

BID NUMBER: TENDER-INS/2024/25/011

BID DESCRIPTION – APPOINTMENT OF AN ACCOUNTING FIRM TO PROVIDE WITH 5 RESOURCES TO SUPPORT THE INSETA WITH THE REVIEW OF STANDARD OPERATING PROCEDURES, INTERNAL CONTROLS, COMPLIANCE AND QUALITY REVIEW OF THE ANNUAL/INTERIM FINANCIAL STATEMENTS AND ASSIST WITH THE COMPILATION OF AUDIT WORKING FILE, AMONGST OTHERS.

Tender documents are obtainable from **13 January 2025** from the following websites:

- **ETender Portal**
- **INSETA Website**

Closing Date: 5 February 2025 at 11:00 am

Delivery: INSETA Office, 18 Fricker Road, Illovo, Sandton.

For enquiries contact the INSETA Supply Chain Management at bids@inseta.org.za

TERMS OF REFERENCE

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1. BACKGROUND

- 1.1 The Insurance Sector Education and Training Authority (INSETA) is a public entity listed in schedule 3A of the PFMA and was established in March 2000. The INSETA must, in accordance with any prescribed requirements to perform in accordance with the Skills Development Act (SDA), the Skills Development Levies Act (SDLA), the Public Finance Management Act (PFMA), any other relevant legislation and the Constitution.
- 1.2 The INSETA seeks to procure the services of an accounting firm to assist with five (5) resources for the development and or review of standard of operating procedures, internal controls, compliance, and quality review of the Annual/Interim Financial Statements (FS), assist with the compilation of audit working file and review of the performance information amongst others.

2 CURRENT SITUATION

- 2.1 INSETA obtained a qualified audit opinion for the 2023/2024 financial year from the Auditor General South Africa (AGSA). This prompted management to undertake an organisational diagnosis and situational analysis exercise to fully understand the extent of the root cause to the audit outcome and the related audit findings raised that led to the negative outcome. Although the project is finalised there is still a risk of the similar occurrence whereby preventative measures and mitigation strategy is essential. This project will be used to eliminate audit qualification matters, streamline process to strengthen internal control procedures and quality review on both interim financial statements and annual financial statements together with performance information.

3 PROJECT OUTCOME

- 3.1 To ensure that financial statements are accurate, compliant to the GRAP standard framework, ensure all in Finance follows the same procedures, leading to consistent results and reduced accounting and reporting errors, streamline workflows and improve overall efficiency. Quality review of the performance report on as and when basis.

4. SCOPE OF WORK

- 4.1 The prospective accounting firm is expected to provide INSETA with 5 qualified resources to assist in the following:

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- 4.1.1 Review of GRAP compliant annual and quarterly Interim Financial statements for a period of 3 years.
- 4.1.2 Development and or review of standard operating procedures and enhancement of the internal control for the Finance Department.
- 4.1.3 Ensure that the audit file is complete and contains all supporting schedules.
- 4.1.4 Validate and review the performance report for accuracy and completeness as and when required.
- 4.1.5 In addition to the above-mentioned scope, the service provider is expected to produce the following reports:
 - 4.1.5.1 Assessment report with recommendations to enhance the finance internal control environment after every financial year.
 - 4.1.5.2 Provide progress report to the Project Steering Committee to be chaired by CFO or Finance Manager.
 - 4.1.5.3 Prepare a written report on the outcome of the project.

5 TEAM COMPOSITION, KNOWLEDGE, QUALIFICATION, AND EXPERIENCE OF THE RESOURCES

5.1 The required resources shall fill the following roles and must possess the following qualifications:

| Description | Qualifications |
|-----------------------------------------------------------------|---------------------------------------------------|
| Project Leader | CA (SA) and RA |
| 2 X Senior Accountants | Honours Degree in Financial/Management Accounting |
| 2 X Senior Accountant for performance information related scope | Honours Degree in Internal Auditing or Accounting |

5.2 The respective resources must have the following experience:

- 5.2.1 Review of Financial Statements in accordance with the GRAP Framework.
- 5.2.2 Knowledge and experience on reconciliations.
- 5.2.3 Understanding and application of PFMA and other application legislation.
- 5.2.4 Knowledge of performance reporting applicable to the SETA environment (SMART).
- 5.2.5 Knowledge of SETA laws, regulations, and environment.

Board Members: Ms. V. Pearson (Organised Employer), Ms. L. van der Merwe (Organised Employer), Ms. Z. Motsa (Organised Employer), Mr. K.A.A. Sungay (Organised Employer), Mr. M. Soobramoney (Organised Labour), Mr. J.J.M. Mabena (Organised Labour), Ms. S.A. Anders (Organised Labour), Mr. C.B. Botha (Organised Labour), Ms. S.T. Dinyake (Organised Labour), Ms. N.B. Jonas (Organised Labour), Ms. F. Mabaso (Professional Bodies), Mr. S.M. Mpuru (Professional Bodies)

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5.2.6 The resources must be available immediately at the start of the contract.

5.2.7 The prospective bidder's resources must report to the INSETA Offices as and when required.

5.3 Tools of trades:

All resources must have the following:

5.3.1 Own functional laptop (intel core i7 or higher), internet connection, meals, and transport.

6 PERFORMANCE MEASURES

6.1 INSETA's Finance Department and Organisational Planning and Data Reporting (OPDR) will closely monitor and measure the performance of the accounting firm/resources.

6.2 The INSETA's Finance Department will be responsible for the management of the Service Level Agreement.

7 REPORTING

7.1 The Service Provider will periodically report progress to the Finance and OPDR Managers in line with the SLA, and upon completion of the project, the Service Provider must provide a final closure report.

8 TIMEFRAMES

8.1 The contract duration will be for a period of three years.

9 CONTRACTUAL OBLIGATION

9.1 Bidders to fully complete SBD 3.1 including all applicable costs including VAT, with a fixed rate price for the duration of the contract.

9.2 In the case of the service provider using sub-contractors, the former will be responsible for ensuring delivery of services from any such sub-contractors and for making any payments to such sub-contractors.

9.3 Bidder will be subjected to periodic review in terms of measuring satisfactory performance until contract is completed.

9.4 The successful bidder will be required to have adequate professional indemnity as well as liability insurance in place (upon parties contracting).

9.5 Bidders are required to fully comply with the relevant SCM Legislative Framework as well as application of regulatory and prescripts. Bidders are also required to take all reasonable steps to protect information, in line with the provisions of the POPIA 4 of 2014.

9.6 The successful bidder will be required to sign a non-disclosure agreement for the duration of the contract period.

10 ABSENCE OF OBLIGATION & CONFIDENTIALITY

- 10.1 No legal or other obligation shall arise between the service provider and INSETA unless/until both parties have signed a formal contract or Service Level Agreement in place.
- 10.2 The Contract site is at INSETA (as and when required).

11 WORKMEN AND SUPERVISION ON SITE

- 11.1 The Service Provider shall be held responsible for the conduct of his employees and the conduct of his sub-contractor's employees for the full duration of the contract.

12 EVALUATION CRITERIA

- 12.1 Responses will be evaluated using a predetermined set of evaluation criteria. The evaluation criteria are designed to reflect the INSETA's requirements in terms of identifying a suitable service provider and ensure the selection process is transparent and affords all the bidders a fair opportunity for evaluation and selection.

12.2 The evaluation criteria will be based on the following phases/requirements:

- Phase 0: Administrative requirements
- Phase 1: Mandatory requirement
- Phase 2: Technical Functionality (100 points) – The threshold of 70 points
- Phase 3: Evaluation on Price and Specific Goals

13 ADMINISTRATIVE REQUIREMENTS (Phase 0)

- 13.1 Bidder must submit proof of registration on CSD (**Central Supplier Database**).
- 13.2 Bidder must complete, sign and submit a Standard Bidding Document (SBD 1) Procurement Invitation.
- 13.3 Standard Bidding Document (SBD 3.1) Pricing Schedule – Annexure A.
- 13.4 **Standard Bidding Document (SBD 4) Bidder's Disclosure.**
- 13.5 Standard Bidding Document (SBD 6.1) Preference Points Claim form.

14 MANDATORY CRITERIA (Phase 1)

- 14.1 The accounting firm **Must** provide resources who poses the following qualifications (Certified copies of qualifications to be attached):

| Number | Mandatory | Comply | Do not Comply |
|--------|---------------------------------------------------------------------------|--------|---------------|
| 1 | Project Leader – CA (SA) and RA | | |
| 2 | 2x Senior Accountants – Honours Degree in Financial/Management Accounting | | |

| | | | |
|----------|---------------------------------------------------------------------------|--|--|
| 3 | 2 X Senior Accountant – Honours Degree in Internal Auditing or Accounting | | |
|----------|---------------------------------------------------------------------------|--|--|

Note: All bidders who do not comply with the criteria above will be disqualified from further evaluation.

15 FUNCTIONAL EVALUATION CRITERIA (Phase 2)

15.1 The tender submission will be functionally evaluated out of a **minimum of 100 points on Phase 2 – any bidder who scores less than 70** will not be considered for further evaluation (Phase 3).

| Category | Description | Weight |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Bidders experience in rendering Accounting Services: Due diligence will be conducted against reference letters submitted and work performed for the referees (See section 12.3.2). | Service providers are requested to attach to their tender response at least three (3) contactable reference letters together with the respective Purchase Orders or appointment letters where similar services were rendered within the public sector in the past five (5) years for (AFS Review and performance information compilation or reviews). The letters must be structured as follows, at least x3 for AFS and x2 for Performance Information. <i>(The reference letter must be on the company letterhead of the referee, signed and dated, reflect contact details, period of the project and if they met the deliverables within in the project timelines.)</i> | 20 |
| | <p><u>Bidder experience on AFS</u></p> <ul style="list-style-type: none"> • Three (3) reference letters compliant to the above = 20 points • Two (2) reference letters compliant to the above = 10 points • One (1) reference letter compliant to the above = 5 points • Non-compliance/submission of reference letters = 0 points | |
| | Bidder to provide at least 2 reference letters indicating experience in data validation and review <p><u>Bidder experience on Performance Information</u></p> <ul style="list-style-type: none"> • Two (2) reference letters compliant to the above = 10 points • One (1) reference letter compliant to the above = 5 points • Non-compliance/submission of reference letters = 0 points | 10 |
| Experience of the Project Manager/Lead | Skills: Service provider (Key Personnel) must provide three CV of competent resources that have knowledge and a minimum of 5 years' experience in similar services in public sector (preferable SETA Space/Environment). Curriculum Vitae (CV) and certified copies of | 20 |

| | | |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <p>(Detailed CV to be Attached)</p> | <p>qualifications of the personnel / resource who will be allocated to the project must be provided, demonstrating the experience and knowledge.</p> <p>Experience of the project manager in compilation of AFS accompanied by following CV'S, Certified qualifications Certified copies of qualifications:</p> <p>Points allocation matrix:</p> <ul style="list-style-type: none"> • 10 or more Years experience in accounting environment and compiling AFS for Public Sector = 20 Points • Attached detailed CV with 6-9 years' experience in public sector = 15 Points • Attached detailed CV with 3-5 years' experience in public sector = 10 Points • No CV is attached, experience is irrelevant, or the experience can't be quantified in years = 0 Points | |
| <p>Experience of the x2 Senior Accountants</p> | <p>Points allocation matrix:</p> <ul style="list-style-type: none"> • 10 or more Years experience in accounting environment and compiling AFS for Public Sector = 10 Points per accountant • Attached detailed CV with 6-9 years' experience in public sector = 5 Points per accountant • Attached detailed CV with 3-5 years' experience in public sector = 3 Points per accountant • No CV is attached, experience is irrelevant, or the experience can't be quantified in years = 0 Points | <p>20</p> |
| <p>Experience of the x2 Senior Accountants (APR)</p> | <p>Points allocation matrix:</p> <ul style="list-style-type: none"> • 10 or more Years experience in auditing or compiling Annual Performance Report for Public Sector = 10 Points per account • Attached detailed CV with 6-9 years' experience in public sector = 5 Points per account • Attached detailed CV with 3-5 years' experience in public sector = 3 Points per account • No CV is attached, experience is irrelevant, or the experience can't be quantified in years = 0 Points | <p>20</p> |
| <p>Methodology and Approach addressing INSETA requirements</p> | <p>The Bidder must provide an actionable proposal with a project plan, deliverables and clear timelines that demonstrates an understanding of the project. A detailed Proposal should clearly indicate the following:</p> <ol style="list-style-type: none"> a) Review of GRAP complaint annual and interim financial statements for 3 financial years b) Validate and review the performance information reports as and when required <p>Points allocation matrix:</p> | <p>10</p> |

| | | |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | <ul style="list-style-type: none"> Project plan regarding the implementation is adequate and complies to all requirements of scope of work (all items) = 10 Points No project plan attached, or the attached plan covers only AFS or only Performance Information or irrelevant information is provided = 0 Points | |
| TOTAL | | 100 |

- 15.2 Bidders are required to pass the minimum threshold of **70 points** on the functional criteria to be considered for the next phase of evaluation which is **Phase 3**.
- 15.3 Bidders who score less than **70 points** will not be considered for the next phase, thus will be disqualified, and will be declared non-responsive.

16 Price and Specific Points Evaluation (Phase 3)

16.1 Preference Points Applied Against Specific Goals

The tender responses will be evaluated on the **80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million**.

- 16.1.1 The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.
- 16.1.2 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:
- Price; and
 - Specific Goals.

The maximum points for this tender are allocated as follows:

| | POINTS |
|--------------------------------------------------|---------------|
| PRICE | 80 |
| SPECIFIC GOALS | 20 |
| Total points for Price and SPECIFIC GOALS | 100 |

17 POINTS AWARDED FOR PRICE AND PREFERENCE POINTS

- (1) The following formula will be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

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

P_{\min}

Where:

P_s = Points scored for comparative price of bid under Consideration

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Pt = Comparative price of bid under consideration
Pmin = Comparative price of lowest acceptable bid

- (2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

18 SPECIFIC GOALS PREFERENTIAL POINTS WILL BE AWARDED AS FOLLOWS:

18.1 Table 1: Specific goals for the bid process and points claimed are indicated per the table below.

18.2 *The 80/20 preference point system is applicable, corresponding points must also be indicated as such. The tenderer must indicate how they claim points for each preference point system.*

| The specific goals allocated points in terms of this tender | Number of points allocated (80/20-point system) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Black Ownership <ul style="list-style-type: none"> • 6 points for 100% black owned • 3 points for 75-99% black owned • 1 point for 51-74% black owned | (Maximum points = 6 points) |
| Women Ownership <ul style="list-style-type: none"> • 6 points for 75% - 100% • 3 points for 51% - 74% • 1 point for below 51% | (Maximum points = 6 points) |
| Youth Ownership <ul style="list-style-type: none"> • 5 points for 75% - 100% • 3 points for 51% - 74% • 1 point for Below 51% | (Maximum points = 5 points) |
| Company-owned by People with disabilities <ul style="list-style-type: none"> • 3 points | (Maximum points = 3 points) |
| Total | 20 |

Note: Note: Evidence to be submitted by Service Providers: Emerging Micro Enterprise (EME) and Qualifying Small Enterprise (QSE) – sworn affidavit (DTI or CIPC Template), Generic entities – B-BBEE certificate (SANAS accredited) and CSD report.

18.3 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

18.4 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

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19. Bid Procedure Conditions:

19.1 Counter Conditions:

The INSETA draws the bidders' attention that amendments to any of the Bid Conditions or setting of counter conditions by bidders will result in the invalidation of such bids.

19.1.1 Award Criteria: Due Diligence Process

- 19.1.1.1 INSETA reserves the right to conduct due diligence/screen on the bidder prior to the award of a contract.
- 19.1.1.2 The due diligence/screening will be conducted based on the reference letters received from the bidder to confirm the services rendered and the standard of the bidder's performance.
- 19.1.1.3 Should such due diligence/ screening results have a negative outcome, the INSETA reserves the right not to award the bid to the subjected/recommended/highest scoring bidder.
- 19.1.1.4 The INSETA reserve a right not to award a bid to the highest scoring bidder but to award to a service provider who meet the requirement fully.
- 19.1.1.5 The due diligence method will be determined by the INSETA.
- 19.1.1.6 Non-contactable referees will lead to the failure of the due diligence process and will result in a negative outcome for the bidder.

20. Bid requirements when bidding as the following: 20.1 Consortium

- 20.1.1 A consortium is an association of two or more individuals, companies, organisations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.
- 20.1.2 A consortium requires that each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract, which designates the rights and obligations of each member.
- 20.1.3 In a consortium, only the lead bidder's credentials both in terms of financial and technical qualifications are considered. Therefore, the interpretation and application to an RFQ/Bid process is such that the lead partner is identified and the following requirements are required as follows:
 - a) **Lead Partner**
 - All administrative documents (consortium agreement between the lead partner and the partner)
 - Technical requirements (which will show in the proposal and other requirements why the need for the consortium, which for all intent and purpose fulfils the requirements of the bid through combination of skills)
 - b) **Partner**
 - Proof of CSD registration.

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- Tax Pin.
- BBBEE Sworn-Affidavit.
- SBD 4

20.1.4 It should be taken into cognisance that although the lead partner is the qualifying entity, the partner should prove that it can do business with state-owned entities, through CSD registration, proof that the taxes are compliant, its level of BBBEE status in order to align with the BBBEE status level required by the BID, declare interest and answer questions that it is not a disqualified entity with the National Treasury. The foregoing ensures compliance from an SCM process perspective that the consortium is in order.

20.1.5 Of importance is that in a consortium, each individual team members retain their identities.

20.2 A joint venture

20.2.1 A joint venture is a business entity created by two or more parties, generally characterized by shared ownership, returns and risks and shared governance.

20.3 Unincorporated joint venture:

20.3.1 All SCM documents are filled in by the joint venture in the name of the joint venture, although the submission of administrative documents (partnership agreement between parties) will be completed in the name of the joint venture, and the following will be required from both parties, amongst others

- a) SBD 4
- b) SBD 6
- c) Tax pin
- d) CSD registration.
- e) The JV agreement will direct which bank account of the two entities will be used.
- f) Consolidated Joint BBBEE Certificate.

20.4 Incorporated joint venture:

20.4.1 This aligned to a registered entity or company. A registered entity/ company with a consolidated BBBEE certificate and a bank account in the name of the Joint venture. The required compliance documents must be complete by the entity/ company the name of the joint venture, and the following will be required amongst others

- a) SBD 4
- b) SBD 6
- c) Tax pin
- d) CSD registration.
- e) The JV agreement will direct which bank account of the two entities will be used.
- f) Consolidated Joint BBBEE Certificate.

21. COMMUNICATION

Respondents are warned that a response will be disqualified should any attempt be made by a bidder either directly or indirectly to canvass any officer(s) or employees of INSETA in respect of BID process, between the closing date and the date of the award of the business.

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Ms. F. Mabaso (Professional Bodies), Mr. S.M. Mpuru (Professional Bodies)

CEO: Ms. G. Mkhize

All enquiries relating to this BID should be emailed **three days before the closing date.**

22. CONDITIONS TO BE OBSERVED WHEN BIDDING

22.1 The organization does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of his BID submission. The organization also reserves the right to withdraw or cancel the BID at any stage. No BID shall be deemed to have been accepted unless and until a formal contract / letter of award is prepared and executed. The competitive shall remain open for acceptance by the Organization for a period of **120 days** from the closing date of the BID Enquiry.

INSETA reserves the right to:

- 22.2 Not evaluate and award a bid that do not comply strictly with this BID document.
- 22.3 Make a selection solely on the information received in the Bid Document and Enter into negotiations with any one or more of preferred bidder(s) based on the criteria specified in the terms of reference.
- 22.4 Contact any bidder during the evaluation process, in order to clarify any information, without informing any other bidders. During the evaluation process, no change in the content of the BID shall be sought, offered or permitted.
- 22.5 Cancel this BID at any time as prescribed in the PPPFA.
- 22.6 Should bidder(s) be selected for further negotiations, they will be chosen on the basis of the cost effectiveness and the principal of value for money not necessarily on the basis of the lowest costs.

23. COST OF BIDDING

23.1 The bidder shall bear all costs and expenses associated with preparation and submission of its BID submission and the INSETA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

END OF TERMS OF REFERENCE DOCUMENT