

F National Nuclear Regulator



Terms of Reference (TOR)

RFP No	Title	Closing Date
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	28 th May 09

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No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 1 of 9

TABLE OF CONTENTS

SECTION A: NOTES TO PROSPECTIVE SERVICE PROVIDERS 2

1. Introduction 2

2. Invitation to submit proposals 2

3. Clarification of terms of reference (tor) 2

4. Adjudication of proposals 2

5. Conditions for tenders 3

6. Decision to award tender 4

7. Costs of preparation of the proposal 4

8. Validity periods 4

9. Firm price/rate 4

10. Acceptance 5

11. Commencement of assignment 5

12. Terms of payment 5

13. Cancellation of the rfp 5

14. Closing time and date 5

SECTION B: SCOPE OF WORK 6

15. Introduction 6

16. Scope of work 7

17. Key performance areas 7

18. Extern of work 8

19. Technical component 8

20. Track record component 8

SECTION C: FORM OF OFFER 9

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 2 of 9

SECTION A: NOTES TO PROSPECTIVE SERVICE PROVIDERS

1. Introduction

The National Nuclear Regulator (NNR) is established under the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) (NNRA). Its main object is to provide for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices.

2. Invitation to submit proposals

The NNR invites proposals from suitably qualified service providers, entities or individuals, to provide **Internal Audit Services** to the NNR.

3. Clarification of Terms of Reference (TOR)

3.1. Enquiries

All bid related enquiries should be addressed to Mr. Joel Maatjie, Tel: +27 12 674 7138 or: jmmaatjie@nnr.co.za.

All technical related enquiries should be addressed to Ms. Phindile Masilo, Tel: +27 12 674 7184 or pbmasilo@nnr.co.za

3.2 Briefing session

A briefing session will be held at the NNR offices situated at Block A, 2nd Floor, Centurion Office Park, Corner Hendrick Verwoed Drive and Embankment Road in Centurion **at 10:00 on Tuesday the 5th May 2009**. All questions regarding the proposed project and proposal document should be presented at that time.

The NNR may, at any time before the award of the tender, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the TOR documents by amendment. The amendment will be sent in writing by facsimile or electronic mail to service providers, entities or individuals and will be binding on them.

4. Adjudication of proposals

4.1. The NNR promotes and encourages affirmative procurement and to this end has adopted a Supply Chain Management Policy which has as one of its primary aims to extend business opportunities to individuals or entities that demonstrate compliance to the objectives of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) (BBBEE Act). Under this Policy, tenders are adjudicated using a system where points are awarded on the basis of the functionality of the solution, the tendered price and the status of the business enterprises in relation to the participation of *Previously Disadvantaged Individuals (PDI)* in equity ownership, the extent to which PDIs occupy executive management positions within the tendering enterprise, women equity ownership and disabled equity ownership.

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 3 of 9

4.2. For a service provider to claim BBEE status points appropriate information must be provided together with the proposal. The award of BBEE status points will be at the sole discretion of NNR. Points will **ONLY** be awarded where the NNR is fully satisfied that the business enterprise meets the relevant criteria.

4.3. Evaluation of Proposals

The evaluation of proposals will be on the basis of their responsiveness to the scope of work, applying the evaluation criteria indicated below. Each responsive proposal will be given a score. A proposal considered to be unsuitable shall be rejected at this stage if it does not respond to important aspects of the scope of work.

No.	Category		Total
A.	Price		50%
B.	Compliance to Specification, Technical Competency or Functionality		40%
1.	Understanding of the Scope of Work	5%	
2.	Experience of team members (provide names and CVs)	10%	
3.	Proposed Methodology and approach	15%	
4.	Methodology and undertaking for Skills transfer to NNR Staff	10%	
C.	Broad Based Black Economic Empowerment status ¹		10%
TOTAL			100%

5. Conditions for tenders

All tenderers responding to this request must meet the following conditions in order to be considered:

- 5.1 The tax clearance certificate issued by the South African Revenue Services must be attached;
- 5.2 The tenderer must submit **four (4) copies** in a manner prescribed in this tender document;
- 5.3 The tenderer shall furnish such additional information that the NNR may reasonably require;
- 5.4 Any false declaration of the information will result in the exclusion of the tender from consideration;

¹ Individuals or entities claiming BBEE status must provide accreditation certification from Department of Trade & Industry approved verification agencies

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 4 of 9

- 5.5 A complete proposal, with a **signed** form of **offer or a letter** of undertaking with contents similar to the form prepared on the company's official letterhead, shall be placed in a sealed envelope clearly marked with the following title:

“NNRSCM02/2009 Proposal for the Provision of Internal Audit Services

PLEASE NOTE: The envelope should also bear the name and postal address of the service provider.

- 5.6 The proposal, in the sealed envelope, shall be deposited in the Tender Box at the offices of the NNR at the following address:

The National Nuclear Regulator
Centurion Office Park
Block A, 2nd Floor Old Mutual Office Park
Cnr. Hendrik Verwoerd Drive and Embankment Road
CENTURION
South Africa

6. Decision to award tender

The NNR is not bound to accept any of the proposals submitted including the lowest offer. The decision to award the tender will be based on both the competencies and cost portions of the proposal.

7. Costs of preparation of the proposal

The costs of preparing the proposal and of negotiating the contract are not reimbursable as a direct cost of this TOR.

8. Validity periods

The period for the proposal to remain valid and binding should be at least 60 days from the offer date as reflected in the Form of Offer.

9. Firm price/rate

Service providers must submit firm prices/rates. Firm prices/rates are deemed to be the prices at which the services are delivered without any adjustment being made thereto for any reason whatsoever.

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 5 of 9

10. Acceptance

The successful service provider will be notified through a **Letter of Acceptance** from the NNR signed by an authorised official of the NNR, notifying the service provider of the acceptance of the Proposal.

The award of the tender shall be subject to the successful conclusion of a contract between the NNR and the successful service provider.

11. Commencement of assignment

Commencement of work shall be subject to the provisions of the contract and receipt of an official order from the NNR.

12. Terms of Payment

12.1. The NNR will only commence payment processes after fulfilment of the conditions contained in the contract and receipt of an invoice from the service provider and after such has been approved by the client division as representing the services received under this RFP.

12.2. Payment of invoices will be effected on the last day of the calendar month following the calendar month of receipt of a correct and original invoice.

12.3. All payments will be made by the NNR **ONLY** through electronic bank transfer into a banking account nominated by the Service Provider.

13. Cancellation of the RFP

The NNR reserves the right to cancel this TOR, at any stage, if the NNR determine that time-lines and standards have been or are likely to be compromised or it determines that it is not in the best interest of the NNR to proceed with the TOR.

14. Closing time and date

The completed proposal must be delivered at the submission address on or before the following time and date **12h00, Thursday, 28th May 2009.**

PLEASE NOTE: Any proposal received after the closing time for submission of proposals shall be returned unopened.

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 6 of 9

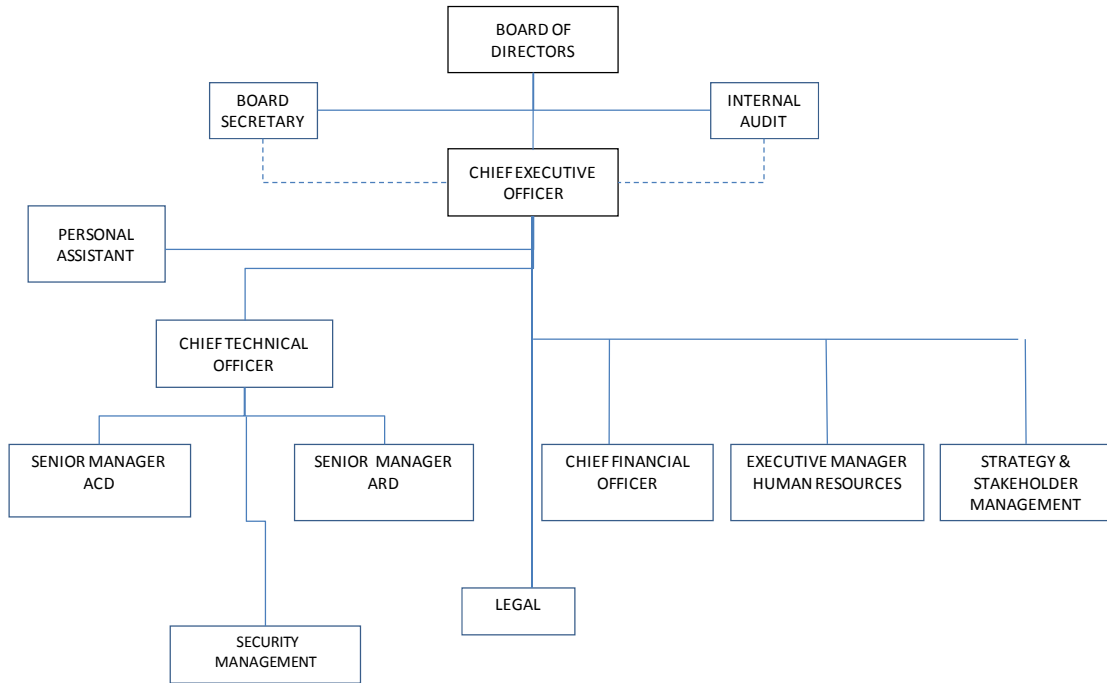
SECTION B: SCOPE OF WORK

15. Introduction

The internal audit activity is an objective assurance and consulting activity, which assists the NNR to accomplish its objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The National Nuclear Regulator (NNR) is partially outsourcing the internal audit services, and hereby calls for Tenderers to submit proposals to provide internal audit services within the NNR.

The NNR is a small organisation with 91 employees, from CEO downwards. The approved staff complement is 122 employees. The organisational structure is currently as follows:



Notes:

- The structure is in a process of being implemented.
- Information Technology (IT) is a sub-division of Finance.
- Internal Audit division currently consists of the Internal Audit Manager only.
- More staff is in the core divisions. A detailed staff allocation plan will be provided during the briefing session.

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 7 of 9

16. Scope of Work

The internal audit work will be carried out at the offices of the NNR, in Centurion, and in Cape Town.

The successful tenderer will be required to perform the following services:

- Financial auditing
- Process auditing
- Compliance auditing
- Performance auditing
- Computer (IT) auditing
- Investigative (forensic) auditing as and when required, and
- Ad hoc projects

The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of the organisation's systems of internal control. This includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify measure, classify and report such information.
- Reviewing the systems established by management to ensure compliance with the policies, plans, procedures laws and regulations that could have a significant impact on operations and determine whether the organisation is in compliance.
- Reviewing the means of safeguarding assets and verifying the existence of assets.
- Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance.
- Reviewing operations or programmes to ascertain whether the results are consistent with established objectives or goals and whether the operations or programmes are being carried out as planned.
- Performing any ad hoc projects as may be required by Management and / or the Audit Committee.
- Conduct forensic audits as and when requested by management.
- Establish an information technology (IT) rolling three-year strategic and annual auditing plan based on the results of the risk review and executes audits in accordance with these plans. (*General audit plan established internally*).

17. Key Performance Areas

The tenderer should demonstrate how it intends to have its performance evaluated. The following areas are critical to the NNR:

- Adherence to approved Internal Audit Plan.
- Accurate planning, scoping and timing of audits (budget vs. actual).
- Accurately documented and reviewed audit programs and working papers.
- Accurately completed audit files.
- Timely communicated of audit findings and reporting to management and Audit and Risk Management Committee (ARMCOM).
- Immediate report of critical issues noted during the audit to the Internal Audit Manager and CEO.

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 8 of 9

18. Extent of Work

Performance of audit assignments will be as follows: -

- Assignments are to be performed in accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance as may be considered expedient by the NNR.
- All audit reports and working files will be submitted to the Internal Audit Manager and will become the property of the NNR.
- The performance of each assignment shall be in accordance with the annual audit plan.
- In carrying out the work, the successful tenderer must ensure that staffs maintain their objectivity by remaining independent of the activities they audit.
- For planning and conducting its work the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any material defects must be reported immediately to the Internal Audit Manager and these will be reported to the CEO and Audit and Risk Committee, where applicable. This also applies to instances where serious fraud and irregularity is uncovered.

19. Technical Component

To describe clearly that the tenderer understands the work to be done, the proposer must:

- Explain the approaches to performing an internal audit, including the audit methodology, nature, timing and extent of audit procedures to be performed;
- Make a statement concerning the independence of the proposer, including ANY relationship of the proposed audit team to employees of the NNR and/or members of the NNR's Audit and Risk Committee.
- Demonstrate experience and expertise of auditing public sector entities and in compliance with the PFM Act of 1999.

20. Track Record Component

The tenderer must furnish satisfactory evidence of its capability to provide professional and timely services. To meet this requirement the tenderer must do the following:

- Provide information that will assist the NNR to assess the service provider's capabilities, capacity, competitive advantages, etc, for instance, in-house skills, previous experience, etc;
- Provide proof that the service provider has experience in performing internal audits. List current and past audit clients (in the public and private sector) along with the names and telephone numbers of contact persons, the value of and the number of years audit services were provided.
- Provide the names and qualifications of tenderer's staff members who would be on this project, as well as any outside specialists and consultants who would assist the tenderer on various aspects of the functions to be performed.
- Staff should be assigned to the NNR for the duration of the contract, while they are in the employ of the tenderer. Any changes should be communicated to and approved by the NNR.

No.	Title	Page
NNRSCM02/2009	PROVISION OF INTERNAL AUDIT SERVICES	Page 9 of 9

SECTION C: FORM OF OFFER

RFP: NNRSCM02/2009 Provision of Internal Audit Services

We, _____ (the name of service provider) do hereby propose to provide services/products to the National Nuclear Regulator (the Employer) in conformity with the scope of work, applicable laws, regulations, guidelines, and RFP Documents and Appendices detailed in this Tender Document.

The offered price(s) for the good or services under this tender invitation are detailed in the body of the proposal or in the Price Schedule Section of this tender document and are **VAT inclusive**.

We acknowledge that we have familiarised ourselves with all the contents of this tender document as they are detailed in all the sections of the document, accompanying appendices, where applicable, etc.

We undertake, if our proposal is accepted, to enter into a contract with the NNR to commence work in accordance with the scope of work and the contents of this tender invitation and any other terms agreed with the NNR.

Signed at _____ (place) on
 _____ (date).

Full Name of duly authorised official of the service provider

SIGNATURE