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# TERMS OF REFERENCE FOR

## SOURCING INTERNAL AUDIT SERVICES TO CONDUCT A RISK AND COMPLIANCE MANAGEMENT REVIEW FOR THE PUBLIC SERVICE SECTOR EDUCATION AND TRAINING AUTHORITY (PSETA) IN LINE WITH THE APPROVED 2026/2027 INTERNAL AUDIT PLAN'S QUARTER 4 DELIVERABLES.

**RFP/2021/**

**CLOSING DATE: 13 NOVEMBER 2026**

**CLOSING TIME: 11:00**

## 1. PURPOSE

To provide service providers with the necessary background and information to submit a detailed proposal for conducting the following review in **quarter 4 of 2026/2027**:

- **Risk and Compliance Management Review *(Ref. 2026/27- 06)***

PSETA wants to obtain a comprehensive response (clear and unambiguous) from bidders in terms of their ability to support the delivery of the relevant services.

## 2. BACKGROUND

PSETA is established in terms of section 9(1) and (2) of the Skills Development Act (Act No. 97 of 1998 as amended). The Skills Development Act is PSETA's enabling legislation and guides its operations as a sector education and training authority (SETA), as set out in section 10 of the Act.

For accountability purposes, the PSETA is a schedule 3A entity of the Public Management Finance Act (PFMA), with its own Accounting Authority which is accountable to the Minister of Higher Education, Science and Innovation. High level structuring of the entity consists of the following programmes:

- Programme 1: Administration
- Programme 2: Skills Planning and Research
- Programme 3: Learning Programmes and Projects
- Programme 4: Quality Assurance

## 3. RATIONALE FOR THE RISK AND COMPLIANCE MANAGEMENT REVIEW.

**3.1** PSETA Internal Audit comprises of a CAE and two (02) in-house internal audit staff members. To augment its capacity, the CAE has embarked on sourcing service providers to assist with the implementation of specific internal audit projects, as approved by the Audit Committee.

**3.2** The approved 2026/2027 Internal Audit Plan has, as part of its **quarter 4 deliverables,** planned assurance project on Risk and Compliance Management.

## 4. OBJECTIVES OF THE RISK AND COMPLIANCE MANAGEMENT

PSETA internal audit is seeking a service provider to provide internal audit review to fulfil the following audit objectives:

**4.1 Risk and Compliance Management**- Adequacy and effectiveness of risk and compliance management functions.

## 5. SCOPE OF WORK

The audit scope shall include review of the following:

5.1 Risk and compliance management policies and procedures
5.2 Enterprise wide risk identification, assessment and mitigation
5.3 Risk Monitoring and Reporting
5.4 Compliance Universe
5.5 Compliance Risk Assessment
5.6 Compliance Monitoring and Reporting

## 6. TIME FRAME

The audit review is planned to commence **quarter 4 of 2026/2027**, from **18 January 2027 and be completed by 26 February 2027,** latest. As such, the allocation of capacity should consider the completion timelines as indicated.

## 7. KEY DELIVERABLES

### 7.1. PROJECT DELIVERABLES

| Deliverable | Explanation | Responsibility / Sign Off |
|---|---|---|
| **Audit Planning Phase** | | |
| 1. Project Kick-off | Opening / Audit Entrance Meeting | CAE and co-sourced service provider |
| 2. Completed Declaration Forms | Declaration forms are completed prior commencement of actual audit work | Co-sourced service provider |

| Deliverable | Explanation | Responsibility / Sign Off |
|---|---|---|
| 3. Audit Planning Memorandum | Development of an APM map timelines of audit process | Co-sourced service provider, signed off by CAE |
| 4. Engagement Letter | Drafting of engagement letter to issue to audit client | Co-sourced service provider, signed off by CAE |
| 5. System Description | Documenting system description | Co-sourced service provider – ensure signoff by audit client. |
| 6. Audit Programme | Development of Audit Procedures for testing controls (Audit Programme) | Co-sourced service provider, signed off by CAE |
| 7. Request for Information (RFI) | Prepare and issue and RFI for approved Audit Programme. | Co-sourced service provider |
| **Execution Phase** | | |
| 8. Execution of Audit Programme – completed audit working papers | Execute approved Audit Programme and complete relevant working papers | Co-sourced service provider |
| 9. Informal Queries / Draft Findings | Draft informal queries as the audit progresses and discuss with management. | Co-sourced service provider |
| **Reporting** | | |
| 10. Draft Internal Audit Report | Draft internal audit report compiled and discussed with management. | Co-sourced service provider |
| 11. Final Internal Audit Reports | Final draft internal audit report presented to CEO. | Co-sourced service provider and CAE |
| | Final report signed by co-signed by co-source provider and forwarded to CAE | Co-sourced service provider |

| Deliverable | Explanation | Responsibility / Sign Off |
|---|---|---|
| 12. Client Satisfaction Survey | Issue of Client Satisfaction Survey form to audit client | Co-sourced service provider |
| 13. Project Close Out | Quality Assured Audit File – **05 March 2027** | Co-sourced service provider |
| 14. Audit Committee Reporting | Presentation of Internal Audit Report to the Audit Committee – on request. | Co-sourced service provider |

## 8. COMPETENCIES OF PROSPECTIVE SERVICE PROVIDER

**The prospective service provider MUST satisfy required competencies as listed on the functionality criteria in 13 below to be considered.**

## 9. ADMINISTRATION

The service provider must be a registered entity or consortium of companies, with traceable credential and should be able to assume duties immediately on appointment.

## 10. REPORTING REQUIREMENTS

10.1. The appointed service provider shall be required to report to the Chief Audit Executive of the PSETA

10.2. All work must be carried and reports finalised line with the Internal Audit methodology and approved working paper templates.

10.3. Payment will only take place after the requirements for specified deliverables have been met.

## 11. SUBMISSION OF THE PROPOSAL

The service provider should prepare an offer/proposal on how the assignment will be undertaken, a clear work plan, and curriculum vitae of the expert(s) as well as reference letters to support experience. The proposal must be concise and straight to the point.

## 12. RETENTION OF RECORDS

All the information derived and produced during the implementation, licensing, training as well as maintenance and support of the data analytics solution will remain the property of the PSETA.

## 13. PROPOSAL EVALUATION AND APPOINTMENT OF SERVICE PROVIDER

The proposals will be evaluated on the functionality criteria (phase 1) and 80/20 principle (phase 2) with 80 points being allocated for price and 20 points allocated for specific goals once the minimum functionality criteria are met.

### PHASE 1: FUNCTIONALITY EVALUATION

Bids must meet the minimum eligibility criteria in respect of functionality of **70 points out of 100 points** that will be awarded for functionality before they are considered further. Any bid that does not meet the minimum eligibility threshold will be automatically disqualified.

**Below are the applicable functionality criteria for the bid**:

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| DOMAIN | EVALUATION METHOD | CRITERIA | WEIGHT |
|---|---|---|---|
| **1. Academic Qualifications of the proposed team** | 1.2 NQF Level 7 academic qualification in Internal Audit, Auditing, Accounting, Commerce or any Finance related qualification.<br>*(NQF 8 or higher shall be an added advantage)* | 5 = Engagement team member has attained NQF level 09 and above of the required academic qualification<br><br>4 = Engagement team member has attained NQF level 08 of required academic qualification.<br><br>3 = Engagement team member has attained NQF level 07 required academic qualification<br><br>2 = Engagement team member has attained NQF level 06 of the required academic qualification<br><br>1 = Engagement team member has attained lower than NQF6 of the required academic qualification<br><br>NB: Total score to be the average of all scores per engagement team member. | **20** |

| DOMAIN | EVALUATION METHOD | CRITERIA | WEIGHT |
|---|---|---|---|
| **2. Professional Certifications** | 1.2 The proposed engagement to consist of at least 3 resources, inclusive of the Audit Director / Partner, who are professionally certified as follows:<br><br>• Certified Internal Auditor (CIA **(mandatory for atleast 1 team member)**<br>• CA(SA) / ACCA / RGA<br>• Certified Ethics Officer<br>• Certification in Risk Management Assurance (CRMA)<br>• IRMSA's professional qualifications ( CRM Prac and CRM Prof).<br><br>*(More than 3 resources with listed professional qualifications shall be an added advantage).* | 5 = 5 or more members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications .<br><br>4 = 4 members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications.<br><br>3 = At least 3 members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications.<br><br>2 = Only 2 members of the proposed engagement team (including the Audit Director / Partner) collectively possess the required certifications.<br><br>1 = Only 1 or 0 member of the proposed engagement team collectively possess the required certifications. | **20** |

| DOMAIN | EVALUATION METHOD | CRITERIA | WEIGHT |
|---|---|---|---|
| **3. Experience of the proposed team** | 2.1 Team Members should individually possess a minimum of 5 years experience in conducting internal audit engagements.<br><br>*(Experience above the listed years to be an added advantage)* | 5= Proposed team member possesses 10 years or more experience in conducting internal audit engagements.<br><br>4 = Proposed team member possesses 6 to 9 years' experience in conducting internal audit engagements.<br><br>3 = Proposed team member possesses 5 years' experience in conducting internal audit engagements.<br><br>2 = Proposed team member possesses 3 to 4 years' experience in conducting internal audit engagements.<br><br>1 = Proposed team member possesses less than 3 years' experience in conducting internal audit engagements<br><br>**NB: Total score to be the average of all scores per engagement team member.** | **20** |

| DOMAIN | EVALUATION METHOD | CRITERIA | WEIGHT |
|---|---|---|---|
| 4. **Experience of Company / the Audit Firm** | The service provider must demonstrate, through submission of signed reference letters, completed audit engagements (a combination of governance, risk management and controls reviews) over the past 6 years i.e. 2020 to date.<br><br>Each letter must include the following information:<br>• Client letterhead and name<br>• Description of the project<br>• The contact person, phone number / email address<br>• Completed Project Period<br><br>*NB: Only the reference letters indicating all the requirements mentioned above will be considered.* | 4 = 5 or more signed reference letters of completed risk management/ compliance management/ governance audit reviews in the past 6 years<br><br>4 = 4 signed reference letters of completed risk management/ compliance management/ governance audit reviews in the past 6 years<br><br>3 = 3 signed reference letters of completed risk management/ compliance management/ governance audit reviews in the past 6 years<br><br>2 = 1 to 2 signed reference letters of completed risk management/ compliance management/ governance audit reviews in the past 6 years.<br><br>1 = 0 signed reference letters of completed risk management/ compliance management/ governance audit reviews in the past 6 years | **30** |

| DOMAIN | EVALUATION METHOD | CRITERIA | WEIGHT |
|---|---|---|---|
| **5. Membership with the Institute of Internal Auditors South Africa (IIASA)** | Proposed team members have active membership with the Institute of Internal Auditors South Africa (IIASA).<br><br>Evidence of additional **active** memberships with other professional bodies such as SAICA, ACCA, RGA, ACFE, IRMSA, Ethics Institute of South Africa, Compliance Institute of South Africa, which enhances internal audit assurance expertise, shall be an added advantage. | 5= Audit Director / Partner and at least 4 members of the proposed team hold active IIASA memberships PLUS 1 or more additional active certifications from professional bodies listed in the evaluation method.<br><br>4 = Audit Director / Partner and atleast 3 members of the proposed team hold active IIASA memberships PLUS 1 additional active certification from professional bodies listed in the evaluation method.<br><br>3 = Audit Director / Partner and atleast 2 members of the proposed team hold active IIASA memberships.<br><br>2 = 1 – 2 members of the proposed team hold active IIASA memberships<br><br>1 = 0 member of the proposed team hold active IIASA memberships | **10** |

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**PHASE 2:**

The bids will be evaluated on the 80/20 principle with 80 points being allocated for price and 20 points allocated for specific goal, once the minimum functionality criteria are met.

Phase 2 evaluation will be based on the following:

| | | **Points** |
|---|---|---|
| **Price** | | **80** |
| **Special goals** | | **20** |
| Black owned company<br>Bidder who has 51% to 100% black people ownership | 8 | |
| Women<br>Bidder who has 51% to 100% women ownership | 4 | |
| Youth<br>Bidder who has 51% to 100% youth ownership | 5 | |
| Disability<br>Bidder who has 51% to 100% disability ownership | 3 | |
| **Total** | | **100** |

**14. FORMAT OF THE BID SUBMISSION**

14.1 Proposals must be submitted physically to our PSETA offices

14.2 Submission of all applicable documents as indicated below:

i. Bidders who are claiming points for disability must submit as evidence of disability, a certified medical report/letter from the authorised body as well as a certified copy of doctor's certification with medical practice number.

ii. Certified copies of the director's ID's document (in order claim points for disability as per SBD 6.1)
iii. Certified copy of BB-BEE certificate or sworn affidavit
iv. Valid Tax compliance status (TCS) PIN or proof of exemption from SARS;
v. Copy of the registration document of the organisation (CIPC);
vi. Copy of the Central Supplier Database registration.

**15. IMPORTANT MANDATORY INFORMATION FOR BIDDERS**

15.1. All Standard Bidding documents (SBD) documents must be completed and signed.

- SBD 1 (All sections must be fully completed)
- SBD 4 (All sections must be fully completed)
- SBD 6.1(All sections must be fully completed)
- Proof of registration on Central Supplier Database.
- General Conditions of Contract (All pages must be signed or initialled)
- **Three (3) or more proposals to be submitted (1x copy and 2 or more copies/replicas)**

**NB: Please note that failure to submit documents requested on section 15.1 will render the proposal disqualified.**

**Bid proposals must be submitted to: Lungile Mokoena**

**SCM Specialist (Acting) : Supply Chain Management**

**The PSETA**

**Ground Floor, Woodpecker Building, 177 Dyer Road, Hillcrest Office Park, Pretoria**

**No late applications will be accepted.**

**No electronic bid applications will be accepted.**

**The validity periods of the bids are 90 days from the closing date.**

**Please direct all queries to Ms. Lungile Mokoena via email on Lungilem@pseta.org.za**

Vivian Selauli Digitally signed by Vivian Selauli Date: 2026.11.06 15:19:34 +02'00'