

TSHWANE AUTOMOTIVE SPECIAL ECONOMIC ZONE

AFRICA'S FIRST AUTOMOTIVE CITY

	REQUEST FOR PROPOSALS			
RFP Description:	Provision of Internal Audit Services for a period of 3 Years.			
RFP Number:	TASEZ/RFP005/2021			
Closing Date:	24/11 /2021			
Closing Time:	12h00			
RFP validity period:	90 Days			
Compulsory Briefing:	N/A			
Yes	* .			
No 🗵				
TASEZ Enquiry Details:	Enquiries to be sent on or before 19/11/2021 to hlamulos@tasez.co.za			
Name:	Hlamulo Shirinda			
Contact Numbers:	012 564 3174			
Email Address:	hlamulos@Tasez.co.za			
Delivery Address:	The Procurement Officer Tshwane Automotive Special Economic Zone Automotive Supplier Park 30 Helium Road Rosslyn Ext 2			

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1. INTRODUCTION

The Tshwane Automotive Special Economic Zone (TASEZ) is co-owned by the Department

of Trade, Industry and Competition (the DTIC), the Gauteng Provincial Government (GPG)

and the Tshwane Metropolitan Council.

TASEZ is registered in terms of the Companies Act No 71 of 2008 and it is the Operator of

the Tshwane Automotive Special Economic Zone in terms of the Special Economic Zones

Act 16 of 2014. TASEZ is situated in the east of Pretoria City in Silverton. It aims to offer a

diversity of appropriate land uses and other economic activities.

The TASEZ wishes to procure the services of an internal audit service provider from an

external institution with specialist internal audit expertise, pursuant to sections 51(1)(a)(ii)

and 76(4)(b) and (e) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

The internal audit function will report to the TASEZ audit and risk committee, as

contemplated in section 77 of the Public Finance Management Act, 1999 (Act No. 1 of

1999). Internal audits must be conducted in accordance with the standard for professional

practice of internal auditing of the Institute of Internal Auditors. TASEZ is currently in the

process of capacitating its structures to be able to fulfil its mandate.

2. INIVITATION TO SUBMIT A QUOTATION

TASEZ hereby invites quotations from suitably qualified Bidders for the Provision of Internal

audit services for a period of 3 Years.

3. SCOPE OF WORK

The TASEZ wishes to procure the services of an internal audit service provider from an

external institution with specialist internal audit expertise, pursuant to section 51 and 74 of

the PFMA.

The internal audit function will report to the TASEZ Audit and Risk Committee, as

contemplated in section 77 of the PFMA. Internal audits must be conducted in

accordance with the standard for professional practice of internal auditing of the institute

of internal auditors.

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- 3.1. Reporting to the audit committee detailing its performance against the already developed internal audit plan which has been attached as Annexure A, to allow effective monitoring and intervention when necessary. Refer to Annexure A which details both the plan for the 2021/22 financial year and the two following years.
- 3.2. Assist board of directors in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement.
- 3.3. Assist the Board of directors in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which:
- 3.4. Objectives and values are established and communicated
- 3.5. The accomplishment of the objectives is monitored.
- 3.6. Accountability is ensured and corporate values are preserved.
- 3.7. Attend EXCO and audit committee meetings as an invitee and report on audit related matters.
- 3.8. Perform ad hoc assignments as and when requested by management and approved by the audit committee.

4. INSTRUCTION TO BIDDERS

4.1.	Price	Declaration	Form
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Please indicate your total RFP price here:

R_____(compulsory)

Important:

It is mandatory to indicate the total RFP price as requested above. This price must be the same as the total RFP price in the pricing schedule. Should the total RFP prices differ, the one indicated above shall be considered the correct price?

The following must be noted:

4.1.1. All prices must be VAT inclusive and must be quoted in South African Rand (ZAR).

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4.1.2. All prices must be firm and fixed from the RFP closing date and for the duration of the contract.

- 4.1.3. All bidders must cost according to the costing template provided or this will lead to disqualification.
- 4.1.4. The cost of delivery, labour etc. must be included in the proposal.

4.2. Tender Returnables Requirements

Bidders shall submit all mandatory documents as indicated in the Table 1 below for evaluation purposes. Failure to submit these documents by the Bidder shall be regarded as non-responsive / mandatory non-performance / non-compliance and the Bidder's submission shall be disqualified.

Table 1: Tender Returnables Requirements to be submitted for Evaluation.

Document that must be Submitted	Mandatory for the RFP	Non-Submission will Result in Disqualification	
SBD 1	Yes	Invitation to Bid - Complete and sign the supplied document	
CIPC Documents	Yes	CIPC Registration Documents	
Certified copies of the Directors IDs		Bidders to submit certified ID copies of company directors as per the company registration documents.	
Tax Pin	Yes	Bidders must ensure compliance with their tax obligations, by providing one of these listed below: • Unique personal identification number (PIN) issued by SARS. • Application for tax compliance status (TCS) pin may be made via e-filing through the SARS website www.sars.gov.za. • In quotes where consortia / joint ventures / sub-contractors are involved; each party must submit a separate Tax Pin and CSD Summary Report	
SBD 4	Yes	Declaration of Interest - Complete & sign the supplied document	
SBD 6.1	Yes	Preference Points Claim Form – Complete and sign the supplied document	
B-BBEE Certificate or Sworn Affidavit	Yes	Original or certified B-BBEE Certificate or Sworn Affidavit.	

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Document that must be Submitted	Mandatory for the RFP	Non-Submission will Result in Disqualification
		The B-BBEE Status level certificate must be issued by a SANAS accredited body. Failure on the part of a Bidders to submit the B-BBEE will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
SBD 8	Yes	Declaration of Bidders' Past Supply Chain Management Practices – Complete & sign the supplied document
SBD 9	Yes	Certificate of Independent Bid Determination – Complete & sign the supplied document
Registration on Central Supplier Database (CSD)	Yes	The Bidders must be registered on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. Bidders must provide proof of registration.
Letter of Good Standing	Yes	Bidders to submit a valid Letter of Good Standing issued by the Department of Labour or RMA.
Membership/Accreditation Certificate	Yes	Bidder to submit an accreditation with the Institute of internal auditors.

We undertake to hold this offer open for acceptance for a period of <u>90 days</u> from the date of submission of offers. We further undertake that upon final acceptance of the offer, we will commence with delivery when required to do so by the Client.

Name of Bidder:		-
Signature of Bidder:	Date:	

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5. SUBMISSION OF RESPONSES

5.1. All submissions must be clearly marked: "For attention: Supply Chain Management" with the RFP Number included and hand delivered. The Tender Box is situated at the Main Gate. The address is: -

The Procurement Officer

Tshwane Automotive Special Economic Zone

Automotive Supplier Park

30 Helium Road

Rosslyn Ext 2

5.2. Bid documents shall only be considered when received by or before the closing date and time which is 24/11/2021 at 12h00. (Twenty-one Days)

5.3. The bidder(s) are required to submit Five (5) Copies as follows: -

5.3.1. One (1) original

5.3.2. Four (4) duplicates

- 5.4. Each submission must be marked correctly and sealed separately for ease of reference during the evaluation process.
- 5.5. Bidders are requested to <u>initial each page</u> of the RFP document on the <u>right-hand</u> side at the bottom of each page.
- 5.6. This RFP is subject to the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulations, 2017, the General Conditions of Contract (GCC) and, if applicable, any other Special Conditions of Contract.
- 5.7. No responses will be considered from persons in the service of the state, companies with directors who are persons in the service of the state, or close corporations with members' persons in the service of the state.

6. CONTACT AND COMMUNICATION

6.1. All communication and enquiries shall be **in writing** (via email), to the following email address, hlamulos@tasez.co.za. TASEZ will communicate with all Bidders where clarity regarding this RFP is sought.

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6.2. Clarification questions from bidders will be closed Five (5) days before date of closure on the RFP.

6.3. Any communication to an official in respect of the RFP between the closing date and the award of the contract by the Bidders is prohibited.

6.4. If a Bidders finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this RFP or any other information provided by TASEZ (other than minor clerical matters), the Bidders must promptly notify TASEZ in writing of such discrepancy, ambiguity, error or inconsistency in order to afford TASEZ an opportunity to consider what corrective action is necessary (if any).

6.5. Any actual discrepancy, ambiguity, error, or inconsistency in the RFP or any other information provided by TASEZ will, if possible, be corrected and provided to all Bidders without attribution to the Bidders who provided the written notice.

6.6. All persons (including Bidders) obtaining or receiving the RFP and any other information in connection with the RFP must keep the contents of the RFP and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to the RFP.

7. LATE SUBMISSION

7.1. Late responses to the RFP will not be accepted.

7.2. All dates and times in this RFPs are in accordance to the South African standard calendar and time.

7.3. Any time or date in this RFP is subject to change at TASEZ's discretion. The establishment of a time or date in this RFP does not create an obligation on the part of TASEZ to take any action or create any right in any way for any Bidders to demand that any action be taken on the date established.

7.4. The Bidders accepts that, if TASEZ extends the deadline for the RFP submission (the closing date) for any reason, the requirements of this RFP otherwise apply equally to the extended deadline.

8. EVALUATION OF BIDS

8.1. Bids will be evaluated There will be **Three (3) stages** in the evaluation of the bids: -

8.1.1. Stage 1 - Administrative Requirements Criteria

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This is the assessment of compliance with the minimum Administrative Requirements as detailed in <u>Table 1</u>. No points or score will be allocated in criteria, either Bidders comply or do not comply. Noncompliance will result in disqualification.

Table 2: Administrative Requirements

Description	Compliant	Non- Compliant
CIPC Registration Documents		
Copies of the Directors IDs		
Tax Pin		
Original B-BBEE Certificate or Certified Copy or Sworn Affidavit		
Valid CSD Report		
Letter of Good Standing		
Completed and signed Bid Document including SBD Documents		

8.1.2. Stage 2 - Technical / Functionality Evaluation

8.1.2.1. Only bids that comply with the indicated Administrative Requirements will be considered for the Technical / Functional Evaluation Stage.

Table 3: Technical/Functional evaluation Criteria

Table 4: Company Experience

References/ Company Experience	No. of Letters	Points Claimed
Proof of experience of a Service Provider must be	3 and more	20
submitted in the form of reference letters from the	2 letters	10
previous clients that the company provided	1 letter	5
similar service to. The letters should be in those	No letters	0
companies' letterheads and must be signed.		
(Particularly experience in public sector)		
This refers to the experience (number of years) of	7 years and	20
the service provider to undertake the scope of	more	
work as defined in the RFP Particularly experience	6-3 years	10

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References/ Company Experience	No. of Letters	Points Claimed
in Public sector.	Less than 3	0
	years	
Total Points Claimed	- 45	40

Table 5: Key Resources Qualifications

Resources	Qualifications	Points Claimed
Submit certified qualifications copies of the key	All	10
personnel involved in the audit minimum	qualifications	
requirements and NQF 7 certificate in auditing	Less1 Qual	5
and IIA accreditation.	No	0
Lead Partner	qualification	
NQF 7 certificate in auditing		
IIA Accreditation		
Audit Manager	All	5
NQF level 7 certificate in auditing.	qualifications	
IIA Accreditation	Less 1 Qual	3
	Nic	0
	No	U
	qualification	_
Audit Senior	All	5
NQF level 7 certificate in auditing.	qualifications	
IIA Accreditation.	Less 1	3
	No	0
	qualification	
Total Points Claimed		20

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Table 5: Key Resources Experience

Resources	Years of Experience	Points Claimed		
Submit cv's of the key personnel involved in the	4 years	10		
audit minimum experience required is 1-2 years'	3 – 2 years	7		
experience	1 year	5		
Lead Partner	0 years	0		
	4 years	5		
Audit Manager	3 – 2 years	3		
	Less than 2	0		
Audit Senior	2 years	5		
	1 year	3		
	0 years	0		
Total Points Claimed				

Table 6: Project Implementation Methodology

Project Methodology		Points Claimed
Bidders must submit a draft Project Plan specific to this scope of works. The plan must address the	Excellent	20
project implementation strategy and timelines.	Good	15
	Fair	10
	Poor	5
	Very Poor	0
Total Points Claimed		

The Technical / Functional Evaluation criteria for this bid is indicated in <u>Table 3</u> including the scoring system and weight allocation that will be used for the evaluation of the bids. Bidders are required to achieve a minimum of <u>80 points</u> out of <u>100 points</u> to proceed to Stage 3 (Price and B-BBEE).

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8.1.2.2. Bidders must ensure that their proposals contain all information required in **Table 1** to assess the highlighted criteria.

9.

9.1.1. Stage 3 – Price and B-BB EE

9.1.1.1. Bidders must fully complete the Pricing Schedule in **Table 4/Section 11** below. The bid will be evaluated on the 80/20 principle.

9.1.2. Oral presentations and Briefing Sessions

- 9.1.2.1. Bidders with qualifying bids may be required to give an oral presentation, which may include, but is not limited to, an equipment/service demonstration of their proposal to TASEZ. This provides an opportunity for the Bidders to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. TASEZ shall schedule the time and location of these presentations. Oral presentations are an option of TASEZ and may or may not be conducted.
- 9.1.2.2. Any bidder who has reasons to believe that the Scope of Work / Terms of Reference is based on a specific brand must inform TASEZ not later than ten (10) days after the publication of the Bid.

10. VALIDITY PERIOD OF THE RFP

10.1. The validity period of this RFP shall be **90 days** from the closing date.

11. DURATION OF THE CONTRACT

11.1. The delivery period or implementation time of the contract shall be 3 years.

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12. PRICING SHCEDULE

Tenderers shall complete the Pricing Schedule for all resources included in the schedule. All Hours are provisional and shall be substantiated i.e. accompanied by detailed activity-time schedules. In addition to the completion of the Pricing Schedule in table 4 below it is also a requirement that the hourly cost per resource be provided as indicated in Table 5.

Table 4: Pricing Schedule

Focus Areas	2021/2	2022/23	2023/24
	Total Estimated H		
General Management of the Internal Audit Function including discussion of the rolling internal audit plan and general understanding of the business environment	40	30	30
Performance Information and Quarterly Reporting	48	96	96
Governance, Risk and Compliance		50	50
Financial Discipline Review	60	120	120
Human Resource Management and Payroll Processing		50	
Procurement and Contract Management	90	175	175
Annual Financial Statements Review		40	40
Records Management			30
Follow Up of Internal and External Audit Findings	20	20	20
Ad-hoc Assignments including Auditor-General assistance work	100	100	100
IT General Control Review	0	40	40
Stakeholder Management Review	20	20	20
Total Hours	378	741	721
Average Rate			
Disbursements			
Total Cost (excluding VAT)			
Total Cost Including VAT			

The details of the focus areas are set out in the internal audit plan which has been attached as **Annexure A**.

TOTAL OFFER IN WORDS (INCLUDING VAT)	
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Table 5: Pricing Schedule – Individual Hourly Rate

		2021/22	2022/23	2023/24
#	RESOUCE DESCRIPTION	RATE PER HOUR (VAT INCL)	RATE PER HOUR (VAT INCL)	RATE PER HOUR (VAT INCL)
1	DIRECTOR/PARTNER			
2	MANAGER			
3	SENIOR			
4	AUDITOR			
5	JUNIOR			
6	OTHER (Please Specify)			
7	OTHER (Please Specify)			

Please note table 4 will be used to evaluate the pricing – table 5 will however be used should additional hours be negotiated

NB: The prices quoted will be estimates and can be revised depending on the needs for service.

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13. SBD 1 FORM

PART A: INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)						
BID NUMBER: TASEZ/RFP005/2021 CLOSING DATE: 24/11/21 CLOSING TIME: 12:H00 PM						
DESCRIPTION: Provision of Internal Audit Services for a period of 3Years.						
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).						

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS):

Tshwane Automotive Special Economic Zone (Main Gate) Automotive Supplier Park 30 Helium Road. Rosslyn Ext 2					
THE BID BOX IS AVAILAB	BLE BETWEEN	! :			
SUPPLIER INFORMATION			711		
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE			NUMBER	
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE			NUMBER	
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATIONCERTIFICATE [TICK APPLICABLE BOX]	Yes No		SWO	EE STATUSLEV RN DAVIT	/EL Yes No
IF YES, WHO WAS THE CERTIFI	CATE ISSUED				

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BY?						
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE		AN ACCOUNTING OFFICER AS CONTE CORPORATION ACT (CCA)				D IN THE CLOSE
CLOSE CORPORATION ACT (CCA) AND NAMETHE	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)				BY THE SOUTH	
APPLICABLE IN THE TICK BOX		A REGISTERE NAME:	d audit	OR		
IA B-BBEE STATUS LEVEL MUST BE SUBMITTED IN ORDER TO QUALIFY FOR					/IT (F	OR EMEs& QSEs)
ARE YOU THE ACCREDITED				ARE YOU A FORE	IGN	
REPRESENTATIVE IN	Yes No		BASED SUPPLIER FOR		Yes	
SOUTH AFRICA FOR THE				THE GOODS /		☐ No
GOODS /SERVICES	[IF YES ENCLOSE PROOF]		SERVICES / WORKS			
/WORKSOFFERED?			OFFERED?		[IF YES ANSWER PART B:3 BELOW]	
SIGNATURE OF BIDDER				DATE		
(Attach proof of authority to directors, etc.)		g., resolution o	of			
TOTAL NUMBER OF ITEMS OFFERED				TOTAL BID PRICE INCLUSIVE)	·	
BIDDING PROCEDURE ENQUIR		ECTED TO:			ON MA	AY BE DIRECTED TO:
DEPARTMENT/ PUBLIC ENTITY	TASEZ			ACT PERSON MILE NUMBER		
TELEPHONE NUMBER FACSIMILE NUMBER	N/A			L ADDRESS		
E-MAIL ADDRESS		tacez co za		urement@tase	7 00 7	72
E WARE TROUTESS	Illamuios	rta3C2.CU.2d	PIOC	urement@tase	2.00.2	<u> </u>

PART B: TERMS AND CONDITIONS FOR BIDDING

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1.	RIII	SIII.	КV	$\alpha \cup \alpha$	ION:
4.4	שוט	JU	DI		

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FORCONSIDERATION.
- 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED- (NOT TO BE RE-TYPED) OR ONLINE
- 1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
- 1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
- 1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF

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	APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.	e.
2.	TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	ISSUED BY SARS TO
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEE WWW.SARS.GOV.ZA.	
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.	
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH P. SEPARATEPROOF OF TCS / PIN / CSD NUMBER.	ARTY MUST SUBMIT A
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DANGERMUST BE PROVIDED.	ATABASE (CSD), A CSD
3.	QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	YES NO
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA?	YES NO
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	YES NO
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	YES NO
STA	HE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (S ISTER AS PER 2.3 ABOVE.	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

14. SBD 4 FORM

DECLARATION OF INTEREST

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- 1) Any legal person, including persons employed by the state¹, 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 position in relation to the evaluating/adjudicating authority 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.2.1 Full Name of bidder or his or her representative:
 - 2.2 Identity Number:
 2.3 Position occupied in the Company (director, trustee, shareholder²):
 - 2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their indiv

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

1"State" means -

 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);

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- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state?

YES / NO

2.8 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:
Name of state institution at which you or the person
connected to the bidder is employed:
Position occupied in the state institution:
Any other particulars:

2.9 If you are presently employed by the state, did you obtain

YES / NO

the appropriate authority to undertake remunerative work outside employment in the public sector?

2.9.1 If yes, did you attached proof of such authority to the bid

YES / NO

document?

(Note: Failure to submit proof of such authority, where

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applicable, may result in the disqualification of the bid.

2.9.2	If no, furnish reasons for non-submission of such proof:	
	<u></u>	
2.10	Did you or your spouse, or any of the company's directors /	YES / NO
	trustees / shareholders / members or their spouses conduct	
	business with the state in the previous twelve months?	
2.10.1	L If so, furnish particulars:	
2.11	Do you, or any person connected with the bidder, have	
	YES / NO	
	any relationship (family, friend, other) with a person	
	employed by the state and who may be involved with	
	the evaluation and or adjudication of this bid?	
2.11.1	If so, furnish particulars.	
2.12	Are you, or any person connected with the bidder,	
	YES/NO	
	aware of any relationship (family, friend, other) between	
	any other bidder and any person employed by the state	
	who may be involved with the evaluation and or adjudication	
	of this hid?	

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2.12.1	If so, furnish particulars.						
2.13	Do you or any of the dire	ctors / trustees / share	eholders / members				
	YES/NO						
	of the company have any	interest in any other r	elated companies				
	whether or not they are	bidding for this contrac	et?				
2.13.1	If so, furnish particulars:						
			••••				
	S						
Table 7: Fu	ull details of Directors / Tr	ustees / Members / Sl	nareholders.				
Full Name	e	Identity Number	Personal Tax				
			Reference	Number /			
			Number	Persal Number			

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3) Declaration			
I, THE UNDERSIGNED (NAME)			
CERTIFY THAT THE INFORMATION FURNISHED	IN PARAGRAPHS 2 AND 3 ABO	VE IS CORRECT.	
I ACCEPT THAT THE STATE MAY REJECT THE BI	D OR ACT AGAINST ME IN TERM	IS OF PARAGRAPH 23	
OF THE GENERAL CONDITIONS OF CONTRACT	SHOULD THIS DECLARATION PR	OVE TO BE FALSE.	
	,,,,,,,,,,,		
Signature	Date		
·			
		,	
Position	Nam	e of bidder	
15 SBD 6 1 FORM			

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PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT **REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment(B-BBEE) Status Level of Contribution

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NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENTREGULATIONS, 2017.

1) GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
 - the 80/20 system for requirements with a Rand value of up to R50 000 000 (allapplicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R50 000 000 (allapplicable taxes included).

1.2

- a) The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the <u>...80/20...</u> preference point system shall be applicable; or
- b) The **80/20** preference point system will be applicable to this tender (*delete* whichever is not applicable for this tender).
- 1.3 Points for this bid shall be awarded for:
 - (a) Price; and
 - (b) B-BBEE Status Level of Contributor.
- 1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must notexceed	100

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to

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preferences, in any manner required by the purchaser.

2) DEFINITIONS

(a) "B-BBEE" means broad-based black economic empowerment as defined in section1 of the Broad-Based Black Economic Empowerment Act;

- (b) "B-BBEE status level of contributor" means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) "bid" means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) "Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) "EME" means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) "functionality" means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) "prices" includes all applicable taxes less all unconditional discounts;
- (h) "proof of B-BBEE status level of contributor" means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) "QSE" means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section
 9 (1) of theBroad-Based Black Economic Empowerment Act;
- (j) "rand value" means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

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16. SBD 6.2 FORM

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general

information and serves as a declaration form for local content (local production and local content

are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions,

Directives applicable in respect of Local Content as prescribed in the Preferential Procurement

Regulations, 2011, the South African Bureau of Standards (SABS) approved technical specification

number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together

with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary

Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local

Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the

promotion of local production and content.

1.2. Regulation 9. (1) prescribes that in the case of designated sectors, where in the award of

bids local production and content is of critical importance, such bids must be advertised

with the specific bidding condition that only locally produced goods, services or works or

locally manufactured goods, with a stipulated minimum threshold for local production and

content will be considered.

1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two-stage bidding process

may be followed, where the first stage involves a minimum threshold for local production

and content and the second stage price and B-BBEE.

1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in

such a manner that the local production and content of the overall value of the contract is

reduced to below the stipulated minimum threshold.

1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in

accordance with the SABS approved technical specification number SATS 1286: 2011 as

follows:

LC = [1 - x / y] * 100

Where

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x is the imported content in Rand.

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on http://www.thedti.gov.za/industrial development/ip.jsp at no cost.

1.6. A bid may be disqualified if -

(a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and

(b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

2. Definitions

2.1. "bid" includes written price quotations, advertised competitive bids or proposals;

2.2. "bid price" price offered by the bidder, excluding value added tax (VAT);

2.3. "contract" means the agreement that results from the acceptance of a bid by an organ of state;

2.4. "designated sector" means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. "duly sign" means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).

2.6. "imported content" means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation

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costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

- 2.7. "local content" means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. "stipulated minimum threshold" means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. "sub-contract" means the primary contractor's assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 3. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
	%
	%
	%

4. Does any portion of the services, works or goods offered have any imported content?

(Tick applicable box)

YES	NO	

4.1. If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange

Provision	of	internal	audit	services	for	а	period	of	3	Years.
------------------	----	----------	-------	----------	-----	---	--------	----	---	--------

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US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?

(Tick applicable box)

YES	NO	

5.1. If yes, provide the following particulars:

1.1	Full manner of available	
(a)	Full name of additor:	

(b) Practice number:

(c) Telephone and cell number:

(d) Email address:

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the DTI must be informed accordingly in order for the DTI to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION

(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION,

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PARTNERSHIP	, OR INDIVIDU	JAL)						
IN	RESPECT	г	OF		BID		NO.	
ISSUED B	 3Y : (Procu	rement	Authority	/	Name	of	Institutio	n):
NB								••••
_	tion to comple Il authorized re							
2) Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thdti.gov.za/industrial development/ip.jsp . Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below. Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.						rial ing the bid he the r is		
l, 		th					ndersigne ames),	ed,
	ereby	•	in		у	•		as
	, the following					(na	ame	of
(a) The facts	contained here	ein are withir	n my own pe	rsonal kr	nowledge.			
(b) I have sat	isfied myself th	nat:						

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- (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (ii) the declaration templates have been audited and certified to be correct.
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.

The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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SIGNATURE:	DATE:
WITNESS No. 1	DATE:
WITNESS No. 2	DATE:
(

17. SBD 8 FORM

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENTPRACTICES

- 1) This Standard Bidding Document must form part of all bids invited.
- 2) It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3) The bid of any bidder may be disregarded if that bidder, or any of its directors have
 - a) abused the institution's supply chain management system;
 - b) committed fraud or any other improper conduct in relation to such system; or
 - c) failed to perform on any previous contract.
- 4) In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers 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 Accounting Officer/Authority of the institution that imposed the restriction after the audi alteram partem rule was applied).	Yes	No
	The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.		
4.1.1	If so, furnish particulars:		

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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)?	Yes	No
	The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the		
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 fiveyears?	Yes	No
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the pastfive years on account of failure to perform on or comply with the contract?	Yes	No
4.4.1	If so, furnish particulars:		

CERTIFICATION

l,	THE	UNDERSIGNED	(FULL	NAME)
CERTIFY THAT	THE INFORMA	TION FURNISHED ON THIS DECLARAT	TION FORM IS TRUE AI	ND CORRECT.
	·	I TO CANCELLATION OF A CONTRACTION PROVE TO BE FALSE.	Γ, ACTION MAY BE TA	Ken against

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	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Signature	Date	
Position	Name of Bidder	

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Provision of internal audit services for a period of 3 Years.

18. SBD 9 FORM

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1) This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2) Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a pe se prohibition meaning that it cannot be justified under any grounds.
- Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

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a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other

improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier

committed any corrupt or fraudulent act during the bidding process or the

execution of that contract.

4) This SBD serves as a certificate of declaration that would be used by institutions to ensure

that, when bids are considered, reasonable steps are taken to prevent any form of bid-

rigging.

5) In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9)

must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to

compete, secretly conspire to raise prices or lower the quality of goods and / or services for

purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging

is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

Provision	of internal	audit services	for a	period o	of 3 Years.
------------------	-------------	----------------	-------	----------	-------------

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(Bid Number and Description)
in response to the invitation for the bid made by:
(Name of Institution)
do hereby make the following statements that I certify to be true and complete in every respect:
I certify, on behalf of: that: (Name of Bidder)

- 1) I have read and I understand the contents of this Certificate;
- 2) I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
- 3) I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
- 4) Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
- 5) For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
- 6) The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.

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- 7) In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - a) prices;
 - b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
- 8) In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
- The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 10) I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

Signature	Date

Position	Name of Bidder

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³ Joint venture or Consortium means an association of persons for the purpose of combining

their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a

contract.

19. GENERAL CONDITIONS OF CONTRACT

The General Conditions of Contract (GCC) shall apply.

20. SERVICE LEVEL AGREEMENT

20.1. Upon award TASEZ and the successful Bidders will conclude a Service Level Agreement (SLA)

regulating the specific terms and conditions applicable to the services being procured by

TASEZ.

20.2. TASEZ reserves the right to accept or reject any or all amendments or additions proposed by

a Bidders if such amendments or additions are unacceptable to TASEZ or pose a risk to the

organisation.

21. SPECIAL CONDITIONS OF THIS RFP

21.1. Bidders to take note that the award of the RFP may be subject to price negotiation with the

preferred bidder and that this bid is subject to the PP Regulations of 1 April 2017.

21.2. Additionally, Regulation 13 (c) of the Public Service Regulations 2016 determines that an

employee shall not conduct business with an organ of state or be a director of a public or

private company conducting business with an organ of state unless such employee is in an

official capacity a director of a company listed in schedule 2 and 3 of the Public Finance

Management Act.

21.3. As this regulation prohibits public service employees from conducting business with an

organ of state; either in a personal capacity or as a director of a private or public company,

non-compliance with this regulation will lead to automatic disqualification of a bid.

21.4. The TASEZ will not pay commission to the successful bidder regardless of the subcontracting

conditions.

21.5. The TASEZ reserves the right – without prejudice and limitations to its any other rights and

privileges in law:

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a) Not to appoint a Bidders and is also not obliged to provide reasons for the rejections of any proposal;

- b) To request further information from any Bidders after the closing date, for clarity purposes;
- c) To carry out site inspections, product evaluations or explanatory meetings to verify the nature and quality of the services offered by the Bidders, whether before or after adjudication of the responses received;
- d) To correct any mistakes at any stage of the RFP process that may have been in the RFP documents or occurred at any stage of the RFP process;
- e) To award this RFP to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000);
- f) To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s);
- g) To accept part of a RFP rather than the whole RFP;
- h) To correct any mistakes at any stage of the RFP that may have been in the RFP documents or occurred at any stage of the RFP process;
- i) To cancel and/or terminate the RFP process at any stage, including after the Closing Date and/or after quotations have been evaluated and/or after the preferred bidder(s) have been notified of their status as such; and
- j) Award to multiple bidders based justifiable reasons including but not limited to the bidder's expertise, the complexity of the scope per bidder, any on the bidder's size and TASEZ's geographic consideration.

22. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

- 22.1. The Bidders should note that the terms of its proposal will be incorporated in the proposed contract by reference and that TASEZ relies upon the Bidders's response as a material representation in making an award to a successful Bidders and in concluding an agreement with the Bidders.
- 22.2. It follows therefore that misrepresentations in the proposal may give rise to service termination and a claim by TASEZ against the Bidders notwithstanding the conclusion of the

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Service Level Agreement (SLA) between TASEZ and the Bidders for the provision of the service in question.

22.3. In the event of a conflict between the Bidders's proposal and the SLA concluded between the parties, the SLA will prevail.

23. PREPARATION COSTS

- 23.1. The Bidders will bear all its costs in preparing, submitting, and presenting any response to this RFP and all other costs incurred by it throughout the RFP process.
- 23.2. Furthermore, no statement in this RFP will be construed as placing TASEZ or its employees under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the Bidders in the preparation of their response to this RFP.

24. INDEMNITY

24.1. If a Bidders breaches the conditions of this RFP and, as a result of that breach, TASEZ incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the RFP process and/or enforcement of intellectual property rights or confidentiality obligations), then the Bidders indemnifies and holds TASEZ harmless from any and all such costs which TASEZ may incur and for any damages or losses TASEZ may suffer.

25. PRECEDENCE

25.1. This document will prevail over any information provided whether oral or written, unless such written information provided, expressly amends this document by reference.

26. LIMITATION OF LIABILITY

26.1. A Bidders participates in this RFP process entirely at its own risk and cost. TASEZ shall not be liable to compensate a Bidders on any grounds whatsoever for any costs incurred or any damages suffered because of the Bidders's participation in this RFP process.

27. TAX COMPLIANCE

27.1. It is essential to ensure that persons conducting business with the State are tax compliant at the time of awarding of price quotations or competitive bids. No price quotations or competitive bids shall be awarded to businesses or persons who are not tax compliant.

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27.2. The successful Bidders will be notified of their non-compliance statatus in writing and will have seven (7) working days to submit written proof from SARS of their tax complaince status or proof that they have made an arrangement to meet their outstanding tax

obligations. The Bidders should thereafter provide the procurment officer with proof of their

tax compliance status which will be verfied by the procurement office via the CSD.

27.3. TASEZ reserves the right to withdraw an award made, or cancel a contract concluded with a

successful Bidders if it is established that such Bidders has submitted a fraudulent Tax

Clearance Certificate to TASEZ, or whose verification against the Central Supplier Database

(CSD) proves non-compliant.

27.4. TASEZ further reserves the right to cancel a contract with a successful Bidders if such Bidders

does not remain tax compliant for the full term of the contract.

28. RFP DEFAULTERS AND RESTRICTED SUPPLIERS

28.1. No contract shall be awarded to a Bidders whose name (or any of its members, directors,

partners or trustees) appear on the Register of RFP Defaulters kept by National Treasury, or

who have been placed on National Treasury's List of Restricted Suppliers.

28.2. TASEZ reserves the right to withdraw an award, or cancel a contract concluded with a

Bidders should it be established, at any time, that a Bidders has been blacklisted with

National Treasury by another government institution.

29. GOVERNING LAW

29.1. South African law governs this RFP and the RFP response process. The Bidders agrees to

submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that

may arise out of or in connection with the subject matter of this RFP, the RFP itself and all

processes associated with the RFP.

30. CONFIDENTIALITY

30.1. Except as may be required by operation of law, by a court or by a regulatory authority having

appropriate jurisdiction, no information contained in or relating to this RFP will be disclosed

by any Bidders or other person not officially involved with TASEZ's examination and

evaluation.

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30.2. No part of the RFP may be distributed, reproduced, stored, or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a response. This RFP and any other documents supplied by TASEZ remain proprietary to TASEZ and must be promptly returned to TASEZ upon request together with all copies, electronic versions, excerpts, or summaries thereof or work derived there from.

30.3. Throughout this RFP process and thereafter, Bidders must secure TASEZ's written approval prior to the release of any information that pertains to the

30.4. potential work or activities to which this RFP relates; or

30.5. the process which follows this RFP.

30.6. Failure to adhere to this requirement may result in disqualification from the RFP process and civil action.

31. LEGISLATIVE FRAMEWORKS OF THE RFP

31.1. As TASEZ is established within the laws associated with all other SEZ's under the dtic's SEZ Programme, its development, management and operations have (as a minimum) to comply with the requisite and relevant provisions of the SA Constitution (41(1)h & 288), the PFMA (49(3)), Treasury Regulations (16A6.5 & 16A6.6), the FIDPM Note 3 of 2019/2020 and the IDMS. Additionally, TASEZ must comply with the following:

a) Tax Legislation

It is a condition of this RFP that the tax matters of the successful Bidders are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the Bidders's tax obligations.

The tax compliance status requirements are also applicable to foreign Bidders/individuals who respond to the RFP.

It is a requirement that Bidders grant written confirmation when submitting their response that SARS may on an ongoing basis during the tenure of the contract disclose the Bidders's tax compliance status and by submitting a response to this RFP such confirmation is deemed to have been granted.

Bidders are required to be registered on the Central Supplier Database and TASEZ shall verify the Bidders's tax compliance status through the Central Supplier Database.

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b) Procurement Legislation

TASEZ has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act, No. 1 of 1999), the Preferential Procurement Policy Framework Act 2000 (Act, No.5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).

32. SUPPLIER DUE DILIGENCE

32.1. TASEZ reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

3.3 INTERNAL AUDIT PLAN

REFER TO ATTACHED ANNEXURE A

RFP NO: TASEZ/RFP005/2021 PAGE 43 OF 43 Bidders Initials

ANNEXURE A INTERNAL AUDIT PLAN

Private and confidential

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EXECUTIVE SUMMARY

The Internal Audit Function conducts audits and reviews to assess whether risks are being managed, controls are being designed, implemented, and operating effectively. These audits and reviews are performed with the main objective of ensuring that the organizational strategic goals and objectives are being achieved. Risk assessment is a continuous process, there are always Internal and external environmental pressures which may present new threats to the organisation. Therefore, it is of paramount importance for management to continually adapt its policies and procedures to manage its changing risks at an acceptable level.

2. INTRODUCTION

The Public Finance Management Act (PFMA) of 1999 as amended, requires the Executive Council, as the Accounting Authority which is the Board of Directors in relation to TASEZ, to ensure that the organisation has and maintains, inter alia, effective, efficient and transparent systems of financial and risk management and internal controls.

Therefore, this internal audit plan has been prepared in terms of the PFMA and Treasury Regulation 27.2.7 which provides, inter alia, that:

The internal audit function must, in consultation with the Audit Committee, prepare:

- a) a strategic internal audit plan based on its assessment of key areas of risk for the entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;
- b) plans indicating the scope of each audit in the annual internal audit plan

Tholisiwe has been engaged by the Tshwane Automotive Special Economic Zone (hereafter referred to as TASEZ) as its outsourced internal audit services provider. As part of our service delivery and to ensure that there is adequate assurance over the internal control systems implemented by the Corporation to mitigate identified risks, we have prepared a Three-Year Strategic Rolling Internal Audit Plan and One-Year Operational Plan for the year ending 31 March 2023 and 31 March 2021 respectively, for review and approval by the Audit Committee.

It is our assessment that the proposed coverage plan presented in Appendix A below will provide a level of internal audit coverage that:

- Is responsive to the relative criticality of individual TASEZ business projects and functions;
- Is risk-based; and

Supports the pursuit of TASEZ's strategic objectives.

The one-year operational internal audit plan has been prepared based on:

- Risks identified by the in-house risk management function within the entity;
- High-level review of the TASEZ's Corperate Plan for the 2020 financial year; and
- TASEZ's concerns/risks as expressed during interactions and exploratory meetings with management of the TASEZ.

It is the responsibility of Internal Audit, management, the risk management function and the Audit Committee to review these risks for completeness (if any), decide on the reasonableness of the scores allocated to each risk, and based on their knowledge of the business, re-rank the risks as they deem appropriate on an on-going basis.

This therefore requires that the plan is dynamic, continues to be risk-based and may focus on areas that were not on the original annual plan.

3. MISSION STATEMENT

The audit process provides oversight to obtain reasonable assurance regarding management's assertions that objectives are achieved for effectiveness and efficiency of operations, reliability of financial information, and compliance with laws and regulations. Internal audit (IA) will proactively partner with its business management on the performance of financial, compliance, information technology and operational audits, as well as consulting reviews and special projects, to maximise value-added contributions from the process.



Value is created with an integrated audit approach using

- well trained,
- knowledgeable professionals,
- total quality principles,
- teamwork,
- innovation and
- world-class audit tools and techniques.

4. MANDATE

As the internal auditor, we have been tasked to address the following:

- Prepare a rolling three-year strategic internal audit plan based on its assessment of key areas of risk, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;
- Prepare an internal audit plan for year of the rolling plan;
- Plans indicating the scope of each audit in the annual internal audit plan;
- Reporting to the audit committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary;
- Assist the Board of Directors in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement;
- Assist the Board of Directors in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which:
 - objectives and values are established and communicated
 - o the accomplishment of objectives is monitored.
 - o accountability is ensured; and
 - o corporate values are preserved.
- Attend EXCO meetings as an invitee and report on audit related matters.
- Perform ad hoc assignments as and when requested by management and approved by the audit committee.

The audit coverage, scope and each of the aspects to be covered will be finalised with TASEZ Executive management.

5. ROLES AND RESPONSIBILITIES

The Institute of Internal Auditors defines internal auditing as follows:

"... an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

The internal audit activity therefore evaluates and contributes to the improvement of risk management, control and governance systems within TASEZ.

Governance

The Internal Audit Function shall assist Management in achieving the goals of TASEZ by evaluating the process through which:

- Goals and values are established and communicated.
- The accomplishment of goals is monitored.
- Accountability is ensured and corporate values are preserved.

It is currently intended that the Governance function will be managed from a Management perspective.

Risk Management

The Internal Audit Function shall assist Management in identifying, evaluating and assessing significant organisational risks and provide assurance as to the effectiveness of related internal controls regarding the focus areas reviewed with regards to TASEZ.

Furthermore, Internal Audit shall evaluate the risk management process of TASEZ for adequacy, efficiency and effectiveness.

Internal Controls

Internal Audit shall evaluate whether the internal controls systems of the focus areas as set out in its Internal Audit Plan, which management relies on to manage the risks to acceptable levels, are appropriate and functioning as intended (i.e. are they effective, yet efficient) and provide recommendations, where applicable, for enhancement or improvement.

The Internal Audit Function is authorised to:

- Have unrestricted access to all functions, records, property and personnel.
- Have full and uninhibited access to the Audit Committee.
- Assist with the allocation of its resources, frequencies, subjects, scope of work to be performed,
 and apply the techniques required to accomplish audit objectives.

Obtain the necessary assistance of personnel in divisions and functions of TASEZ where they
perform audits, as well as other specialised services from within or outside TASEZ.

The Internal Audit Function is not authorised to:





Direct the activities of any 1 ASE2 employee not employee by the internal outling depolyment, excepto the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist the fatemal auditors in carrying out investigations.

The Internal Audit Function will conduct audits in accordance with the "Code of Ethics" and "International Standards for the Professional Practice of Internal Auditing" of The Institute of Internal Auditors as well as other corporate governance principles and regulations.

Management's responsibilities

Management is responsible for the establishment and maintenance of an effective system of governance to:

- Establish and communicate organisational goals and values.
- Monitor the accomplishment of goals.
- Ensure accountability and values are preserved.

Management is furthermore responsible for the establishment and maintenance of an effective system of internal control. The objectives of the system of internal control are, inter alia, to provide management with reasonable, but not absolute, assurance that:

- Risks are properly managed.
- Assets are safeguarded.
- Financial and operational information are reliable.
- Operations are effective and efficient.
- Laws, regulations and contracts are complied with.

A principal safeguard against fraud, misstatement and irregularities is an effective system of internal control. It must, however, be recognised that there are inherent limitations in any system of internal control—including human error and circumventions through collusion. The prevention and detection of fraud is therefore management's responsibility.

Management representations made shall be requested to be presented in the form of a management representation letter and will be considered to form part of our audit evidence. Any management representations made will be accepted on face value and in good faith, with only limited testing and evaluation to assess the reasonableness thereof.

Quality control

It is important to monitor both the extent and the quality of the Internal Audit service to TASEZ on an ongoing basis.

The quality of the Internal Audit assignments will be addressed by adhering to the Institute of Internal Auditors' standards on quality control, and the Internal Auditor's procedures such as the involvement of the internal audit staff in charge of functional areas in the planning as well as on-going review of the work during the execution and reporting phases.

6. RISK PROFILE

Risk Analysis

Risk analysis consists of three crucial elements: identification, quantification and managing of risks. Identification depends to a significant extent on the knowledge of TASEZ's operations and the environment in which it operates.

Quantification depends on a combination of mathematics and judgement. Judgement depends on the knowledge of the assessors and the required objectives. Risk analysis is not a static process. Assessments need to be revised as additional information becomes available. The ultimate action will depend on how risk-averse those responsible for the risks are. TASEZ management identifies the business categories or risk categories.

Management of risk includes anlyzing the forecasted risk, evaluating their potential threats and taking precautionary steps to curb them.

Risks identified

The internal audit methodology applied at TASEZ is executed in terms of the control framework prescribed by the Commission of Sponsoring Organisations of the Treadway Commission (COSO). The following table represents the top strategic risks identified by management, root cause and impact to the organisation if not managed effectively.

Management Risk Register

Department	Risk details	Inherent risk exposure	Controls in place to mitigate risks	Residual risk exposure
Business Development	Inability to accommodate all tenants who want to be part of Phase 1	25	 Find alternative space for the tenants that cannot be accommodated in phase 1, CoT to acquire the land parcel in phase 3 (also termed phase 1a) to accommodate investors that do not fit in phase 1; Fast Track the township establishment of Phase 2 land for ready investors; Desktop study to look at alternative brownfields space in and around Silverton area that can serve as an interim solution. 	5
CEO's office	Lack of required expertise to support the set-up and operational execution of the TASEZ	25	 Shareholders accelerate support with identifying and placement of seconded resources into the TASEZ structure to fill critical positions; Identification of an HR resource with experience in sourcing medical aids and pension funds that can be seconded to the TASEZ to support with an appropriate 	10

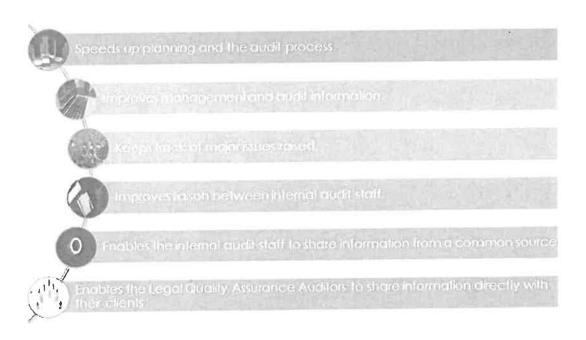
			medical aid and pension fund for TASEZ and 3. Recruitment of staff in all approved positions	
CEO's office	 Failure to achieve the project timelines of Ford's new model introduction thereby affecting the set targets on job creation 	25	To continue rolling-out the stakeholder and communication plan. To keep continuous engagement with communities	10
Business Development	 Inability to meet the set targets to support SMME's 	20	To continue rolling- out the stakeholder and communication plan. To implement the SMME plan; Review TASEZ funding application	10
Business Development	Community strikes	25	 Roll out community engagement plan and media plan; Set-up and implement the PSDT (Walk-in-Centres); Manage the SMME development and Skills Development programmes with appointed contractors. 	10
Chief Financial Officer	Insufficient funds available for project expenditure. The CDC in the bill of quantities for all investors have not made sufficient provision for contingencies.	25	Engage CDC to provide additional budget for contingencies. Approach the dtic in an application for additional funding.	12
Chief Financial Officer	Contractors not paid timeously. There is no system in place to track invoices submitted by the contractors/sub contractors /SMME's. This could result in late payment to these ultimately resulting in work	15	Invoice schedule and payment dates has been established. Monitoring over CDC to ensure timeous payment is made.	10

	stoppages and delays in achieve beneficial occupancy date.			
Infrastructure	Steel Shortage for production of Steel goods. Including, but not limited to Structural Steel & Reinforcing.	25	1. Advance Payment being arranged to secure supply of structural Steel. Engaged the steel industry association and steel suppliers to communicate the importance of this project and to make steel available.	10
Infrastructure	Time lost due to injury on duty on the construction site. (Safety Lost Time Injury)	25	1. Visible Felt Leadership conducted by TASEZ. Subject engaged at length to Date, CDC & TASEZ escalation personnel established 03 March 2021. Safety Manager appointed as of 10/03/21.	10

7. STRATEGIC APPROACH

We have adopted a risk based strategic approach which considers the results of the risk assessment conducted by Management and the Board. This approach involves a focus on understanding the work of each focus area and identifying risks associated with that focus area. It further includes a process of linking risk analysis to planned audit assignments. Internal Audit work will consequently concentrate significantly on high risks areas and low to medium risks areas will be allocated less resources and time. This means that audit projects that would be most appropriate to address the highest risk areas shall be prioritized.

Our audit is supported by Cura audit software and data analysis tools such as Idea and ACL as the situation may demand. This has the following advantages:



The scope of Internal Audit, with the understanding that only samples of transactions are selected, is to determine whether TASEZ's network of risk-management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner appropriate to ensure that:

- Risks are appropriately identified and managed;
- Interaction with the various governance groups occurs as needed;
- Significant financial, managerial, and operating information is accurate, reliable and timely;

- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently and adequately protected;
- Programmes, plans and objectives are achieved;
- Quality and continuous improvement are fostered in the organisation's control processes;
- Significant legislative or regulatory issues impacting the organisation are recognised and addressed appropriately; and
- Assets are adequately and appropriately safeguarded.

Depending on the risk assessment made, in some cases it may be necessary to test the entire population of transactions.

The focus of reviews will be limited to the following types of reviews as indicated in our three-year strategic and annual operational plan attached:

- 1. General Management of the Internal Audit Functions
- 2. Performance Information audits
- 3. Governance and Compliance Reviews
- 4. Human Resource Management and Payroll Processing
- 5. Financial Discipline Review
- 6. Procurement and Contract Management Reviews
- 7. Records Management
- 8. Ad-hoc requests by management and Audit Committee; and
- 9. Follow-up reviews on issues previously reported.

The Internal Audit scope of work is limited to the areas indicated in the three-year strategic plan and annual operational plan in Appendix A and B respectively.

8. UNDERSTANDING THE ORGANISATION

Vision

To be the benchmark for SEZs in South Africa whilst contributing to the growth of the Automotive Sector with the objective of being a major creator of new businesses and contributor to employment, transformation and socio-economic development.

Mission

To be a catalyst for employment, transformation and socio-economic development and industry growth by being a node attracting automotive suppliers and automotive-related manufacturers, assemblers and supporting services.

Strategic goals and objective

- To create economic growth and transformation within the South African Automotive Sector
- To create awareness and support for the development and growth of the automotive SEZ
- To support the process of attracting automotive and related industries and tenants into the SEZ whilst achieving socio economic empowerment for the surrounding communities
- To ensure greater inclusion (Deepen value addition) of SMME within the Automotive Value Chain

9. TASEZ'S EXPECTATIONS

TASEZ expects the following from Internal Audit:

- Value-for-money;
- Follow-up reviews on the corrective actions taken by management in reaction to the weaknesses
 identified in the management letter of the External Auditors and previous Internal Audit reports.
- Efficient and effective audits which are proactive and promptly reported with the application of suitably skilled senior staff;
- Clear and concise reports with implementable recommendations
- Adequate visibility of the Internal Audit function within TASEZ;
- Reporting to the Audit Committee that there has been compliance with relevant regulations and that controls relating to high-risk areas were functioning as intended for the period under review.

10. CO-ORDINATION OF INTERNAL AUDIT

Internal audit team

Position	Name	Contest
Director	Georgina Tekie	georgina@tholisiwe.co.za
Director	Tafadzwa Chifamba	tafadzwa@tholisiwe.co.za
Manager	Clapaton Mutamba	clapaton@tholisiwe.co.za

Contact with TASEZ

The Internal Audit function reports administratively to the CFO and functionally to the Audit Committee. The CFO will be responsible for all administration arrangements of the Internal Audit, for example approvals of expenses of the Internal Audit function. The Audit Committee will approve the annual operational plan of the Internal Audit function.

It is accepted that the co-operation and availability of TASEZ personnel plays a significant role in impacting the effectiveness and efficiency of the Internal Audit function. Every effort must be made to obtain the complete co-operation of TASEZ's management. Any delays should be reported to the Principal and the Audit Committee.

Contact with the external auditors

Internal Audit should liaise closely with the External Auditors, the Auditor General South Africa (AGSA), to avoid unnecessary duplication of audit work. Liaison with the AGSA will include holding regular meetings between the External Auditors and the Internal Audit function to ensure that there is proper co-ordination.

The contact persons are:

Position	Name	Contact	
Senior manager (AGSA)	Gugulethu Mashao	fxaba@aasa.co.za	

External audit will rely on the work performed by internal audit, based on the following assumptions:

- Integrated planning meetings between internal and external audit;
- Planning memorandums should be aligned;
- The focus areas (Scope) should be aligned during integrated planning meetings;
- The audit procedures within the focus areas should be aligned and executed according to audit standards. Audit procedures should address:

- o Design of controls;
- o Implementation of controls (Testing risk realisation); and
- o Operating effectiveness (Testing risk realisation).
- Reporting should focus on the design, implementation and operating effectiveness of controls, and should include the following:
 - Audit finding and risk;
 - o Internal Control Deficiency that is correctly categorised;
 - o Recommendation that should address the internal control deficiency;
 - o Management response that address the internal control deficiency; and
 - o Auditors comments where applicable.
- Audit files, working papers and evidence should comply with auditing standards;
- Sampling should be done on operating effectiveness and will be based on External Audit's sampling methodology;
- Timing of audits will be agreed upon in the integrated planning meetings.

This will be achieved by:

- 1. The sharing of plans between internal and external audit;
- 2. Peer review on audit procedures;
- 3. Sharing of audit files;
- Constant engagement between internal and external audit;
- 5. Internal audit will finalise the required work before the deadlines as stipulated by External Audit.

11. REPORTING AND COMMUNICATION

Reporting of the internal auditing process will take place on a continuous basis as reviews are finalised and will be addressed to the CFO, CEO, and the Audit Committee. All reports will be discussed in draft format with the relevant managers before being issued.

Reports will clearly demonstrate the control and operational concerns arising from the reviews and/or audits, the potential impact and the practical reasoned recommendations for change. Management will be given sufficient days to respond to the management reports and will have 30 days after the issuance of final reports to ensure that corrective action on reported weaknesses is either planned or taken.

12. APPROVAL OF THE INTERNAL AUDIT PLAN

Prepared by	Date
Tholisiwe Chartered Accountants Inc.	25 March 2021
Acknowledged by	Date
Chief Executive Officer	
Approved by Shabeer Khan	Date
31 March 2021 Audit Committee Chairperson	

ANNEXURE A - THREE YEAR INTERNAL AUDIT PLAN

This plan was devised after discussions with management and assessment of risk thereof. The timing of the audits and the details of the internal audit programs shall be developed and finalised with management input, based upon the specific risks identified in the strategic and operational risk registers. The plan is flexible i.e. it may be updated based on the progression of our understanding of the business, systems, processes and any other emerging risks. All significant updates shall be submitted to the CFO and Audit Committee for approval. The procedures documented in the scope of work are minimum and can be enhanced as we execute the plan.

Focus Areo	Scope of Work	- JOSEPH STATE	verage P	411000000000000000000000000000000000000
General Management of the Internal Audit Function	 Review of Internal Audit and Audit Committee Charlers Communication of internal audit plans and resource requirements, to management and the Audit Committee for review and approval; Preparation of Internal Audit Plan (strategic and operational) Effective deployment of appropriate and sufficient resources to achieve the approved internal audit plan Provision of written assessments on the effectiveness of the system of internal controls and risk management to the Audit, Risk and IT Committee Discussion of reports with senior management Periodic reporting to executive management and the Audit Committee on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting will also include significant risk exposures and control issues, including instances of fraud, corruption, unethical behaviour, and irregularities, governance issues, and other matters needed or requested by executive management and the Audit Committee Meeting the external auditor Provision of Advisory and related client service activities, the nature and scope of which will be agreed with the TASEZ and are intended to add value and improve an organisation's governance, risk management, and control processes without the internal auditor assuming management responsibility. 	2021	2022	2023

Performance Information and Quarterly Reporting Risk 1, 3, 4, 5 and 6	 Review Compliance with the PFMA. Review Strategic Plan and Annual Performance Plan for compliance with regulatory framework. Review Quarterly reports for usefulness Review reported performance information in Quarterly Report for reliability (validity accuracy and completeness) Existence of an established, transparent and effective process for monitoring and reporting on performance achieved against planned targets in the annual business plan. Quarterly report submitted to DTIC and National Treasury Include all the required documents 	✓		✓
Governance and Compliance	 Compliance with PFMA, and other relevant legislation Compliance with Companies Act No 71 of 2008 Review design and operating effectiveness of the internal governance structures and processes of the organisation. Revive process of managing conflict of interest Review process of ensuring that resolutions are implemented 	√	√	1
Financial Discipline Review Risk 7	The major focus areas here would be: Budgeling Process and Monitoring Financial controls on project budgets, including reconciliation of actual expenditure against budget, and the adequacy of controls over funds. Expenditure budget forecasting and financial statement analysis. Forecasting Budget Control Working Capital Management	1	√ 	\$
	Revenue and receivables Select a representative sample of recorded transactions and trace to supporting documentation ensuring that;	{		

- Revenue has been recorded using accurate amounts and in the correct accounting period
- Identify any shortcomings in how supporting documentation for revenue is generated and stored (manually or electronically)
- Test the completeness of the recording process
- Confirm if the accounting policy used by management is in accordance to the applicable standards.

General Expenditure and payables

- Invoicing and Payments
- Segregation of duties
- Changes to banking details
- Allocation of payments to correct general ledger account
- Completeness and accuracy of creditors reconciliations

Project Expenditure

- Test key controls over payment of project expenditure incurred by the implementing agent (Coega) i.e.
 - o Inspect invoices submitted by Coega against deliverables/progress reports.
 - Inspect checklist by Quantity Surveyor for review of Coega Invoices against deliverables/progress reports.
 - Inspect payment drawdown for approval by DTIC to pay the implementing agent.
 - Confirm if the project amounts were correctly recorded and classified in the accounting records.

Cash and Bank

- Test key financial controls over bank account reconciliations, disbursements, and receipts.
- Compliance with National Treasury Regulations
- Test the reconciliations between the general ledger and the bank / cash sub-ledgers.
- Review controls over clearing reconciling items if any.

- Confirm if funds received from various funders are ring fenced (i.e. designated to specific bank accounts) and used for the intended purpose.
- Review operation of Petty Cash.

Journal Entries

- Inspect a list of journal entries passed and consider the following for sample selection:
 Journals with whole numbers, created and authorised by the same person, journals created on weekends or public holidays or after office hours, journals that do not balance and those which do not have adequate reasoning and or rationale.
- Segregation of duties in processing and approval of journals
- Adequate supporting documents attached to copies of journals process

General ledger reconciliations

- Reconciliations are performed on a monthly basis
- Reconciliations are regularly reviewed by senior officials
- All general ledger accounts are reconciled
- Follow up of general ledger reconciliations reconciling items.
- Reconciliation process and segregation of duties

Policies and Procedures

Review adequacy of policies and procedures

Fixed Assets

The major focus areas here would be:

- Existence of fixed assets and agree to assets register.
- Completeness of fixed assets
- Adequacy of policies, procedures and controls over the acquisition, recording, safeguarding and disposal of fixed assets.
- Compliance with laws and regulations (e.g. PFMA and Treasury Regulations).
- Reconciliations (depreciation, general ledger, asset movement).
- Test addition and disposal of selected fixed assets.
- Residual values, depreciation, maintenance, repairs and maintenance.
- Safeguarding of assets
- Acquisition and Disposal of assets / useful lives and residual values

PERIOD ENDING 31 M	ARCH 2021		
	 Maintenance of the Fixed Assets Register I Master-file Appreciation of assets / Impairments Movement of assets Commitments Agreeing sample of items in commitment schedule to underlying contracts and recalculation of commitments Review of approval of payments made Agreeing payments made to schedule Related parties Review process for identification of related parties 		
Human Resource Management and Payroll Processing Risk 2	Review of completeness and accuracy of related parties The major focus areas here would be: Recruitment, Promotions and Termination Personnel structure, employment policies, procedures and practices. Compliance with laws and regulations (e.g. PFMA, LRA and BCEA). Adequacy of staff levels, recruitment procedures, staff retention procedures and succession planning at all levels. Effectiveness of internal communication Compliance with employment Equity Plan	1	√
	Leave Management Adequacy of policies, procedures and controls over the Payroll and Leave systems Leave administration Provision for leave pay.		
	Performance Management and Staff Development Capacity building. Staff training and development.		

	Payroll Process Adequacy of policies, procedures and controls over the Payroll and Leave systems Statutory compliance (PAYE, UIF, SDL, UIF, WCA, etc.). Examine and understand Retirement medical benefits and accounting thereof. Payroll Master File amendment Overtime planning and approval Third parly payments Segregation of duties Skills review gap analysis			
Procurement and Contract Management	Evaluate the adequacy and effectiveness of controls around the procurement process with regards to:	1	- √ ·	V
	Procurement Policies and Procedures: Existence, Adequacy, Review and Compliance Delegation of Authority: Existence and Adherence Probity checks on a sample of tenders Segregation of duties: Adherence to standard procurement procedures with regards to requisitioning, quotations, ordering, and receipt of goods and services Competitive bidding i.e. quotations and tender processes Requisitioning, specifications, advertisement, bid collection, adjudication and evaluation Bid Committees – existence, composition thereof and adherence to the guiding policy Training of SCM officials Emergency procurement – existence of and adherence to guidelines Irregular and Fruitless and wasteful expenditure avoided Follow up on previously reported audit findings Special focus in year 1 will be on project expenditure			
	Contract management Evaluate the adequacy and effectiveness of controls around the Contracts Management processes in relation to: Policies and procedures - Existence, Adequacy, Review and Compliance Existence and review of binding Service Level Agreements	1		

PERIOD ENDING 31 MA	ARCH 2021				_
	 Monitoring of contracts and performance of service providers Contract amendment and extensions Adequacy of policies, procedures and controls over the acquisition and recording of materials and services. Compliance with lows and regulations (e.g. PFMA and Treasury Regulations, as well as Supply Chain Management). Policies and Procedures Review adequacy of policies and procedures 				-
Annual Financial Statements Review	The scope of the audit will cover the evaluation of the adequacy and effectiveness of controls around the following areas:	J	V	1	
	 Review AFS compliance with the relevant standard i.e. IFRS Review accounting policies adopted for compliance with IFRS Review accuracy and completeness of AFS and supporting schedules Agreeing lead schedules to financial statement items NB The review of the AFS does not constitute a full review of the financial statements that will give absolute assurance that financial statements submitted to AGSA are not misstated. 				
Record Management	The major focus areas here would be:			✓	
	 Review of retrieval strategy Existence of record management policies, procedures and framework Review the adequacy and effectiveness of controls and processes in respect of: Data management strategy/file plan and retention schedule Safeguarding of information /storage of information (hard and soft copy Classification of documents Restricted access to storage/data rooms. Review adequacy of controls for formal document request mechanism currently existing internally to ensure that when documents are missing, it is easy to locate and retrieve them. 				

	 Review the adequacy of control to avoid misfiling of documents – cabinets and documents are properly and visibly labelled to ensure less lead times to search for documents. 			
Follow Up of Internal and External Audit Findings	Review on a test basis if management has implemented controls to ensure that Internal and External Auditors findings are addressed.	V	V	V
Ad-hoc Assignments including Auditor- General assistance work	Conduct ad-hac assignments based on management, board and audit committee requests.	√ <u> </u>	√	7