bidder submits a hard copy of the Tax Clearance Certificate, the CSD verification outcome will take precedence.
Declaration of Interest – SBD 4		Complete and sign the attached <i>pro-forma</i> document. Bidders must submit share certificate of the bidding company/firm, CIPC/CK document, certified copies of IDs of directors and shareholders.
Declaration of Bidder's Past Supply Chain Management Practices -		Complete and sign the attached <i>pro-forma</i> document (SBD 8).
Certificate of Independent Bid Determination		Complete and sign the attached <i>pro-forma</i> document (SBD 9).
Registration on the Central Supplier Database (CSD)		The bidder must be registered as a service provider on the Central Supplier Database (CSD). If not registered proceed with completing the company registration prior to submission of the proposal. Visit https://secure.csd.gov.za/ to obtain a vendor number. Submit proof of registration.
Pricing Schedule		<i>Submit full details of the pricing proposal in a separate envelope</i>
Board Resolution		<i>Attach copy of board resolution. Unless sole proprietor</i>
SAICA/SAIPA membership/registration		Provide proof of registration with the South African Institute of Chartered Accountants
Case Ware Champion Certificate /or similar accounting software		Provide proof of certification

- a. Each document must be completed and signed by the duly authorised representative on behalf of the prospective bidding company.

- b. During this phase bid responses will be evaluated with emphasis placed on documentary compliance with the listed administrative and mandatory bid requirements.
- c. Bidders' proposal will be disqualified as a result of non-submission and completion of the listed documents.

FUNCTIONALITY

9.2 PHASE 1: TECHNICAL EVALUATION CRITERIA = 100 POINTS

- a. All bidding companies are required to fully adhere to the technical evaluation criteria.
- b. *Only Bidding companies that have fully met the Pre-Qualification Criteria in Phase 0 will accordingly be evaluated in Phase 1 for determination of functionality.*
- c. Bidding companies will be evaluated on an overall score of 100 points.
- d. Bidders are required to score a minimum of **70 points** to proceed to **Phase 2: Evaluation for Pricing and B-BBEE status.**
- e. **Phase 1: Technical Evaluation Criteria:** The bidders' information will be scored according to the Points determination system.



No	Qualifying Criteria	Points
1	<p>Proof of similar projects and references to be provided. A minimum of three contactable references is required not older than 3 years in similar GRAP environments</p> <ul style="list-style-type: none">➤ One Reference Letter (10 points)➤ Two Reference Letters (20 points)➤ Three Reference Letters (30 points)➤ None submitted (0 Points)	30
2	<p>The delivery of these services is time sensitive. As such the successful bidder will be required to have all services delivered within a 6-month period of the awarding of the contract for each of the respective financial periods indicated in the scope (2021 and 2022)</p> <p>The service provider must be able to provide a team that:</p> <ul style="list-style-type: none">➤ Have been involved in the preparation of GRAP AFS where an unqualified opinion was obtained (similar environment: educational or related institute), (15 points)• Previously been involved in the preparation of GRAP annual financial statements and have intimate knowledge of the accounting reporting framework (10 points)• Must be fully conversant with GRAP and demonstrate a high level technical understanding and approach and (5 points)• Work experience with the external auditors. (10 points)• None submitted (0 Points)	40
3	<p>Detailed Work Plan comprising of the following:</p> <ul style="list-style-type: none">➤ Methodology➤ Stages of Completion (i.e. Timeframes and Due Dates)➤ Planned Hours➤ None submitted (0 Points)	10



4	Detailed Skill Transfer Plan ➤ Methodology ➤ Stages of Completion (i.e. Timeframes and Due Dates) ➤ Planned Hours ➤ None submitted (0 Points)	10
5	Proof of capacity to perform the required service(s) • Registered Chartered Accountants (CA (SA)) must lead the team (proof to be provided). • The team must be comprised of individuals appropriately qualified with B Com in Accounting/Auditing and must have minimum 2 years' experience in the accounting/audit profession. • At least one member (Besides the Partner) must have 5 years or more experience in the accounting/audit profession. • None submitted (0 Points)	10
	TOTAL POINTS	100

3. EVALUATION CRITERIA

3.1. The evaluation criteria that will be used in evaluating the technical submission.

The service provider/individual responding to this RFQ or employees to work on the project must:

1. Have at least a CA (SA) on the project
2. Have experience in TVET sector or CET sector in preparing financial statements in terms of GRAP and providing financial management support
3. Must have experience in preparing or reviewing GRAP compliant fixed asset register
4. Be able to use Microsoft Dynamics financial Management System
5. Be able to prepare financial statements in terms of GRAP using CaseWare and Draftworx
6. Must have external audit experience in public sector

2. PRICING

- 2.1 The price quoted must be a fixed price for the duration of the contract and must include all related costs (travel, accommodation, equipment and data communication). The expected time and cost per audit team member and the hourly tariffs of each team member must please be specified.
- 2.2 Price must be VAT inclusive and quoted in South African Rand.
- 2.3 Costing should be aligned with project activities / project phases.
- 2.4 The bidder must provide a breakdown of an all-inclusive price per each financial year to be audited.
- 2.5 Pricing Schedule:

SCOPE OF WORK	Total Bid Price. All-inclusive, including VAT
Audit Readiness and Support for Preparation of Annual Financial Statements – 2022 Financial Year	R