

NDLAMBE MUNICIPALITY



RFQ NO:94/2324

INVITATION TO SUBMIT FORMAL WRITTEN QUOTATIONS PROVISION OF EXTERNAL QUALITY ASSESSMENT REVIEW FOR NDLAMBE LOCAL MUNICIPALITY INTERNAL AUDIT UNIT

Quotations are hereby invited from prospective qualified companies to perform the quality assessment review of the Ndlambe Municipality's Internal Audit Unit.

SPECIFICATIONS

Objectives:

The overall objective of this project is to appoint a suitable independent quality reviewer or review team with competent and skilful personnel that can assist Council, Senior Management and the Internal Audit Unit to validate the internal audit activity's efficiency and effectiveness through conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and whether internal auditors apply the IIA's Code of Ethics and that the internal audit activity also achieves alignment with the Definition of Internal Auditing and the Core Principles.

Scope of work

The external quality assurance review shall include a report with recommendations on the evaluation of the municipality's internal audit activity's conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and whether internal auditors apply the IIA's Code of Ethics.

Assessment of the internal audit function should include the evaluation of:

- Compliance with the Institute of Internal Auditors Standards, Core Principles and Code of Ethics.
- Adequacy of internal audit charter, policies and procedures.
- Contribution to the organizational risk management, governance, and control process.
- Compliance with applicable laws, regulations, and government standards.
- Whether the internal audit activity adds value and improves organizational operations; and
- Implement the developed quality assurance improvement plan.

Full requirements detailed from paragraph 5 of this request for quotation document.

Bidders shall take note of the following BID CONDITIONS:

1. The bid price should be in R (ZAR) value.
2. Prices must be valid for at least 90 days from the closing date (to be stated on quotation).
3. Prices quoted must be firm and must be inclusive of VAT.
4. Bids not complying with all specifications as set out above will be declared non-responsive and therefore not be considered for the preferential points calculation which will be used to determine the successful bidder.

5. Ndlambe Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of a bid.
6. A SARS tax reference number and PIN must be provided. Tax status will also be verified against the Central Supply Database (CSD).
7. Evidence of registration of company on the Central Supplier Database must be provided (CSD "MAA" number).
8. Bidders must complete the following forms:
 - Declaration of Interest form (**MBD4**).
 - Certificate of Independent Bid Determination (**MBD9**).
- 8.1. Bidders who wish to claim for preferential points for Specific Goals in terms of the Preferential Procurement Policy of Council and the Preferential Procurement Regulations, 2022, must submit a completed form MBD 6.1 (included in the returnable document) as well as a certified copy of the proof of B-BBEE status level of contribution as follows:
 - o In the case of an Affidavit, commissioned by a Commissioner of Oaths
 - o In the case of a B-BBEE Certificate, only a "true copy" stamp and signature.
9. It should be noted that the 80/20 points system will be applied, 80 being for price and 20 for Specific Goals as defined in the Preferential Procurement Policy.
10. The award will be made in terms of the Municipality's Preferential Procurement and Supply Chain Management Policy.
11. A Municipal Billing Clearance Certificate (in respect of both the company and, if applicable, directors/owners) must accompany all bids.
12. Documents are to be completed in full.

The abovementioned MBD forms are available for download from:

<https://ndlambe.gov.za/web/mbd-documents/>

Late submitted, unmarked, faxed, falsified or e-mailed offers will not be considered and will be disqualified. Bids must be placed in sealed envelopes marked "**NOTICE NR 115/2024 or RFQ NO: 94/2324 – PROVISION OF EXTERNAL QUALITY ASSESSMENT REVIEW FOR NDLAMBE LOCAL MUNICIPALITY INTERNAL AUDIT UNIT**" and must be placed in the tender box at the Supply Chain Management Unit, 44 Campbell Street, Port Alfred, **not later than 12h00 on 07 JUNE 2024**. Bids will be opened at the same venue from 12h05 on the same day.

N.B. ENVELOPES NOT MARKED AS INDICATED ABOVE WILL NOT BE OPENED AND SUCH BIDS WILL, AS A RESULT, BE DISQUALIFIED.

Further details may be obtained from the Internal Audit Manager, Mr S Landzela, on Tel: 046 604 5505.

**NOTICE NUMBER :115/2024
31 MAY 2024**

**ADV R DUMEZWENI
MUNICIPAL MANAGER**

Notice Boards, Website

1. PURPOSE

Ndlambe Local Municipality Internal Audit unit is required to develop a Quality Assurance and Improvement Programme (QAIP). The Standards for the Professional Practice of the Internal Auditing (SPPIA) 1312 – External Assessment states that “External assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization”.

Ndlambe Local Municipality (NLM) hereby invites suitably qualified and experienced service providers to tender for the provision of an independent external quality assurance assessor to validate the internal audit units' alignment with the Quality Assessment Manual of the Institute of Internal Auditors.

2. BACKGROUND

In terms of the International Standards for the Professional Practice of Internal Auditing (Standards) of the Institute of Internal Auditors (IIA), external assessments of the internal audit activity must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

The Internal Audit Unit is due for its first external quality assessment since unit inception.

Implementation Guide 1300 states, “The QAIP is designed to enable an evaluation of the internal audit activity’s conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and whether internal auditors apply The IIA’s Code of Ethics.” Through conformance with the Standards and the Code of Ethics, the internal audit activity also achieves alignment with the Definition of Internal Auditing and the Core Principles.

3. OBJECTIVES AND GOALS

The overall objective of this project is to appoint a suitable independent quality reviewer or review team with competent and skillful personnel that can assist Council, Senior Management and the Internal Audit Unit to validate the internal audit activity’s efficiency and effectiveness through conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and whether internal auditors apply the IIA’s Code of Ethics and that the internal audit activity also achieves alignment with the Definition of Internal Auditing and the Core Principles.

The following needs to be ascertained:

- The level of conformance with the standards and code of ethics;
- The efficiency and effectiveness of the internal audit activity;
- The internal audit activity’s alignment with the definition of Internal Auditing as defined by the IIA.
- The extent to which the internal audit activity meets the expectations of the Council, Management, and value added to the municipality.

4. SCOPE OF WORK

The external quality assurance review shall include a report with recommendations on the evaluation of the municipality’s internal audit activity’s conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and whether internal auditors apply the IIA’s Code of Ethics.

Assessment of the internal audit function should include the evaluation of:

- Compliance with the Institute of Internal Auditors Standards, Core Principles and Code of Ethics;
- Adequacy of internal audit charter, policies and procedures;
- Contribution to the organizational risk management, governance, and control process;
- Compliance with applicable laws, regulations, and government standards;
- Whether the internal audit activity adds value and improves organizational operations; and
- Implement the developed quality assurance improvement plan.

5. REQUIREMENTS FOR CONTENT OF PROJECT PROPOSAL

To ensure an objective and fair evaluation process, all proposals submitted must be in the format stated below. Failure to provide all or any part of the requested information, in the required format will result in a proposal being excluded from the evaluation process and deemed non-responsive.

a. Organisation:

- Description of your organisation
- Organisation chart for your firm

b. Experience:

- Thorough knowledge and expertise in the professional practice of internal auditing.
- Have depth knowledge and understanding of local government.
- In-depth knowledge and experience about the external assessment process.

The key personnel of the successful service provider are expected to have the following:

- Be a competent, certified audit professional in the following: PCIA, CIA, or CA who possesses current and in-depth knowledge of the IIA standards.
- Have competencies and experience, gained from working previously as a team leader/member on an external quality assessment;
- Successfully completion of IIA’s quality assurance training course.
- Be registered as a recognized quality assurance with the IIA(SA).
- Be in good standing with the IIA(SA) membership.
- Certified copies of CVs and proof of educational qualifications must be included when submitting the proposal.

The independent assessor/assessment team should demonstrate that they do not have an actual or perceived conflict of interest through the provision of a signed statement confirming their independence as defined in the Standards.

c. Client Service Team:

- Personnel and employment details for each proposed member should be provided in section 3 of your proposal. This section should include:
 - i) Name of employees, job title, Internal Audit qualifications, other professional qualifications, date they joined your firm, current and previous work experience.
 - ii) Please include a table setting out the experience in the public sector of each member of your nominated team, i.e.

Name	Job Title	The date they joined the office	Number of years of experience
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- Describe the role and the responsibilities of each person on the team.
- Briefly state the procedures in place to account for change in the core team (ensuring continuity).
- Please include a table showing the level of input from each grade nominated in your team as well as the rate per hour for each of these levels:

Designation	Time	Rate
Partner or Director		
Manager		
Assistant Manager		
Other Qualified		
Part Qualified (CIA, etc. Please state)		
Junior		
Total		

- Provide a table detailing your fees for all work relating to this assignment:
 - Include a fixed price
 - Include Vat and a reasonable estimate for disbursement cost (e.g. traveling, accommodation, software, licencing fees, etc.)

Please provide a list of all your assumptions in arriving at the estimated fees.

6. DESCRIPTION AND EXTENT OF WORK

The review should include a report with recommendations on the evaluation of the internal audit activity's conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and whether internal auditors apply the IIA's Code of Ethics.

Assessment of the internal audit function should include the evaluation of:

- Compliance with the Institute of Internal Auditors Standards, Core Principles and Code of Ethics;
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- Implement the developed quality assurance improvement plan.

6.1 Quality Assurance review of the work

The successful Bidder shall ensure that all work conforms to the standards for the Professional Practise of Internal Audit (Institute of Internal Auditors)

6.2 Independence and Objectivity

In carrying out the work, the successful Bidder must ensure that their staff maintains their objectivity by remaining independent of the activities they perform. The service provider shall:

- Have no executive or managerial powers, functions, or duties except those relating to the project.
- Not be involved in the day-to-day operation of the Municipality.

7. DURATION OF THE PROJECT

The duration of the contract will be 3 months from the appointment date.

8. VALIDITY OF BID

- 90 days

9. GENERAL CONDITIONS OF THE CONTRACT

General conditions of contract apply, together with the requirements of the SCM Policy and legislative framework.

10. SPECIAL CONDITIONS OF THE CONTRACT

The following special conditions apply:

- Replacement of candidates for this assignment will not be allowed except in extreme cases and the new candidates should possess the same educational qualifications and experience or higher than their predecessors and with the permission of the Accounting Officer.
- Ndlambe Municipality will not be liable to reimburse any costs incurred by the contractor during the proposal process.
- Penalties will be applied in respect of late completion of work defined in the final contract provided that the delay is attributed on the part of the service provider.
- The service provider:
 - Undertakes to act as an independent contractor in respect of the work.
 - Shall exercise all reasonable skill, care, and diligence in the execution of the work and shall carry out all its obligations following professional standards.
 - Shall, in all professional matters, act as a faithful adviser to Ndlambe Municipality in this regard.
 - Shall be deemed to have satisfied itself as to the correctness and sufficiency of the rates and prices set out in the contract for the work to be rendered.
 - Shall, whenever so required by the representative, furnish the representative with particulars in writing regarding the Service Provider's arrangement for the execution of the work. Should the parties believe the proposal submitted by the Service Provider does not ensure, inter alia, the completion of the work within a stipulated time for completion, the representative shall have the right to request that the proposal be amended to his/her satisfaction.
 - Shall attend meetings with officials whenever required to do so by the representative to obtain information or advice in regard.
 - to the work and assignments or any matters arising therefrom in connection therewith.
 - Shall not have the power or authority to enter any contracts or otherwise to bind or incur any liability on behalf of the Ndlambe Municipality.
 - The Ndlambe Municipality undertakes to pay the service provider within (30) days from the date of receipt of a correct invoice.
 - Only original bids filled in black ink will be accepted.
 - Service Providers bidding as a consortium / Joint Venture must attach an agreement signed by all partners and each party thereto must comply with all requirements of the bid.
 - A Curriculum Vitae and certified educational qualifications certificates must be included when submitting a proposal.
 - All the bid documents must be completed in full.
 - If the service provider does not meet the above requirements, it will automatically be disqualified.

11. EVALUATION CRITERIA

1. Evaluation will be carried out as per the below stages, namely, compliance, minimum requirements and price.
2. Compliance with the terms of reference,
3. Meeting the minimum requirements.
4. Price evaluation on the 80/20 points system within the ambit of the Preference Procurement Policy Framework Act No.5 of 2000 and Revised Preferential Regulations 2022.

12. MINIMUM REQUIREMENTS

Bidders must take note of the following minimum requirements to progress in the selection process.

No	CRITERIA	GUIDELINE	Submit Proof
1.	Experience	List of projects of external quality assurance previously or currently being undertaken (Appointment letter and reference letter) 3 letters or more government or private institutions –	The Company must submit a signed appointment letter and confirmation/reference letters
2.	Methodology	Bidders must demonstrate how the project will be implemented.	<ul style="list-style-type: none"> Detailed work plan or project plan Support plan and turnaround time
3	Expertise	<p>Certified audit professional in the following:</p> <p>3.1 Principal Certified Internal Auditor (PCIA), Certified Internal Auditor (CIA), Professional Internal Auditor (PIA), or Chartered Accountant (CA) who possesses current and in-depth knowledge of the standards.</p> <p>3.2 Member in good standing with the Institute of Internal Auditors South Africa (IIASA) or South African Institute of Chartered Accountants (SAICA)</p> <p>3.3 Must have extensive experience in conducting Quality Assurance reviews - 5 years or more</p>	<p>Certified Accreditation Certificates and CVs of assessor / Team Members</p> <p>Certified Membership Certificate</p>
4	Quality Assurance	Registered as a quality assurance assessor with the IIASA or SAICA	Certified Accreditation Certificates

13. CLOSING DATES

The closing date for the acceptance of proposals will be the 07 June 2024, all bidders who fail to meet this deadline will be regarded as not responsive.