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| **DCS FACILITIES FUND** **RFP No: DCSFF 15/12/2023** **REQUEST FOR PROPOSAL:** **PROVISION OF EXTERNAL AUDIT SERVICES** **CLOSING DATE: 15 December 2023**   **TIME: 14H00**  |

**1. Proprietary Information:**

The Department of Correctional Services Facilities Fund (DCS FF) considers this Tender and all related information, either written or verbal, which is provided to the respondent, to be proprietary to DCS FF. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information in part or as a whole to any third party without the prior written consent of DCS FF.

# 2. Enquiries

All communication and attempts to solicit information of any kind relative to this Tender should be channeled to the officials named below:

# Contact persons (all questions should be in writing)

 **Nombuso Mkhize Ntsako Khosa**

 Director Facilities Fund Deputy Director Funds and Scheme

 Tel: +27 72 770 5611 +27 83 649 1095

 Email: nombuso.mkhize@dcs.gov.za Ntsako.khosa@dcs.gov.za

**3. Medium of Communication**

All the documentation submitted in response to this tender must be in English.

# 4. Verification of Documents

Tenderers should check the numbers of pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by the DCS FF in regard to anything arising from the fact that pages are missing or duplicated.

# 5. Validity Period

Responses to this tender received from tenderers will be valid for a period of 90days counted from the closing date of the tender.

# 6. Submission of Tenders

6.1. Tenders should be submitted in **duplicate** in a sealed envelope endorsed**, “(TENDER RFP DCS FF 15/12/2023, Provision of External Audit Services)”**. The sealed envelope must be placed in the tender box at the Main Reception area of the Department of Correctional Services, Poynton Building, West Block, 124 WF Nkomo Street, Pretoria 0001 by no later than **14h00** on **15 December 2023. A briefing session will be held on 05 December 2023 at 11H00 at Department of Correctional Services Head Office, Poyntons Building, 124 WF Nkomo Street, Pretoria 0001, 31 Floor Boardroom, East Block.**

6.2. The RFP number, closing date, firm name and return address must also be endorsed on the envelope.

6.3. If a courier service company is used for delivery of the tender document, the tender description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the tender box.

6.4. No tender received by telegram, telex, email, facsimile or similar medium will be considered.

6.5. Where a tender document is not in the tender box at the time of the tender closing, such a tender document will be regarded as a late tender. Late tenders will not be considered.

6.6. Amended tenders may be sent in an envelope marked “Amendment to tender” and should be placed in the tender box before the closing time.

6.7. The tenderer is responsible for all the costs that shall be incurred in relation to the preparation and submission of the tender document.

6.8. A list of all references (minimum 3) with contact details must be included in the tender document.

6.9. Copies of qualifications, identity documents (IDs) and the curricula vitae (CVs) of persons who will be involved in the execution of this tender should the tenderer be successful must be attached to the proposal.

6.10. The following information also needs to be provided with the tender document**:**

* Names and details of senior management
* Employment equity details of employees at an operational level
	1. An original valid Tax Clearance certificate must be included in the tender document. Failure to submit a certificate would render your tender invalid.
	2. Copies of any affiliations that you may have must be attached to the response to this tender.
	3. Kindly note that the DCS FF is entitled to amend any tender conditions, validity period, specifications, or extend the closing date of tenders before the closing date. All tenderers, to whom the tender documents have been issued, will be advised in writing of such amendments within reasonable time after they are made.
	4. The DCS FF reserves the right not to accept the lowest tender or any tender in part or in whole.
	5. The DCS FF reserves the right to award this tender to a black empowered firm.
	6. The DCS FF also reserves the right to award this tender to any party whom it decides as a whole or in part without furnishing reasons. The DCS FF reserves the right to withdraw this tender at any stage with or without giving reasons.
	7. The tenderer hereby offers to render all or any of the services described in this tender document to the DCS FF on the terms and conditions and in accordance with the specifications stipulated in this tender document. This tender document and the tenderer’s response thereto shall form part of any service level agreement that may be concluded between the DCS FF and the tenderer. In the event of conflict between such documents, the service level agreement shall take precedence over all other documents.
	8. Tenders submitted by juristic persons or partnerships must be signed by a person or persons duly authorized thereto by a resolution of a board of such juristic person, a copy of which resolution, duly certified be submitted with the tender.
	9. The tenderer shall prepare for a possible presentation should DCS FF require such and the tenderer shall be notified thereof no later than 4 (four) days before the actual presentation date.
	10. The tenderer hereby agrees that the offer herein shall remain binding upon him/her and will be open for acceptance by the DCS FF during the validity period indicated herein.
	11. The tenderer furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her tender response, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accepts that any mistakes regarding price(s) and calculations will be at his/her risk.
	12. The tenderer hereby accepts full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on him/her under this tender as the principal(s) liable for the due fulfillment of this tender and any contract that might be concluded pursuant hereto.
	13. The DCS FF will treat your personal information as confidential and take all necessary steps to protect your information as required by the Protection of Personal Information Act of 2013. The DCS FF will only process your information (which involves but is not limited to collecting, collating, organising, disseminating and destroying) in the following circumstances:
	+ where you have granted the necessary consent;
	+ where we are required to do so by law;
	+ where processing is necessary to protect our legitimate interests;
	+ where it is necessary for the conclusion or performance of a contract to which you are party; or
	+ where it is in the public interest to do so.

By signing this tender document (RFP), the bidder hereby consents to the use of their personal information which forms part of the tender process and as may be discovered by the DCS FF and confirm that the information is supplied voluntarily without undue influence from any party. Tenderers acknowledge that they are aware of their right to access the information at a reasonable time for purposes of rectification or object to the processing of the information.

# CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS TENDER

|  |  |
| --- | --- |
| Name of your Company (in block letters)  |   |
| Signature(s) of the Bidders  |   |
| Name of person signing (in block letters)  |   |
| Capacity  |   |
| Are you duly authorized to sign this tender?  |   |
| Company Registration Number  |   |
| VAT Registration Number  |   |
| Postal address (in block letters)   |   |
| Physical address (in block letters)  |   |
| *Domicillium citandi et executandi* in RSA  | (full) street address) (in block letters)  |
| Contact Person  |   |
| Telephone Number  |   |
| Fax Number  |   |
| Cell Number  |   |
| E-mail  |   |

**\*Failure to comply with any of the terms and conditions as set out above will invalidate the tender.**

# 7. EVALUATION CRITERIA

Tenders shall be evaluated in terms of the following parameters and shall be scored on the weightings stated below. **Phase 1:** **Technical:** Bidders will need to score a minimum of **42 points in technical** in order to qualify for further evaluation

|  |  |  |
| --- | --- | --- |
|  | **Technical**  | **70** **Points**  |
| •  | Knowledge of the Voluntary Contribution Fund and Benefit Fund and the mandate of the Correctional Services Facilities Fund as promulgated on Regulation 38 of the Correctional Services Act 111 of 1998 | **3**  |
| •  | Experience of external audit in a private fund. | **2**  |
| •  | Experience and skills in a financial services environment | **5**  |
| •  | Detailed Audit methodology including draft audit approach for DCS FF financial statements ((1) Facilities Fund, (2) Sport Fund, (3) Widows and Orphan Fund A, (4) Widows and Orphans Fund B, and (5) Widows and Orphans Fund New), PFMA and pre-determined objectives.  | **10**  |
| •  | Proposed composition of the audit team for all different stages of the assignment (from planning until sign-off)  | **6**  |
| •  | Capability, knowledge and relevant expertise of audit team to be involved in this assignment (qualifications, demonstrated skills and experience)  | **10**  |
| •  | Reporting and liaison arrangements with DCS FF management  | 5 |
| •  | Quality control review strategy  | 5 |
| •  | Audit staff continuity and succession planning  | **5**  |
| •  | Capability and expertise for audit in an information systems environment  | 7 |
| •  | Demonstration of ability to meet the engagement terms of reference  | **5**  |
| •  | Experience in auditing consolidated financial statements and level of complexity  | **5**  |
| •  | At least three written references for similar work signed by the respective Chief Finance Officer/Chief Executive Officer, with contact details for validation.  | **2**  |

#  Phase 2: Presentation: Bidders will need to score a minimum of 18 points in order to be evaluated further

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|  | **Presentation**  | **30** **Points**  |
| •  | Knowledge of the Voluntary Contribution Fund and Benefit Fund and the mandate of the Department of Correctional Services Facilities Fund as per Regulation 38 of Correctional Services Act 111 of 1998 and public financial sector.  | **5**  |
| •  | Summary of audit methodology including draft audit approach; proposed team and respective expertise; reporting and liaison arrangements for DCS FF. | **10**  |
| •  | Ability to address conflict resolution.  | **3**  |
| •  | Audit approach for review of the work of subsidiaries’ auditors.  | **3**  |
| •  | Audit approach for the consolidated working papers.  | **2**  |
| •  | Demonstrate understanding and experience of PFMA and Treasury Regulations.  | **2**  |
| •  | Demonstrate ability to complete audit within deadlines.  | **5**  |

The DCS FF will conduct site visits with only shortlisted companies.

**Phase 2:** 80/20 Preference Point System

All tenders that will achieve the minimum qualifying score for technical will be evaluated further in terms of the preference point system as follows:

|  |  |
| --- | --- |
| **CRITERIA**  | **POINTS**  |
| Price  | 80  |
| Technical Ability  | 20  |
| **TOTAL**  | **100 points**  |

**SECTION: 2**

**TERMS OF REFERENCE /**

**SCOPE OF SERVICE**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **List all stages of audit assignment**  | **List of team** **members** **(levels) involved for each stage**  | **Hourly rate per team member**  | **Number of hours**  | **Total (R)**  |
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# 8. PREAMBLE

The Correctional Services Act 111 of 1998, Regulation 38 established the Facilities Fund for the purpose of provision of grants or loans; to correctional services clubs for the promotion of sport and recreation, for the establishment and maintenance of holiday resorts where necessary, to correctional officials for the purpose of study or research and for any other purpose which, in the opinion of the Board of Trustees, is meritorious and in the interest of the Department.

# OVERAL OBJECTIVE

 For the audit of the six years commencing 2018 - 2023:

* Assign sufficient audit team staff with the requisite expertise and industry knowledge to the current audit team, to work under the direction of the current external auditors;
* Develop an understanding of the audit environment as well as institutional knowledge of the client;
* Carry out audit field work under the direction of the current audit team.
* Perform external audits in terms of the standards adopted by the Independent Regulatory Board for Auditors of South Africa;
* Conduct audit of PFMA and pre-determined objectives.
* Plan and perform information system-based audits required as part of the external audit scope;
* Ensure that management is kept fully briefed on the audit findings, recommendations and their implications on financial reporting;
* Review the work of subsidiaries’ external auditors.
* Conduct audit of the consolidated working papers.
* Provide an audit opinion of DCS FF financial statements and detailed management report on the outcome and findings after the audit within the time of an agreed deadline.
* Ensure that the overall annual opinion addresses areas as provided for in the scope of external assurance engagements.
* Provide appropriate recommendation for follow-up action on audit findings;
* Provide value added specialist advice to management regarding the management of risks and improvement of business processes and internal controls, especially in a systems-based environment;
* Provide summary findings and costing reports to the Board of Trustees;
* Attend Board of Trustees meetings and provide feedback on audits completed and technical guidance on the management of risks, financial reporting and industry trends in the financial services sector.
* Demonstrate a clear process of quality control in the preparation and review of audit work leading to audit judgment and issues raised.
* DCS FF has an option of requiring the successful service provider to undertake a handover process with the previous auditors. The work will mainly be performed at the DCS FF’s premises at Poyntons Building in Pretoria.

## 9. PAYMENT

The DCS FF undertakes to pay valid invoices in full within 30 (thirty) days from receipt date.

**SECTION: 3**

**PRICING**

**Pricing (Attach separate price schedule, stating all pricing information including**

**levels of seniority, hourly rates, costs, fees, etc)**

**SECTION: 4**

**BROAD-BASED BLACK ECONOMIC**

**EMPOWERMENT**

**B-BBEE Supplier Assessment Form**

Trading name of entity

Contact person

Physical Address

Contact telephone number

Fax number

Cell phone

Email address

Percentage black shareholding

Percentage black women shareholding

Percentage white women shareholding

Are you a Qualifying Small Enterprise? (Annual turnover between R10 million and R50 million)

Are you an Exempt Micro Enterprise?

(Annual turnover less than R10 million)

**Please attach your B-BBEE certificate or Sworn affidavit.**

I, the undersigned, certify that the information contained in this document is accurate and correct. I am fully responsible for all representations in this document and am aware of the repercussions that may arise as a result of any misrepresentation.

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| --- | --- |
| Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | ID/Passport Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  |
| Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  |

Position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**LIST OF TENDER RETURNABLES**

* Original valid Tax Clearance Certificate
* Declaration of Interest form
* Declaration of tenderer’s past supply chain management practices
* BEE credentials / rating certificate
* Latest signed audited financial statements
* Evidence of registration/accreditation as an auditor with the Independent Regulatory Board of Auditors (IRBA) as well as South Africa Institute of Chartered Accountants (SAICA) for the auditing firm and members.
* Declaration of pending litigations against the auditing firm.
* Completed and signed tender document
* The following information also needs to be provided with the tender document**:**
	+ Names and details of Senior Management.
	+ Shareholder Certificates.
	+ Details of employees at an Operational Level.
	+ Percentage of ownership by**:**
		- Black Shareholders
		- Black Women
		- White Women

* At least three written references for similar work signed by the respective Chief Finance Officer/Chief Executive Officer, with contact details for validation.

**Failure to submit the required documents will result in the proposal being non compliant and will be disqualified.**

# Declaration of tenderer’s past supply chain management practices

1. This tender may be disregarded if the tenderer, or any of its directors have:
	* Abused the institutions supply chain management systems;
	* Committed fraud or any other improper conduct in relation to such a system; or
	* Failed to perform on any previous contract

1. In order to give effect to the above, the following questionnaire may be completed and submitted with the tender

|  |  |  |  |
| --- | --- | --- | --- |
| Item  | Question  | Yes  | No  |
| 4.1  | Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the *audi alteram partem rule was applied).*  |   |   |
| 4.1.1  | If so, furnish particulars     |  |  |
| 4.2  | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? To access this Register enter the National Treasury's website, [www.treasuy.gov.za.](http://www.treasuy.gov.za/) click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445  |   |   |
| 4.2.1  | If so, furnish particulars     |  |  |
| 4.3  | Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?   |   |   |
| 4.3.1  | If so, furnish particulars     |  |  |
| 4.4.  | Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?  |   |   |
| 4.4.1  | If so, furnish particulars     |  |  |

I, THE UNDERSIGNED (FULL NAME) ………………………………………………………….

CERITFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARTION PROVE TO BE FALSE.

Signature

Date

Position Name of bidder

# DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state\*, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her positionin relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where-
	* + the bidder is employed by the state; and/or
		+ the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
	1. Full Name of bidder or his or her representative: ………………………………………………………………………………...
	2. Identity Number: ………………………………………………………………………………...
	3. Position occupied in the Firm (director, shareholder etc): ……….………………………..………………………………………...........
	4. Firm Registration Number: …………………………………………………..………………..……..…….
	5. Tax Reference Number: ………………………………………………………………………..…….…
	6. VAT Registration Number: ……………………………………………………………………………........

\* “State” means –

* + 1. any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
		2. any municipality or municipal entity;
		3. provincial legislature;
		4. national Assembly or the national Council of provinces; or
		5. Parliament.

2.7 Are you or any person connected with the bidder **YES / NO** presently employed by the state?

2.7.1 If so, furnish the following particulars:

 Name of person / director / shareholder/ member: ……………….…....……………

 Name of state institution to which the person is connected: …..……………………

 Position occupied in the state institution: ………………………...…………………..

 Any other particulars: …………………………………………………………………

……………

2.8 Did you or your spouse, or any of the firm’s directors / **YES / NO**

shareholders / members or their spouses conduct business with the state in the previous twelve months?

2.8.1 If so, furnish particulars: ……………………………………………………………………

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by thestate and who may be involved with the evaluation and or adjudication of this bid?

2.9.1 If so, furnish particulars.

……………………………………………………………..

 **YES / NO**

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between the bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.10.1 If so, furnish particulars**.**

……………………………………………………….

2.11 Do you or any of the directors /shareholders/ members of the firm have any interest in any other related companies whether or not they are bidding for this contract? **YES / NO**

2.11.1 If so, furnish particulars:

………………………………………………………………..

# DECLARATION

I, THE UNDERSIGNED

(NAME)……………………………………………………………………………………………..

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.11.1 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE/NEF MAY ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT ISSUED BY NATIOINAL TREASURY SHOULD THIS DECLARATION PROVE TO BE FALSE.

 **………………………………….. ..………………………………………………**

 **Signature Date**

**…………………………………. ………………………………………………**

**Name of bidder Position**