

**CBE 6/2024**

**APPOINTMENT OF A SERVICE PROVIDER TO  
PROVIDE INTERNAL AUDIT SERVICES TO THE CBE  
FOR A PERIOD OF 3 YEARS**

## Acronyms

ARC	Audit and Risk Committee
BEPCs	Built Environment Professions Councils
B-BBEE	Broad Based Black Economic Empowerment
CBE	Council for the Built Environment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICT	Corporate Governance of ICT
COBIT	Control Objectives for Information Technology
Council	Appointed members of the fourth term CBE Council
FMPPI	Framework for Managing Programme Performance Information
GRAP	Generally Recognised Accounting Principles
IIA	Institute of Internal Auditors
PFMA	Public Finance Management Act
SAICA	South African Institute of Chartered Accountants

## 1. BACKGROUND

The Council of the Built Environment (CBE) is a statutory body established in terms of the Council for Built Environment Act (No. 43 of 2000) and an entity of the Department of Public Works and Infrastructure (DPWI). The CBE is a schedule 3(a) public entity and is subject to compliance with the PFMA Act No. 29 of 1999 and Treasury regulations.

Sections 3(c) and (d) of the CBE Act mandates it to promote ongoing human resource development in the built environment, and to facilitate participation by the built environment professions in integrated development in the context of achieving national goals. It is an overarching body that leads, regulates, coordinates and advises the six Professional Councils namely: Architectural Profession, Landscape Architectural Profession, Engineering Profession, Property Valuers Profession, Project and Construction Management Professions, and Quantity Surveying Profession. The CBE also entered into a working relationship with the following professional bodies as part of the built environment family – South African Council for Planners, Environmental Assessment Practitioners Association of South Africa, and South African Geomatics Council. In the main, the central mandate of the CBE is to:

- Transform the Built Environment Industry
- Create skilled Built Environment professionals
- Expedite the empowerment of women, youth and persons with disabilities

The objects of the CBE are to:

- Promote and protect the interests of the public in the built environment;
- Promote and maintain a sustainable built environment and natural environment;
- Promote ongoing human resource development in the built environment;
- Facilitate participation by the built environment professions in integrated development in the context of national goals;
- Promote appropriate standards of health, safety and environmental protection within the Built environment;
- Promote sound governance of the built environment professions;
- Promote liaison in the built environment in the field of training, both in the republic and elsewhere, and to promote the standards of such training in the republic;
- Serve as a forum where the representatives of the built environment professions may discuss the relevant required qualifications; standards of education; training and competence; promotion of professional status; and legislation impacting on the built

environment.

- Ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

## **2. MAIN OBJECTIVES OF THIS PROJECT**

The overall goal is to appoint a company with two Audit Partners who are either a registered certified Internal Auditor with the IIA or registered Chartered Accountant with SAICA; and an adequate number of professional staff members to provide internal audit services in line with National Treasury Regulations. The Partners must be in good standing with the abovementioned professional bodies. This Internal Audit service provider shall undertake the following responsibilities for the duration of a three (3) year contract:

- 2.1 To provide assurance and consulting services in order to assist the CBE to accomplish its objectives;
- 2.2 To assist Council and the ARC to provide a systematic and disciplined approach to evaluate and improve the effectiveness of risk management; and
- 2.3 To assist Council and the ARC to monitor controls and governance processes with a mission to add value and improve the operations.

The appointed Internal Audit service provider may be called upon to provide advice on controls and related matters; however, this will be subject to an identified need to maintain objectivity and to consider resource constraints. The appointed Internal Audit service provider will have no executive role, nor will it have any responsibility for the development, implementation or operation of systems.

Any input by internal audit in respect of systems development work will be undertaken as specific assignments, and as such will be part of a separate and further negotiated specification. In order to preserve independence and objectivity, any such involvement in systems development activities will be restricted to the provision of advice and ensuring key areas in respect of control and risks are addressed. The appointed Internal Audit service provider will not be expected to take the lead.

However, the Internal Audit service provider may draw to the attention of the CBE ARC instances where there are illegal acts or contraventions of Standing Orders, Standing Financial Instructions or Statutory powers and Regulations. The Internal Audit service provider may also examine the management arrangements for making, monitoring and reviewing all such policy decisions.

### **3. REQUIRED EXPERTISE**

The appointed internal audit service provider must have the following competencies:

- 3.1 Knowledge and understanding of CBE and its business
- 3.2 Knowledge and experience working with public entities
- 3.3 Technical proficiency in GRAP
- 3.4 Knowledge and practical understanding and implementations of the PFMA, National Treasury Regulations, the FFMPP, GRAP, King IV and governance principles
- 3.5 Knowledge and practical understanding of information and communication technology in the public sector i.e. COBIT, CGICT, disaster recovery and business continuity
- 3.6 Knowledge and practical understanding of cursory investigations for tip offs received
- 3.7 The Audit Partners must either be a registered certified Internal Auditor with the IIA or registered Chartered Accountant with SAICA.

### **4. PLANNING**

The Audit Committee shall approve an audit risk assessment; including an audit universe of auditable systems before internal audit work is commenced. The audit risk assessment will be reviewed annually and updated for changes in systems in the organisation and in the National Treasury Internal Audit control framework.

Audit plans, based on risk assessment, should be drawn up by the Internal Audit Service Provider, and agreed with the CBE Executives prior to submission to the ARC.

The CBE's ARC and CEO will endeavour to ensure management's perspective of internal audit is positive and that a participative approach is adopted. Therefore, the Internal Audit service provider will be expected to actively involve, and keep auditees informed during all stages of internal audit assignments. This is particularly crucial during the testing and evaluation stages when it would be more appropriate to inform management of the emerging

findings in a report at a later date. The circumstances where this approach would be appropriate would be:

1. Where there may be a material loss to the organisation unless action is taken quickly; and
2. Where there is a serious breach of law/regulations.

There will be occasions when this approach is, however, not appropriate (i.e. where fraud or irregularities are suspected) and involvement of the CEO must be sought.

The appointed Internal Audit service provider will be responsible for delivering an economic and efficient quality audit, whilst ensuring that the internal audit service is delivered according to the terms of this specification. The service provider will also have a responsibility to the ARC and the CEO.-Broadly, this encompasses the following areas:

1. Planning logical and comprehensive coverage that reflects the degree of risk associated with each business process;
2. Monitoring delivery and quality assured work produced;
3. Executing the internal audit function and assisting the ARC in contributing to an improved CBE control environment;
4. Audit reporting; and
5. Attendance at all ARC meetings and Council meetings (when required) as well as other regular meetings with statutory auditors.

The audits that will need to be taken into account at CBE are amongst others:

1. Quarterly IT Security and Systems processes audit
2. Human resources management
3. Corporate governance
4. Legal compliance and reviews
5. Fraud and risk management
6. Finance management
7. Supply Chain Management
8. Quarterly audit of performance information/audit of predetermined objectives (AOPO)
9. Review of Annual Performance Plan and 5 Year Strategic Plan
10. Follow-up on previous external and internal audit findings
11. Managing ad-hoc requests for unplanned work

12. Investigations on tip-offs received, if applicable.
13. Consulting services if required
14. Annual review of Risk - Fraud policies, Frameworks, strategies and applicable charters.
15. Annual Risk maturity assessment of the CBE
16. Audits on strategic and operational risk registers
17. Review of Annual Financial Statements and Annual Performance Report
18. Verification of levy income received by the six BEPC's at their premises on behalf of the CBE
19. Probity audit of tenders

## **5. REPORTING**

### **5.1 Purpose**

The main purpose of Internal Audit reports is to provide management and the ARC with information on effectiveness of systems of internal controls, compliance with laws and regulations, conclusions and recommendations. Full Internal Audit reviews of systems must be carried out as part of the identified annual audit programme.

### **5.2 Structure of report**

The structure of the report is to be as follows:

- 5.2.1 Introduction;
- 5.2.2 Audit objective and scope;
- 5.2.3 Background;
- 5.2.4 Executive summary, highlighting significant findings;
- 5.2.5 Standard
- 5.2.6 Audit Findings, root cause, impact, risk rating, recommendations and management response and action plan (including implementation dates);
- 5.2.7 All audits as carried out according to the Internal Audit Plan and as approved by ARC; and
- 5.2.8 Conclusion.

### **5.3 Progress Reporting**

The ARC and CEO will receive periodic reports detailing progress against the agreed annual plan, together with notification of any significant breaches of the timescales within the approved reporting protocol. For each individual assignment within the plan, the following will be reported:

- 5.3.1 Planned days;
- 5.3.2 Actual days to date;
- 5.3.3 Planned start date;
- 5.3.4 Date of each milestone; and
- 5.3.5 Audit opinion (where applicable).

Progress reports will also be presented to each ARC in an agreed format.

## **6. QUALITY CONTROL AND QUALITY MEASUREMENTS**

The appointed service provider will be held accountable by the ARC for performance and is therefore responsible for ensuring that quality standards are defined, agreed, monitored and reported. These aspects of quality should be enshrined in the Quality Plan and reported within the Annual Internal Audit report.

## **7. LIAISON WITH EXTERNAL AUDITORS**

Chapter 6, Section 58 of the PFMA provides the accounts of the CBE to be audited by auditors appointed by the Minister of Finance of the Republic of South Africa.

The Internal Audit service provider will be expected to maintain a close working relationship with the Statutory Auditors on matters of mutual interest, and to provide them with copies of all formal internal audit reports. The Statutory Auditor must be allowed access, on request, to all internal audit working papers and Final/Draft reports.



As part of their remit, the Statutory Auditors will make an annual assessment and report on the performance of internal audit, based on the objectives set out in the strategic audit plans. The Statutory Auditors will decide whether to place reliance on the work of internal audit and consequently whether to reduce the scope and/or coverage of their own work based on this assessment.

## **8. VALUE FOR MONEY AUDITS**

It will be the responsibility of the appointed service provider, as part of the general review of systems of internal control, to review, appraise and report to management the extent to which the CBE's assets and interests are accounted for and safeguarded against losses of all kinds arising from fraud and other offences, waste, extravagance and inefficient administration, poor value for money or other cause.

This shall be achieved by the inclusion of, within the audit space (and therefore the strategic audit plan), those systems of service monitoring and performance measurement that are critical for the attainment of value for money, including the systems for best value and cost reduction.

## **9. PROJECT TIMEFRAME**

The tenure of the contract is three (3) years, commencing on the date of signing the contract.

## **10. TECHNICAL PROPOSAL**

The written tender application should focus on the following aspects to qualify and be considered. Please submit proof of the information listed below, according to the specified appendices (i.e.: A, B, C, D):

### ***A. The firm's experience in internal audit services, including specialised skills, expertise and value-added services.***

- i. Demonstration of the firm's substantial internal audit experience.

- ii. Specialised skills, expertise and value-added services in the field of internal audit, with an emphasis on best practice methodology, tools and technology used.
- iii. Availability of forensic audit skills and tools.
- iv. Availability of ICT audit skills and tools.

**B. Firm's experience in internal audits of public entities.**

- i. Five years' experience in the auditing of public entities, with a minimum of three reference letters.
- ii. External references, the size of audits and the size of the client base.

**C. Qualifications and experience of team members.**

- i. The Audit Partners must be a registered certified Internal Auditor with the IIA or a registered Chartered Accountant with SAICA.
- ii. Detailed CVs of the auditor/s who will be responsible for managing the internal audits, and the person who will be signing the audit plan and reports. Bidders must note that the proposed engagement partner and engagement audit manager will be the contracted resources and should preferably be South African. The project team must at least have the following experience:

Team member	Qualification/Experience
Engagement Partner	Registered Certified Internal Auditor or a registered Chartered Accountant, 10 years' experience
Engagement Audit Manager	Registered Certified Internal Auditor or a registered Chartered Accountant, 5 years' experience

- iii. In the event of the proposed key resources changing, the appointed service provider must provide a resource of the same number of years of experience indicated above.

**D. Ability to provide the services and adequate institutional support.**

- i. Adequate number of professional staff numbers.
- ii. The latest independent satisfactory IIA firm-level quality review results (generally conforms rating)

### **E. Other information**

- i. ID copies of the shareholders/directors
- ii. CIPC documents

**Note: A contract will be entered into with the successful bidder, and the audit plan and execution will be in line with the internal audit charter.**

## **11. FINANCIAL PROPOSAL**

The Financial Proposal must indicate the proposed annual cost for the service which gives an indication of the following:

- 11.1 Overall fixed price for the three year period must be inclusive of VAT and disbursements. Prices for this contract are firm for the first year, and subject to a maximum escalation rate of 4.7% for the next two years. The 4.7% escalation is based on the current average three year CPI forecast as per the latest MTEF National Treasury Guidelines.
- 11.2 A breakdown of these anticipated out-of-pocket expenses (disbursements) must be provided.
- 11.3 The pricing must be based on a total number of 1 530 hours per year (Average actual hours for the last two financial years and the budgeted hours for the current financial year). The split of the hours for the different levels of proposed resources can be determined by the bidder.
- 11.4 Fees must be quoted at an inclusive rate for the different levels of proposed resources to be utilised, as listed below.

Category	No of audit personnel (A)	Hours per resource (B)	Total Hours (C=AxB)	Rate per hour (D)	Total Cost (CxD)
Partner					
Senior Audit Manager					

IT Audit Specialist					
Senior Auditor					
Junior Auditor					
Other (specify)					
<b>Total excluding VAT</b>			<b>1 530</b>		
Disbursements					
Vat @ 15%					
<b>Total audit costs inclusive of VAT - Year 1</b>			<b>1 530</b>		
<b>Total audit costs inclusive of VAT escalated at maximum of 4.7% - Year 2</b>					
<b>Total audit costs inclusive of VAT escalated at maximum of 4.7% - Year 3</b>					
<b>TOTAL</b>					

The hours indicated above will be split as follow:

<b>Description of service</b>	<b>Total hours per year</b>
Basic audits outlined in par 4	820
Ad hoc management requests	120
Audits on risk management	80
Investigations	170
Consulting	100
Risk -, Fraud policies, Frameworks, strategies and applicable charters	80
Probity audits on tenders	160
<b>Total</b>	<b>1 530</b>

## 12. EVALUATION PROCESS

After the closing date, an appointed Bid Evaluation Committee will evaluate the proposals received. The following evaluation process shall be followed:

## 12.1 Pre-qualification criteria:

**Bidders must meet the following mandatory pre-qualification criteria. Failure to meet these requirements will result in the disqualification of your proposal.**

- a) Potential service providers must be registered on the National Treasury's Central Supplier Database (CSD); The CSD registration report must be submitted. Prospective bidders must be tax compliant. **This proposal will not be awarded to any bidder who is not registered on the CSD, or whose tax matters are not in order and/or is a restricted supplier.**
- b) **In line with the Preferential Procurement Regulations, 2022, this bid will only be targeted at the following categories of:**
  - **Historically Disadvantaged Individuals on the basis of gender, race and disability:**
    - 51% - 100% black owned businesses or
    - Any % of Women ownership or
    - Any % of Youth ownership or
    - Any % of Persons with Disabilities or
  - Exempted Micro Enterprises (EMEs) with an annual turnover of less than R 10 million or
  - Qualifying Small Enterprises (QSEs) with an annual turnover of more than R 10 million and less than R 50 million.
- c) **Two Audit Partners must be provided. These Partners must either be a registered certified Internal Auditor with the IIA or registered Chartered Accountant with SAICA. Proof of registration must be submitted with the proposal. The proposed Audit Partners must be in good standing with these professional bodies and proof must be submitted for each Audit Partner.**

**\*\* The CBE reserves the right to verify the authenticity of the information submitted. The results of the verification will take precedence.**

## 12.2 Administrative Requirements

**Bidders will be required to meet the following administrative requirements prior to them proceeding to the next phase of the evaluation process.**

- 12.2.1 The two Audit Partners must provide individual written consent permitting the CBE to verify the professional registration status of the proposed Partners with the IIA and SAICA. Please complete the templates provided under Annexures A and B in this regard.
- 12.2.2 The Bidder must provide a detailed statement confirming the independence of the bidder and the proposed Internal Audit team as per Annexure C. Bidders must confirm their independence on the company's official letterhead and this must be duly signed by the relevant authority. Bidders must indicate any personal interest they have with any Senior Management officials of the CBE. Such interest declared shall be assessed for materiality and the relevant actions shall be taken by the CBE.
- 12.2.3 Should the bidder fail to meet any of the administrative requirements stipulated on this Terms of Reference, the CBE reserves the right to request the bidder(s) to rectify and re-submit the relevant documents within a pre-determined timeframe. **Should the bidder fail to submit within the stipulated timeframe, their bid will be disqualified.**

## 12.3 Evaluation Phases:

- Phase 1: Technical Evaluation

The bidders' proposal will be evaluated against the set criteria indicated under paragraph 13 below. A form will be used which will reflect the name of the bidder and the different criteria with space provided to record the points awarded and motivation for points awarded. The allocation of points will not be effected on a basis of consensus.

The following scoring matrix will be used:

Unable to evaluate	Does not comply with the requirements	Partial compliance with requirements	Full compliance with requirements	Exceeds requirements	Exceptionally exceeds requirements
0	1	2	3	4	5

The following formula will be used to convert the points scored against the weight:

$$P_s = \left( \frac{S_o}{M_s} \right) \times 100$$

Where:

$P_s$  = Percentage scored for technical evaluation by proposal under consideration

$S_o$  = Total score of proposal under consideration

$M_s$  = Maximum possible score

Bidders will be expected to achieve a minimum threshold score of 70% in order to proceed further in the evaluation.

A due diligence process will be conducted in respect of all short-listed bidders to determine the capability and ability of short-listed bidders to execute this contract.

The CBE reserves the right to utilise any one or more of the below due diligence methods:

- Presentation by bidders with pre-determined questions being posed by the CBE. A set of pre-determined questions based on the submitted proposal will be posed. This will be evaluated based on a grading scheme of either consistent or not consistent with the proposal. Should more than 20% of the responses not be consistent to the bidder's proposal their proposal will be disregarded.
- An investigation by the CBE of the bidder's previous contracts carried out, availability of skills or knowledge, existing workload etc.
- Confirmation of the authenticity and content of the reference letters submitted (bidders must provide a minimum of **three** signed reference letters of the same work undertaken even if this method is not selected for due diligence). The reference letters must:
  - Be on the official letterhead of the issuing company

- Not be older than three (3) years
  - Bear the signature of an official authorized to do so
  - Contain valid contactable details
- Purchase orders will also be accepted, subject to the CBE verifying the authenticity of the information submitted.

Should negative feedback be obtained from the aforementioned that will render the bidder unsuitable to execute the assignment, their proposal will be disregarded at this point and they will not proceed for further evaluation.

It must be noted that if a service provider has previously undertaken work for the CBE to which a positive report is on record, such report may be used for the purpose of due diligence in the event that the selected method(s) above is/are unsuccessful.

Should the bidder meet the requirements of due diligence, their proposal will proceed to Phase 2.

- Phase 2: Calculation of points

**Please note that the proposals will be evaluated using the 80/20 preference point system as outlined in the Preferential Procurement Regulations, 2022 where:**

- 80 points will be allocated for price and 20 points will be allocated for specific goals.

During phase 2, points for price will be calculated for all shortlisted bidders in accordance with the following formula:

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where:

$P_s$  = Points scored for price of proposal under consideration

$P_t$  = Rand value of proposal under consideration



$P_{min}$  = Rand value of lowest acceptable proposal

**The final points will be calculated as follows:**

Points for price	:	<u>80 points</u>
Specific Goals Contributor	:	<u>20 points</u>
Final points	:	<u>100 points</u>

**Points awarded for Specific Goals**

Provisions of the Preferential Procurement Policy Framework Act (PPPFA) of 2022 and its regulation will apply in terms of awarding points.

Bidders must submit documents as valid proof to substantiate points claimed for specific goals, that should include amongst others the Shareholder Certificate/CIPC Company Registration Documents, certified copies of ID for directors, B-BBEE certificates/affidavits, CSD report, Approved Annual Financial statements and/or any other documentation.

Failure to submit Preference points claim form and proof to substantiate points will result in the forfeiture of specific goal points. Failure to submit a correct and valid specific goals claim will result in the forfeiture of specific goal points. Only points for price will be allocated.

In terms of Regulation 3 (1) an organ of state must, in the tender documents, stipulate goals in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

**Special note: Bidders must please ensure that B-BBEE affidavits indicate the title of the deponent i.e. director or member or owner (please circle/underline the relevant title applicable to you); and the full financial year must be stated i.e. date, month and year (not only the calendar year), in addition to the requirements set out under the Broad Based Black Economic Empowerment Practice Guide 1 of 2022, Determining the validity of a Broad-based Black Economic Empowerment verification certificate, B-BBEE certificate and affidavit, paragraph 17. Failure to do so will invalidate the affidavit, resulting in points not being allocated.**

<b><u>Small business development</u></b>	<b><u>5</u></b>
EME (Turnover less than R10 million)	5
QSE (Turnover higher than R10 million less than R50million)	3
<b><u>Ownership</u></b>	<b><u>5</u></b>
100% black owned	5
At least 51% black owned	4
<b><u>Specific goal</u></b>	<b><u>10</u></b>
<b><i>Women ownership</i></b>	<b><i>4</i></b>
100% women owned	4
At least 51% women owned	3
Less than 51% women owned	2
<b><i>Youth ownership</i></b>	<b><i>4</i></b>
100% youth owned	4
At least 51% youth owned	3
Less than 51% youth owned	2
<b><i>Disabled ownership</i></b>	<b><i>2</i></b>
Any disabled ownership	2

To determine whether the proposal meets the criteria of an acceptable tender, The CBE reserves the right to apply the following selection criteria, based on current case law, in determining the final outcome of the award irrespective of which bidder scores the highest final points:

- (1) the rotation of contracts amongst suppliers; following two (2) awards by the CBE to the same supplier within a period of 12 months
- (2) the receipt of an abnormally low or high price i.e. more than 10% below the estimated price or more than 5% above the estimated price

A recommendation for award will then be formulated for approval by the relevant delegated authority. The CBE reserves the right not to award two contracts that are in direct conflict with each other to the same service provider.

### 13. EVALUATION CRITERIA

The following criteria and weights shall apply when considering the proposal:

CRITERIA FOR TECHNICAL EVALUATION	WEIGHT	SCORING GUIDELINE
<p>Qualifications relevant to the assignment</p> <ul style="list-style-type: none"> <li>Provide evidence of a certified Information Systems Auditor and functions of the unit within the proposed approach (10)</li> </ul> <p>Bidders must submit an organogram and a CV of the key resource(s) illustrating information systems audit experience.</p> <p>In the event of the Information Systems function being outsourced, proof of the agreement must be submitted. An organogram and a CV of the key resource(s) illustrating Information Systems audit experience must be submitted in this regard.</p> <ul style="list-style-type: none"> <li>Provide evidence of a certified Fraud Examiner who will perform cursory/forensic investigations (10)</li> </ul> <p>Bidders must submit an organogram and a CV of the key resource(s) illustrating forensic audit experience.</p>	<p><b>20</b></p>	<p>0= No information in respect of an Audit Information Systems unit  1 = Insufficient evidence of an existing Audit Information Systems unit  3 = Evidence of existing contracted certified Information Systems Auditor  4 = Evidence of a singular capacitated in house certified Information Systems Auditor  5 = Evidence of a fully functioning Audit Information Systems unit within the operational structure of the firm, containing a certified Information Systems Auditor.</p> <p>0= No information in respect of a forensic unit  1 = Insufficient evidence of an existing forensic unit/certified Fraud Examiner  3 = Evidence of existing contracted certified Fraud Examiner  4 = Evidence of a singular capacitated in house certified Fraud Examiner  5 = Evidence of a fully functioning forensic unit within the operational structure of the firm, containing a certified Fraud Examiner</p>

<p>In the event of the forensic function being outsourced, proof of the agreement must be submitted. An organogram and a CV of the key resource(s) illustrating forensic audit experience must be submitted in this regard.</p>		
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<p><b>Firm's Experience in internal audits of public entities</b></p> <ul style="list-style-type: none"> <li>Minimum of 5 years' experience in the public sector (15)</li> <li>Provide a minimum of <b>three</b> signed reference letters where the bidder has successfully concluded similar audit work in the public sector in terms of scope and complexity. The reference letters must: <ul style="list-style-type: none"> <li>Be on the official letterhead of the issuing company</li> <li>Not be older than three (3) years</li> <li>Bear the signature of an official authorized to do so</li> <li>Contain valid contactable details (15)</li> </ul> </li> </ul>	<p><b>30</b></p>	<p>0 = No experience 1 = Below 3 years 2 = 3-4 years 3 = 5 years 4 = 6-9 years 5 = Above 10 years</p> <p>0 = No letters/unsigned or undated letters or letters not relevant to the assignment 1 = List of contactable references 2 = Below 3 reference letters relevant to the assignment 3 = 3 letters relevant to the assignment 4 = 4 letters relevant to the assignment 5 = 5+ letters relevant to the assignment</p>									
<p><b>Professional Registration and experience of team members</b></p> <p>The bidders must submit, as part of its proposal the following:</p> <ul style="list-style-type: none"> <li>The structure and composition of the proposed team, clearly outlining the main disciplines/ specialities (professional registration) of this audit and the key personnel responsible for each speciality. <ul style="list-style-type: none"> <li>Engagement Partner (10)</li> <li>Engagement Audit Manager (5)</li> </ul> </li> </ul>	<p><b>30</b></p>	<table border="1"> <thead> <tr> <th>Score</th><th>Professional Registration of Engagement Partner</th><th>Professional Registration of Engagement Manager</th></tr> </thead> <tbody> <tr> <td>0</td><td>N/A. Refer to Pre-qualification criteria.</td><td>N/A. Refer to Pre-qualification criteria.</td></tr> <tr> <td>1</td><td></td><td></td></tr> </tbody> </table>	Score	Professional Registration of Engagement Partner	Professional Registration of Engagement Manager	0	N/A. Refer to Pre-qualification criteria.	N/A. Refer to Pre-qualification criteria.	1		
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0	N/A. Refer to Pre-qualification criteria.	N/A. Refer to Pre-qualification criteria.									
1											

<ul style="list-style-type: none"> <li>Experience of senior project team members. <ul style="list-style-type: none"> <li>Engagement Partner (10)</li> <li>Engagement Audit Manager (5)</li> </ul> </li> </ul> <p>Submit the condensed CV's of the key resources to work on the project.</p> <p><b><i>If more than one resource is proposed for the Engagement Partner and the Engagement Audit Manager, each resource's experience will be scored separately and then be</i></b></p>		2		
		3	Registered certified internal auditor or registered Chartered Accountant	Registered certified internal auditor or registered Chartered Accountant
		4	Registered internal auditor and one other relevant Registration i.e. ACFE, ISACA etc.	Registered internal auditor and one other relevant Registration i.e. ACFE, ISACA etc.
		5	Registered internal auditor and two other relevant Registrations i.e. ACFE, ISACA etc.	Registered internal auditor and two other relevant Registrations i.e. ACFE, ISACA etc.
		Score	Experience of Engagement Partner	Experience of Engagement Manager
		0	No Evidence of experience	No Evidence of experience
		1	Below 5 years	Below 3 years
		2	5 – 9 years	3-4 years
		3	10 years	5 years
		4	11-14 years	6-8 Years
		5	15+ years	9+ years experience

averaged to give a final score {score will be rounded off to the nearest 2 decimal places (where applicable).		
<b>Ability to provide the services and adequate institutional support</b>  The bidders must submit, as part of its proposal the following: <ul style="list-style-type: none"> <li>• Evidence of the latest satisfactory IIA firm-level quality review results (<b>generally conforms rating</b>). (5)</li> <li>• Evidence of the following key resources: <ul style="list-style-type: none"> <li>- Two <b>Partners</b></li> <li>- <b>Audit Manager</b></li> <li>- <b>Certified Fraud Examiner</b></li> <li>- <b>Certified Information Systems Auditor</b></li> <li>- Trainees (5)</li> </ul> </li> </ul>	<b>10</b>	0 = Unsatisfactory review result / No evidence 3 = Satisfactory internal quality review result 4 = Satisfactory external quality review result  3 = 2 partners, Audit Manager, Certified Faud Examiner, Certified Information Systems Auditor and Trainees  4 = 3-5 partners, Audit Manager, Certified Faud Examiner, Certified Information Systems Auditor and Trainees  5 = 5+ partners, Audit Manager, Certified Faud Examiner, Certified Information Systems Auditor and Trainees
<b>Empowering supplier</b>	<b>10</b>	5= ownership to the value of: <ul style="list-style-type: none"> <li>• ≥75% black female; and/or</li> <li>• Any value for youth; and/or</li> <li>• Any value for persons with disabilities</li> </ul>

		4= 100% black-owned entity and/or ≥ 51% black female owned entity 3= 51% or more black-owned entity 0 = No information submitted/requirement not met An additional point will be allocated if an entity has demonstrated that it employs persons with disabilities unless a score of 5 has already been allocated.
<b>Total</b>	<b>100</b>	
<b>Threshold Score</b>	<b>70</b>	



### **Important Conditions of Bid:**

- Protection of Personal Information - All bidders agree that personal information of persons related to or linked with bidders or respondents to this request/Bid for quotations/request for proposals or tender document is/may be required to fulfil the requirements for submitting a bid. All bidders agree that the CBE may collect, keep and process such information provided that the aforesaid uses shall be for purposes of evaluating the bid submitted. Where the information is sought to be used for other purposes, further and specific consent shall be obtained.
- Bidders shall note that any personal information that they may disclose to or share with the CBE pursuant to this request/Bid may be processed by the CBE in terms of the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). By disclosing or sharing any personal information, the bidder is unconditionally consenting to the processing thereof by the CBE, its stakeholders or partners of such personal information for purposes related to this request/Bid. Further, the bidder declares all consents required by the POPI Act or any other law applicable in respect of all personal information disclosed has been duly and legally obtained. Thus, the bidder hereby indemnifies the CBE against any civil or criminal action, administrative fine or other penalty or loss that may arise as a result of the processing of any personal information disclosed to the CBE pursuant hereto.
- Bidders are required to submit a detailed breakdown of their pricing as per the Table under paragraph 11.4.
- The price quoted must be inclusive of VAT (if applicable).
- Prices for this contract are firm for the first year, and subject to a maximum escalation rate of 4.7% for the next two years.
- All the working papers and documents relating to the Audit shall remain the property of the CBE and may not be used for any purpose outside the scope of work of the CBE.
- All Supply Chain Management compliant (required) documents must be completed in full and submitted. These include SBD 1, 4 and 6.1.
- Bidders must submit the company registration documents (CIPC), share certificate and ID documents of all Directors.
- Any award made to a Bidder under this proposal is conditional upon the Bidder accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which the CBE is prepared to enter into a contract with the successful Bidder.
- The General Conditions of Contract (GCC) are to be acknowledged and returned with your bid.

- All parties forming a joint venture or consortium for the purpose of this assignment must submit a separate CSD report for each party and all SBD forms and GCC must be completed by each party to the joint venture or consortium and submitted accordingly.
- Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements (where applicable). The CBE will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.
- The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.
- The CBE reserves the right to disregard a bidders' proposal should it be found that work was previously undertaken for the entity to which poor performance was noted during the execution of such contract that subsequently led to the cancellation of said contract in the last five years. Documentary evidence of poor performance without a cancellation of the contract may also result in the disqualification of the bidders' proposal.
- Any communication between the closing date and the award of the proposal by Bidders is discouraged.
- Whilst all due care has been taken in connection with the preparation of this proposal, the CBE makes no representations or warranties that the content of the proposal or any information communicated to or provided to Bidders during the bidding process is, or will be, accurate, current or complete. The CBE and its employees and advisors will not be liable with respect to any information communicated which may not be accurate, current or complete.
- If a Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this proposal or any other information provided by the CBE (other than minor clerical matters), the Bidder(s) must promptly notify the CBE in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the CBE an opportunity to consider what corrective action is necessary (if any).
- Any actual discrepancy, ambiguity, error or inconsistency in the proposal or any other information provided by the CBE will, if possible, be corrected and provided to all Bidders without attribution to the Bidder(s) who provided the written notice.
- Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such proposals.

- The CBE supports the spirit of B-BBEE and recognises that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the CBE condemns any form of fronting.
- The CBE, in ensuring that Bidders conduct themselves in an honest manner may, as part of the evaluation process, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the proposal / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the CBE may have against the Bidder / contractor concerned.
- A Bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this BID. In the event that the CBE allows a Bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the Bidder and the CBE will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.
- If a Bidder breaches the conditions of this proposal and, as a result of that breach, the CBE incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the Bidder indemnifies and holds the CBE harmless from any and all such costs which the CBE may incur and for any damages or losses the CBE may suffer.
- **Proposals must be emailed to [renusha@cbe.org.za](mailto:renusha@cbe.org.za). Bidder(s) are required to submit their technical and pricing proposal as two separate files/attachments. Bidders must please note that the CBE server can receive files to a maximum size limit of 150mb (inclusive of message content and attachment). Should files exceed this size limit, bidders may either send their files in separate emails or alternatively compress the files and submit. WeTransfer files must be valid for a period of 7 days after the closing date failing which will result in the disqualification of the bid.**
- It is the responsibility of prospective bidders to ensure that their proposal documents are submitted before the closing date and time of the proposal.

- Proposals received after the closing time and date will not be considered for evaluation.
  - The CBE reserves the right not to award this contract.
  - The CBE will enter into a formal contract with the successful bidder.
  - Any change of information provided in the bid document that may affect service delivery by the successful bidder must be brought to CBE's attention as soon as possible. Failure to comply may result in the contract being terminated.
  - Should the bidder present information intentionally incorrectly/fraudulently their proposal will be disqualified.
  - It must be noted that payment will be made upon satisfactory delivery of the service and receipt of an invoice.
  - The invoice will be paid within 30 days of receipt thereof. No deposit, advance and lump-sum payments will be made. A shorter payment period may be agreed upon by the CBE and the successful supplier and a supplier development agreement will be signed in this regard. To be considered for the shorter payment period the service provider must meet the following requirements:
    - Be at least 51% black owned.
    - Be an Exempt Micro Enterprise (EME) (Turnover under R10 million) or a Qualifying Small Enterprise (QSE) (Turnover less than R50 million), subject to the specific Sector Code.
  - The closing date for submission of proposals is **7 October 2024 at 11:00am**.
  - Proposals will be valid for a period of **150 days** after the closing date of the proposal.
- 
- **\*\* Special Note 1: The CBE reserves the right not to award two contracts that are in direct conflict with each other to the same service provider.**
  - **\*\*Special Note 2: Should the CBE become aware that the bidder is not independent or there is an investigation into ethical misconduct the bid will be disqualified.**

Written enquiries:

### **Supply Chain Management**

Procurement Specialist: Mrs S Nanthlall Prithiviraj

Tel: 012 346 3985

Email: [renusha@cbe.org.za](mailto:renusha@cbe.org.za)

**Technical**

Accountant: Mrs A Khoza

Tel: 012 346 3985

Email: [amanda@cbe.org.za](mailto:amanda@cbe.org.za)

**ANNEXURE A: Written Consent for Audit Partner 1 (to be completed by each Audit Partner) (please use your official company letterhead)**

**I, \_\_\_\_\_, an Audit Partner at \_\_\_\_\_(business name) hereby grants consent to the CBE to verify my professional registration with the IIA and/or SAICA and that I am in good standing.**

**Name:**

**Designation:**

**IIA Registration Number:**

**SAICA Registration Number:**

**Date:**

**Signature:**

**ANNEXURE B: Written Consent for Audit Partner 2 (to be completed by each Audit Partner) (please use your official company letterhead)**

**I, \_\_\_\_\_, an Audit Partner at \_\_\_\_\_(business name) hereby grants consent to the CBE to verify my professional registration with the IIA and/or SAICA and that I am in good standing.**

**Name:**

**Designation:**

**IIA Registration Number:**

**SAICA Registration Number:**

**Date:**

**Signature:**

## **ANNEXURE C: Confirmation of Independence (please use your official company letterhead)**

Council for the Built Environment  
2<sup>nd</sup> Floor Lourie Place  
179 Lunnnon Road  
Hillcrest  
Pretoria

Date

To Whom it May Concern,

### **Letter of confirmation of independence from the Council for the Built Environment**

[Insert Firm name] hereby confirms that independence and ethical requirements by all team members proposed for this assignment, are communicated during the planning, field work and finalisation phases of the audit and are monitored on a continuous basis.

I hereby confirm that our firm is independent with regard to the Council for the Built Environment and its related parties. I further confirm that all proposed members of the above engagement are in compliance with independence requirements as set out in the Internal Auditing Standards and the Quality Control Policies and Procedures of the firm and no matters have occurred during the duration of the financial year ending 31 March 2020 and the pre-planning phase of the audit which may impair the firm's independence.

I hereby confirm that [insert Firms name] currently does not do, nor have we done any work for the Council for the Built Environment which may result in a direct conflict of interest.

I hereby confirm that there is no conflict of interest between the Council for the Built Environment and any of the staff members involved in the audit. The capabilities and competence of the staff assigned to the audit was also assessed and found to be sufficient.

I further confirm that none of the directors of our firm sit on any audit or advisory committees of the Council for the Built Environment.

I hereby confirm that [Insert Firms name] has not been subject to any issues regarding ethical misconduct and the firm is currently not involved in any scandals which may impact our reputation.

Yours sincerely,

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Name of audit Partner