



## **Terms of Reference and Request for quotations:**

### **FOR THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT THE EXTERNAL QUALITY ASSESSMENT REVIEW OF THE INTERNAL AUDIT FUNCTION**

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**Deadline for Submissions: 18 August 2023**

**SAHRC RFQ 06-2023**

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#### **1. Background**

The South African Human Rights Commission (SAHRC) is a Constitutional body established in terms of the Constitution of South Africa, 1996 as well as the South African Human Rights Commission Act, 40 of 2014. The SAHRC is under the strategic leadership of Commissioners. The administration of SAHRC is overseen by a Chief Executive Officer (CEO).

The International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA Standards) require external quality assessments (QA) of the internal audit activity to be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

The last external quality assessment of the SAHRC Internal Audit function was conducted in December 2017. As five years have passed since the last external quality assessment, the SAHRC internal audit function is therefore due for an external quality assessment during the 2023/24 financial year.

#### **2. Objective**

The objective of this request for quotation is to appoint a suitably qualified, independent review to conduct a quality assessment for the South African Human Rights Commission's Internal Audit Function.

The independent opinion on internal audit's conformance with the Institute of Internal Auditing Standards, Code of Ethics and make recommendations for areas of improvement.

### **3. Scope of service**

The external assessment will consist of a broad scope of coverage that includes the following elements of the Internal Audit activity:

- Conformance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing (*Standards*), Definition of Internal Auditing, the Code of Ethics, and internal audit's Charter, plans policies, procedures, practices, and any applicable legislative and regulatory requirements.
- Expectations of Internal Audit as expressed by the Audit Committee, executive management, and operational managers.
- Integration of the Internal Audit activity into SAHRC's governance process, including the audit relationship between and among the key groups involved in the process.
- Tools and techniques used by Internal Audit.
- The mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement.
- A determination whether Internal Audit adds value and improves SAHRC's operations.

### **4. Output/Key Deliverables**

The services of an external service provider are required to perform the external quality assurance review. In carrying out the work, the service provider will be required to ensure that staff assigned to the project to perform the review maintains their objectivity by remaining independent of the activities they access. It will therefore be expected of the service provider:

- Not to be part of any executive or managerial powers, functions or duties except those relating to External Quality Assessment,
- Not be involved in the day-to-day operation of the SAHRC; and
- Not be responsible for the detailed development or implementation of new systems and procedures within the SAHRC.

The service provider will be required to ensure that all work conforms to the IIA standards and such work shall be subject to an external quality assessment review as may be considered necessary.

It will be expected of the service provider that at the end of the quality assessment review an external quality assessment report is produced outlining the findings of the assessment, including the following:

- An outline of the methodology used to conduct the external quality assessment,
- Produce sufficient, relevant, reliable and effective evidence relating to external quality assessment; and
- Make recommendations on the possible actions that need to be taken to correct the weaknesses identified.

The key deliverable for this review is the Independent External Quality Assessment Report in line with the scope and in compliance with the relevant IIA (SA) Standards on performance of External Quality Assessment.

#### **5. Reporting on the External Assessment**

- The External Quality Assessment exercise is confidential and the results thereof will be provided to the Chief Audit Executive,
- Upon completion of the assignment, a draft report shall be submitted to the Chief Audit Executive, within 15 working days after fieldwork;
- The report will be finalized within 10 working days following comments received from the Chief Audit Executive.
- In accordance with the IIA Standards, the Chief Audit Executive will submit the final External Quality Assessment report to the CEO and Chairperson of the Audit and Committee. A summary thereof will be shared with the SAHRC External Auditors (Auditor General).

#### **6. Pricing**

A detailed price breakdown structure must be included with the total amount.

All pricing must be shown inclusive of any applicable VAT.

#### **7. Project Timelines**

The external quality assessment review is expected to be conducted over three months and be completed by the 30 November 2023.

## 8. **Duty Station**

The selected individual or firm shall be required to provide dedicated time to the SAHRC and deploy qualified and experienced Certified External Quality Assessor to be based at the SAHRC offices for the duration of the contract.

## 9. **Qualifications and experience**

The successful individual or firm shall meet the following criteria:

- Practical and technical competencies in External Quality Assessment;
- Understanding of the Standards of Professional Practice in Internal Auditing (SPPIA);
- Understanding of applicable relevant standards around External Quality Assessment;
- Extensive experience in conducting External Quality Assessment engagements in the public sector;
- Certified Quality Assessor or equivalent qualification in the External Quality Assessment field coupled with three to five years of practical experience in External Quality Assessment;
- A thorough understanding of references to governance, risk management and internal controls in the Public Finance Management Act (PFMA) and Treasury Regulations; - Project Management skills and experience; and - Relevant academic qualifications.
- High levels of communication, interpersonal and analytical skills;
- The ability to work under pressure; and
- Attention to detail and deadlines.

## 10. **Presentation of Proposal**

Submission of the proposal shall include the following:

- Company profile;
- Company background and track record in similar projects, 5 contactable references including confirmation letters.
- The service providers' approach and methodology to be applied during the review.
- CVs of technical team members;

## 11. **Evaluation Criteria**

Please note that the following evaluation criteria will be used:

All quotes received will be evaluated based on the following criteria:

Bidders are required to score a minimum of 70% points on functionality to qualify to be evaluated in the next level (Specific goals -BBBEE and price). Bidders who do not score the minimum of 70% points on functionality will be disqualified and not be evaluated on price and BBBEE.

**(a) Functionality of proposal will be evaluated on:**

Criteria	Percentage
<p>Previous experience working on similar projects in the form of reference letters</p> <p>The reference letters must include the following:</p> <p>Dated and signed by the company</p> <p>On the approved letter head of the company</p> <p>0 – No reference letters submitted</p> <p>1 – 1 reference letter submitted</p> <p>2 – 2 reference letters submitted</p> <p>3 – 3 reference letters submitted</p> <p>4 – 4 reference letters submitted</p> <p>5 – 5 reference letters submitted</p>	40
<p>Proposed technical approach, methodology and schedule to accomplish the project</p> <ul style="list-style-type: none"> <li>• Bidders must provide a detailed project plan indication how the project will be implemented, resources allocated and timelines involved in to order to meet the SAHRC's requirements.</li> </ul>	30
<p>Skills and competencies of key personnel that will be assigned on the project based on CVs</p> <ul style="list-style-type: none"> <li>• Skills and qualifications of the team leader and the entire assessment team (accompanied by brief CV's), <ul style="list-style-type: none"> <li>○ Team leader should be Certified Internal Auditor (CIA),</li> <li>○ Each team member should possess the necessary technical expertise (e.g., governance, IT, risk management, internal audit attributes etc);</li> <li>○ Accredited as a quality reviewer by Institute for Internal Auditors.</li> <li>○ Contact details of 5 references from amongst recent clients with whom similar work has been conducted in the past 36 months. The bidder must provide the reference letters indicating the contact's name, telephone number and email address.</li> </ul> </li> </ul>	30
Total	100

**b) Price evaluation will be based on the 80/20 preferential point system.**

**Service providers must submit all the required compliance documentation to be considered.**

Only Bidders that have met all the requirements of a valid submission will be evaluated in for price and Specific goals. Price and specific goals will be evaluated as follows:

- The price (maximum 80 points)
- B-BBEE status level of contributor (maximum 20 points)

**Stage 1 – Price Evaluation (80 Points)**

Criteria	Points
<b>Price Evaluation</b>  $Ps = 80 \left( 1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right)$	80

The following formula will be used to calculate the points for price:

Where

- Ps = Points scored for comparative price of bid under consideration  
Pt = Comparative price of bid under consideration  
Pmin = Comparative price of lowest acceptable bid

**Stage 2 – BBEE Evaluation (20 Points)**

**a. BBEE Points allocation**

A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16
4	12
5	10
6	8

7	6
8	2
Non-compliant contributor	0

B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

- B-BBEE Certificate or sworn affidavit

## 12. **Mandatory procurement documents required:**

Quotation showing a detailed fee breakdown structure and all pricing must be inclusive of any applicable VAT;

12.1.1 Proposal

12.1.2 Valid Tax Clearance Certificate

12.1.3 BBBEE Certificate.

12.1.4 Company Profile

12.1.5 Central supplier database report

12.1.6 Standard bid document 4

12.1.7 Standard bid document 7.2

Note: If a bidder is a Consortium, Joint Venture or Prime Contractor with Subcontractor(s), the documents listed above must be submitted for each Consortium/ JV member or Prime Contractor and Subcontractor(s).

To be considered, service providers must quote within the thresholds of quotations from National Treasury inclusive of Vat.

Service providers that have received lots of work from the Commission in the last 6 months might be disqualified due to supplier rotation.

## 13. **Confidentiality, independence and objectivity**

The service provider will hold all material and information exchanged in the course of the assessment in the strictest confidence and will take all steps necessary to prevent dissemination of this information to any third party, without the prior written agreement of the SAHRC as the SAHRC asserts its moral authority and copyright over the report. The service provider must ensure that its staff maintains their objectivity by remaining independent of the activities they execute.

#### 14. **Contact Details**

Submissions must be emailed to: [tenderoffice@sahrc.org.za](mailto:tenderoffice@sahrc.org.za)

For further information or clarification, please email [zmoyo@sahrc.org.za](mailto:zmoyo@sahrc.org.za)

**Submissions are due by Friday, 18 August 2023, before 11h00.**