



**competitioncommission**  
*south africa*

## **REQUEST FOR PROPOSALS:**

### **PROVISION OF**

## **INTERNAL AUDIT SERVICES**

**TENDER No:**

**CC AUDIT /12 FOR THE COMPETITION COMMISSION**

**AND/OR**

**CT AUDIT/12 FOR THE COMPETITION TRIBUNAL**

**CLOSING DATE: 11.00am - MONDAY 20 FEBRUARY 2012**



**competitiontribunal**  
*south africa*

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## 1. OVERVIEW

The Competition Act, 1998 (Act No 89 of 1998) as amended provides for the establishment of three institutions. These are:

- The Competition Commission which investigates mergers and complaints of anti-competitive practices and grants exemptions;
- The Competition Tribunal which is the court of first instance: it adjudicates cases referred to it by the Competition Commission or brought directly to it by an aggrieved party;
- The Competition Appeal Court has the status of the High Court and hears appeals and reviews decisions of the Competition Tribunal.

Although the three institutions are governed by the same Act, and share administrative services as well as fee income, they operate independently of each other and maintain separate and independent management and accounting functions.

**The Competition Commission and the Competition Tribunal (the Authorities) have outsourced their internal audit functions, and hereby call for bidders to submit two separate proposals to provide two separate internal audit functions. Bidders may chose to submit a proposal for both entities or alternatively to submit a proposal for only one entity.**

The contract for the Internal Audit function for the Competition Commission will require the approval of the Commissioner. In the case of the Tribunal the Chairperson of the Tribunal will approve the contract.

The closing date of this tender is at **11h00 on Monday 20 February 2012**

**Joint bids and / or consortiums will not be considered. Firms have to bid in their own names.**

## **2. TERMS OF ENGAGEMENT**

The contract for internal audit services will be effective from 1 April 2012 for a 3-year period ending 31 March 2015.

## **3. INTERNAL AUDITOR OBJECTIVITY**

The internal audit function will be an objective assurance and consulting activity, which will assist the Commission / Tribunal to accomplish their objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The bidder must demonstrate the capability to perform the internal audit in accordance with the Institute of Internal Audit Standards and practices, and any relevant legislation. Auditing /Accounting firms that have performed, or are providing internal audits for similar entities are encouraged to submit bids.

## **4. INDEPENDENT AUDIT TEAMS**

Bidders submitting bids for the internal audit of both entities must note that two separate audit teams must be identified and there should be no overlap in this regard.

## **5. PROPOSAL DOCUMENTATION**

The documentation associated with this request for bid proposal comprises:

### **Document 1: Original advertisement**

### **Document 2: Standard Bidding Document 1 (SBD) – Invitation to Bid**

*(There are two (2) SBD1 forms- one for the bid for the Competition Commission and one for the bid for the Competition Tribunal)*

### **Document 3: Request for proposal for the provision of an Internal Audit Services.**

This document contains two annexures namely:

- Annexure A: Company Information – Competition Commission
- Annexure B: Company Information – Competition Tribunal.

**Document 4: Government procurement: General conditions of contract.**

**Document 5: Standard bidding documents (SBD) which are as follows:**

- SBD 2
- SBD 3.3
- SBD 4
- SBD 6.1
- SBD 8
- SBD 9

Please note that all pricing proposals/schedules and the SBD 3.3 must be submitted in a sealed envelope separate from the bid proposal and clearly marked as per section 12.

**BID PROPOSERS SHOULD ENSURE THAT THEY ARE IN POSSESSION OF ALL THESE DOCUMENTS.**

## **6. SCOPE OF INTERNAL AUDIT WORK**

All the internal audit work will be carried out at the offices of the entities.

The successful bidders may be required to perform the following services:

- Financial audit
- Performance information audits
- Performance audit
- Compliance audit (including SCM)
- ICT
- Risk management review
- Ad hoc projects, and
- Investigative (forensic) audit as and when required

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 current risk register in the entity. Establishing a rolling three-year strategic and annual auditing plan based on the results of the risk review and execute audits in accordance with these plans.
- 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 those policies, plans, procedures laws and regulations that could have a significant impact on operations and determine whether the department 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 are being carried out as planned.
- Performing any ad hoc projects as may be required by Management and / or the Audit Committee and/or the Risk committee
- Liaise with the external auditors on the entities audits whenever necessary

## 7. KEY PERFORMANCE AREAS

The successful bidder will perform the following Key Performance Areas: -

<b>Key Responsibilities (What)</b>	<b>Activities (How)</b>	<b>Results indicators (Why)</b>
Regularity audits	Internal audits on all the entity's activities as determined by the annual internal plan according to the following process: <ul style="list-style-type: none"> <li>• Planning the audit</li> <li>• Examining and evaluating information</li> <li>• Communicating results</li> <li>• Follow up actions by</li> </ul>	To advise management on compliance with laws, policies and best practices.

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<b>Key Responsibilities (What)</b>	<b>Activities (How)</b>	<b>Results indicators (Why)</b>
	management on findings and recommendations	
Fraud prevention, detection and action	Prevention in terms of the entity's fraud prevention plan  Assist with investigations in terms of the entity's fraud strategy  Action in terms of the PFMA in conjunction with the SAPS	To minimise fraud in the entity.  To identify perpetrator/s and recommend appropriate sanctions.  To ensure disciplinary and /or criminal action against perpetrators.
Forensic audits (only when required)	Co-ordinate the appointment, execution, the investigation and the reporting of forensic audit when requested to.	Possible recovery of Public funds.  Civil, criminal and/or disciplinary action against guilty parties.
Ad hoc investigations	Investigate issues as requested by Management and/or the Audit Committee	To report findings to Management in order to determine whether further actions are required.
Performance information audits	Executing audits in terms of the audit plan	To determine whether plans are correctly implemented and targets being achieved.  To determine whether resources at the Commission /

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<b>Key Responsibilities (What)</b>	<b>Activities (How)</b>	<b>Results indicators (Why)</b>
		Tribunal are applied effectively and economically.
Reporting	Reporting on all the activities of the Internal Audit component to the Management and the Audit Committee	In order for the Management and the Audit Committee to evaluate the efficiency of the Internal Audit Component.
Managing the Internal Audit Component	Meetings on a regular basis  Evaluation of outputs	To ensure that management are furnished with correct and up to date information.
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance.

The successful bidder's progress and performance with the provision of internal audit services to the entities will be monitored on a biannual basis by the entities Audit Committee.

## 8. EXTENT OF WORK

Performance of audit assignments will be as follows: -

- Assignments are to be performed in accordance with the Institute of Internal Auditors 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 Commission / Tribunal.
- All audit reports and working papers will become the property of the Commission / Tribunal.
- The performance of each assignment shall be in accordance with the annual internal audit plan.
- In carrying out the work, the successful bidder must ensure that its staff maintains their objectivity by remaining independent of the activities they audit.
- On a mutually agreed basis, the responsible partner/director shall meet with the Commissioner of the Commission / Chairperson of the Tribunal or his/her delegate to report on progress of the work.

- 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 Accounting Authority and / or the Audit Committee without disclosing these to any other members of the staff. This also applies to instances where serious fraud and irregularity is uncovered.
- The successful bidder may be required to attend strategic workshops as may be required from time to time. This would ensure that the successful bidder obtains knowledge of the procedures of the entity. The cost of attendance will be for the account of the Commission / Tribunal.
- It may be expected of the successful bidder to do balanced reporting providing assurance on adequate and effective controls.

## 9. TECHNICAL SPECIFICATIONS

### 9.1. Technical Component

To describe clearly the bidder's understanding of the work to be done, the bidder will:

- ▶ Explain the bidder's 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 bidder, including ANY relationship of the proposed audit team to employees of the Commission or the Tribunal and/or members of the Commission's and the Tribunal's Audit Committee's; and
- ▶ Demonstrate experience and expertise of auditing public sector entities in specific fields as indicated in section 6 – Scope of internal audit work and in compliance with the PFM Act of 1999.

### 9.2. Management Component

The bidder will furnish satisfactory evidence of its capability to provide professional and timely services.

To meet this requirement the proposer must:

- ▶ provide the name of the external quality control review organization of which the bidder is a member and the bidder's length of membership (e.g.SAICA, IRBA, etc). **Proof of such membership should be provided;**
- ▶ state whether the bidder is currently under the terms of a public or private reprimand/warning of a professional Association;
- ▶ provide an organogram or list of partners, managers, specialists and clerks in the company;

- ▶▶ describe the proposed audit team, in terms of job positions in the firm;
- ▶▶ list names of staff member(s) who will direct and review audit work for the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. The educational background/detailed resumes of all staff members named and professional membership held must be included;
- ▶▶ provide details of staff training and development policies and procedures with specific mention of continuing professional accounting and auditing experience/qualifications received by the proposed audit team during the last two years;
- ▶▶ describe staff rotation plans for audit team members as this is intended to be a multiyear engagement.

### **9.3. Task/Activity Plan**

The bidder will provide a proposal plan of action to achieve the objectives of the internal audit function. The plan will specify budgeted hours, time lines and sequence for audit procedures, and levels of staff to be assigned.

Hours and associated costs must be estimated on an upper bound, lower bound and most likely basis per plan activity and must be submitted in the format specified in section 9.6 and in a separate sealed envelope labeled as per section 12.

### **9.4. Track Record Component**

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

- Provide information that will assist the Commission/Tribunal 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 services. 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 bidder's staff members who would be on this project, as well as any outside specialists and consultants who would assist the bidder on various aspects of the functions to be performed.

## 9.5. Company Profile

The bidder must provide a company profile that details the following information:

- Company name
- CC Registration number
- Vat registration number
- Income tax reference number
- Web address
- E-mail address
- Telephone number
- Fax number
- Toll free number
- Number of full-time employees
- Number of years in business
- Postal address
- Physical address
- Contact person in your company
- List of all partners, proprietors and shareholders

## 9.6. Cost Proposal

- The bidder must submit a comprehensive and detailed line-item budget in a separate sealed envelope showing total cost of the services, as well as the hourly rates of personnel to be involved. The budget should show service activities proposed and budgeted hours per activity and per team member. All assumptions made in drawing the budget, including all cost factors such as traveling, must be detailed. The envelope must be clearly marked with the tender number and “Cost Proposal” as well as the name and full contact particulars of the bidder. The headings below provide a guideline for detailed costing:

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Activity/Service	Name	Designation	Low estimate of hours	High estimate of hours	Most likely estimate of hours	Rate per hour (R)	Total Cost for most likely estimate(R)
Service 1	XYZ	Partner	3	6	4	1500	6000
	MNO	Manager	1	3	2	750	1500
<b>Total for 1</b>			<b>3</b>	<b>9</b>	<b>6</b>		<b>7500</b>
Service 2	ABC	Manager	1	3	2	750	1500
	DEF	Clerk	4	6	5	500	2500
<b>Total for 2</b>			<b>5</b>	<b>9</b>	<b>7</b>		<b>4000</b>
<b>Audit Total</b>			<b>8</b>	<b>18</b>	<b>13</b>		<b>11500</b>

**Similar detail should be provided for year 2 and year 3**

- The bidder should estimate fees per annum for the 3-year cycle beginning April 01, 2012 and ending March 31, 2015.
- The entities will pay audit fees as agreed upon in the engagement letter. Audit hours worked and charged must be in line with the SAICA Circular 2 of 2011
- The proposal should also detail the following costs: -
  - Travel rates (Project Team meetings will take place at the Authorities' offices based in Pretoria);
  - Meeting rates, if applicable;
  - All assumptions made in drawing the budget including all other cost factors
  - Any other costs not included in the budget, with a detailed breakdown of such costs
- The bid proposer must complete SBD3.3 and submit it in a separate sealed and appropriately marked envelope as per section 12.
- Additional information may be added in a separate schedule.
- Bid proposers are responsible for ensuring that they provide for ALL costs that they can reasonably foresee for the entire duration of the audit:
- The bidder must indicate if the prices referred to above include or exclude value added tax (VAT)
- **The proposal must be based on the estimation of the hours per each entities audit as indicated in the table below:**

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	Competition Tribunal (hours)			Competition Commission (hours)		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
<b>Audit hours (including Audit Committee meetings)</b>	<b>490</b>	<b>460</b>	<b>480</b>	<b>700</b>	<b>770</b>	<b>850</b>
<b>Ad hoc projects</b>	<b>75</b>	<b>65</b>	<b>65</b>	<b>100</b>	<b>110</b>	<b>120</b>
<b>Total hours</b>	<b>565</b>	<b>525</b>	<b>545</b>	<b>800</b>	<b>880</b>	<b>970</b>

A bidder that does not include the pricing schedule as requested and in a separate sealed and appropriately marked envelope will be disqualified.

## 10. EVALUATION

### 10.1. Preference point system

The Commission/Tribunal will apply the **90 (price):10 (B-BBEE status) Preference Point System** in the evaluation. The preference point evaluation will be applied only after the functionality assessment and short-list process.

### 10.2. Calculation of points for B-BBEE Status

B-BBEE Status level of contributor	Number of points (90/10 system)
1	10
2	9
3	8
4	6
5	4
6	3
7	2
8	1
Non-compliant contributor	0

Bidders are required to submit original and valid B-BEE Status level verification certificates or certified copies thereof in order to substantiate their rating claims. If bidders do not submit certificates or are non-compliant contributors to B-BBEE they do not qualify for preference points for B-BBEE but will not be disqualified.

### 10.3. Functional Evaluation

The evaluation of bids will be done in 3 (three phases):

- i) *Functionality assessment*
- ii) *Shortlisted bidders presentation and further functionality assessment*
- iii) *90:10 preference point evaluation*

All acceptable bids (those meeting all the specified requirements) will be evaluated in terms of the following criteria and points for functionality:

CRITERIA	WEIGHT
<p><b>FUNCTIONALITY</b></p> <p><b>60</b></p> <p><b><u>Technical (35)</u></b></p> <ul style="list-style-type: none"> <li>○ Internal Audit Approach (10)</li> <li>○ Internal Audit Methodology (10)</li> <li>○ Public sector internal audit competencies (8)</li> <li>○ Creativity in addressing the project objectives (7)</li> </ul> <p><b><u>Management component (10)</u></b></p> <ul style="list-style-type: none"> <li>○ Membership of external quality control organizations (2)</li> <li>○ Credentials of Management team (5)</li> <li>○ Continuing professional experience (3)</li> </ul> <p><b><u>Track Record and Experience (15)</u></b></p> <ul style="list-style-type: none"> <li>○ Credentials of Project Team (4)</li> <li>○ Credentials of external experts (2)</li> <li>○ Experience on similar projects (3)</li> </ul>	

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CRITERIA	WEIGHT
<ul style="list-style-type: none"> <li>○ Ability to meet project requirement (4)</li> <li>○ Financial capability and sustainability (3)</li> </ul> <p><b>The following values will apply to the criteria stipulated above:</b></p> <p><b>0 – non responsive</b></p> <p><b>1 – very poor</b></p> <p><b>2 - poor</b></p> <p><b>3 - average</b></p> <p><b>4 - good</b></p> <p><b>5 - excellent</b></p>	

Bidders scoring less than 45 out of 60 (75%) will not be considered for further evaluation.

A list of all bidders achieving 75% or higher will be documented by the evaluation committee.

#### 10.4. Short listed candidates

A short list of a maximum of five bidders achieving higher than 75% shall be considered for further evaluation by the Commission/Tribunal.

If no bidder receives 75% or higher the Commission/Tribunal reserves the right to short list three companies achieving the top three functional scores for further evaluation rather than re-advertising the bid.

#### 10.5. Conditions for short listed candidates

**Bid proposers who are shortlisted must comply with the following additional criteria:**

- a) The Commission/Tribunal shall invite shortlisted bid proposers to give a presentation of their products and services together with an oral interview.
- b) The Commission/Tribunal shall choose to undertake a further functionality assessment of the short listed candidates

- c) The individuals named in the bid proposal must attend the presentation to the Commission/Tribunal and be contractually bound to the project.
- d) Shortlisted bid proposers may be asked to supply additional information.
- e) Visits to the offices of shortlisted bid proposers may be required.
- f) The Commission/Tribunal will not be liable for the costs incurred by the bid proposer submitting the bid proposal in connection with such a presentation and interview.
- g) A maximum of three (3) companies scoring the highest in the short list evaluation will be evaluated in terms of the 90:10 preference point system.
- h) Only the sealed price envelopes of the three (3) companies scoring the highest (see g) above) will be opened following the short list evaluation

The Commission/Tribunal reserves the right not to accept the lowest bid, or any bid response submitted.

## 11. CONDITIONS FOR ALL BID PROPOSALS

**All bid proposers responding to this request must meet the following conditions in order to be considered:**

- a) The bidder must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the bidder's representative.
- b) All bid proposals submitted must include a number index.
- c) All pages of the bid proposal must be numbered.
- d) All bid proposals must comply with the General Conditions of Contract – GCC.
- e) All bid proposals must comply with the Special Conditions of Contract – SCC as detailed in this *“Request for Proposals: Provision of Internal Audit Services”* and all other accompanying documentation.
- f) The bid proposal must contain a fully completed SBD 1 document.
- g) The bid proposal must include a valid and original Tax Clearance Certificate.
- h) Bid proposers must complete all the attached standard bidding documents (SBD2, SBD3.3, SBD4, SBD6.1, SBD8, SBD9).
- i) The bid proposer must address and fully respond to each of the requirements as stated in section 8 (Extent of Work) and section 9 (Technical Specification).

- j) The bid proposer must furnish satisfactory evidence of their capability to provide professional and timely services. To meet this requirement the bid proposer must do the following.
- k) Provide information that will assist the Tribunal to assess the bid proposer's capabilities, capacity, competitive advantages, etc, for instance, in-house skills, previous experience, etc.
- l) Provide the names and curriculum vitae's of the bid proposers' staff members who will work on this project, as well as any outside specialists and consultants who would assist the bid proposer on various aspects of the functions to be performed.
- m) Each bid proposal document supplied is for the bid proposer only and may not be copied and submitted by another service provider.
- n) The bidder submitting the bid proposal shall furnish such additional information that the Commission/Tribunal may reasonably require.
- o) The Commission/Tribunal will not be liable for any cost incurred in the preparation of proposals.
- p) The Commission/Tribunal reserves the right to visit the premises of the bid proposer if deemed necessary.
- q) Any false declaration of information will result in the exclusion of the bid proposal from consideration.
- r) The bidder must include the pricing schedule required in Section 9.5 above as per the detailed instructions and separately from the bid proposal as per section 12 below.
- s) If any one of the above information is not submitted completely, the bid will be disqualified.
- t) If a bidder includes the pricing schedule with the bid proposal the bid will be disqualified.

## 12. PROCEDURES FOR SUBMITTING PROPOSALS

The **closing date** of this bid is at **11H00 on Monday 20 February 2012**. Bidders must place the documents in the bid boxes at the Commission / Tribunal before or on the closing date and time.

All **bid proposals** must be enclosed in sealed and separate envelopes and clearly marked as per below.

All **pricing proposals/schedules and SBD 3.3** must be enclosed in sealed envelopes separate from the bid proposal and clearly marked as per below

Bids must either be posted or delivered to the Commission / Tribunal. Bids submitted electronically will not be considered.

**A. Posting**

Bids may be posted to the following address and must be dispatched in time for sorting by the SA Post Office to be placed in the bid boxes at the Commission / Tribunal on time: -

<b>COMPETITION COMMISSION</b>	<b>COMPETITION TRIBUNAL</b>
<b>BID NUMBER: CC AUDIT/12</b>	<b>BID NUMBER: CT AUDIT/12</b>
The Chief Financial Officer/DM: CSD, Competition Commission, Private Bag X23, Lynnwood Ridge, 0040	The Head of Corporate Services Competition Tribunal Private Bag X24, Sunnyside, 0132

**B. Hand Delivery**

Bids may be placed in the relevant bid box (es) at the following address (es): -

<b>COMPETITION COMMISSION</b>	<b>COMPETITION TRIBUNAL</b>
<b>BID NUMBER: CC AUDIT/12</b>	<b>BID NUMBER: CT AUDIT/12</b>
The Chief Financial Officer/DM: CSD, Competition Commission, Block E <b>the dti</b> Campus, Building E, 2 <sup>nd</sup> Floor 77 Meintjies Street Sunnyside, Pretoria	The Head of Corporate Services Competition Tribunal Block C <b>the dti</b> Campus, Building C, 3 <sup>rd</sup> Floor 77 Meintjies Street Sunnyside, Pretoria

**C. Marking of envelopes**

The following information must be clearly marked on each envelope submitted:

- **The Bid Number:**  
  

**CC AUDIT /12 FOR THE COMPETITION COMMISSION**  
*OR*  
**CT AUDIT/12 FOR THE COMPETITION TRIBUNAL**
- **The description of the work:**

**PROVISION OF INTERNAL AUDIT SERVICES – PROPOSAL**

*OR*

**PROVISION OF INTERNAL AUDIT SERVICES – COST PROPOSAL/ PRICING SCHEDULE**

- The closing date of the tender: Monday 20 February 2012
- The name and full contact details of the bidder

**D. Number of Copies of Bid documents**

Submit **three (3) copies** of the bid in respect of each entity. The bid proposals are to be **bound and sealed**.

**13. ASSISTANCE TO BIDDERS**

Any person wishing to obtain additional information about the request for proposal or about the operations of the Authorities may contact the following people during official hours and before Friday 20<sup>th</sup> February 2012.

 <b>COMPETITION COMMISSION</b>	 <b>COMPETITION TRIBUNAL</b>
Ms. Nomsa Zilindile  Te: (012) 394 3208  Email: <a href="mailto:NomsaZ@compcom.co.za">NomsaZ@compcom.co.za</a>  Website: <a href="http://www.compcom.co.za">www.compcom.co.za</a>	Ms. Lufuno Ramaru  Tel: (012) 394 3273  Email: <a href="mailto:LufunoR@comptrib.co.za">LufunoR@comptrib.co.za</a>  Website: <a href="http://www.comptrib.co.za">www.comptrib.co.za</a>

**14. FINAL APPROVAL**

The Commission / Tribunal intends to award the bid by 02 March 2012. Below is the proposed bid process:

- |                                |   |                                |
|--------------------------------|---|--------------------------------|
| 20 <sup>th</sup> January 2012  | - | Request for Proposal goes out; |
| 20 <sup>th</sup> February 2012 | - | Closing date for responses;    |

#### Internal Audit Tender 2012

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21 <sup>st</sup> February 2012	-	Tender evaluation commences;
23 <sup>rd</sup> February 2012	-	Bidders notified of short listed bidders
27 <sup>th</sup> February 2012	-	Short listed bidders' evaluation commences
29 <sup>th</sup> February 2012	-	Bid Adjudication Committee meets
2 <sup>nd</sup> March 2012	-	Short listed bidders notified of the outcomes;
1 <sup>st</sup> April 2012	-	Successful Service provider joins the Entity

The successful bidder will be notified on or before **02 March 2012**, bearing in mind that the Commission / Tribunal reserves the right to reject any or all bids, and/or not to appoint any bidder.

### 15. REPORTING AND MONITORING

The incumbent for the internal audit function for the Competition Commission would report directly to the Audit Committee and the Commissioner, but administratively to the Divisional Manager for Corporate Services.

The incumbent for the internal audit function for the Competition Tribunal would report directly to the Audit Committee and Chairperson of the Tribunal, but administratively to the Head of Corporate Services/CFO.

### 16. TIMING

The successful bidder should be able to commence this assignment no later than **1 April 2012**.

### 17. GENERAL NOTICE

The lowest or any bid will not necessarily be accepted.

If bids are not posted or delivered as stipulated herein, such bid will not be considered and will be disqualified.

Should you need to know more about the Commission or the Tribunal, please visit our websites at [www.compcom.co.za](http://www.compcom.co.za) OR [www.comptrib.co.za](http://www.comptrib.co.za)

This bid document is also available on the Commission website, <http://www.compcom.co.za/aboutus/tenders> and on the Tribunal's website <http://www.comptrib.co.za/procurement/bids-tenders/>

## **ANNEXURE A: COMPANY INFORMATION - COMPETITION COMMISSION**

### **Mission/Core function**

The Commission is committed to promote a competitive business environment for the benefit of all South African consumers, workers and owners. The Commission is responsible for the investigation, control and evaluation of restrictive practices, abuse of dominant positions and mergers. The Commission is governed by the Competition Act of 1998 and the Public Finance Management Act.

### **Composition of the Commission**

The Commission has the following divisions:

- The Commissioner's office;
- Mergers & Acquisitions;
- Policy & Research;
- Enforcement & Exemptions
- Advocacy and stakeholder relations;
- Legal Services; and
- Corporate Services.

The Corporate Services Division, responsible for the centralized operational support, comprises of the following departments: -

- Finance, including Procurement;
- Human Resources;
- Information Technology and
- Security and Facilities

### *Branches*

The Commission has no branches and operates from its offices based in Sunnyside, Pretoria.

### *IT system*

The Commission utilizes the following IT systems:

## Internal Audit Tender 2012

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- Financial accounting: Pastel
- Asset management: Pastel
- Salaries: VIP
- Recordkeeping: Case management system (CMS/SPS)

In addition, the Commission uses ABSA's electronic banking system –Business Integrator Online.

**FINANCIAL INFORMATION – COMPETITION COMMISSION**

A summarized Balance Sheet and Income Statement for the seven months ended 31 December 2011 is provided below:

<b><u>Income statement</u></b>	<b>31 December 2011</b>
<b>Revenue</b>	169 606 608
<b>Expenditure:</b>	
Staff costs	65 994 270
Administrative costs	48 925 672
<b>Surplus / (Deficit)</b>	<b>54 686 666</b>
<b><u>Balance sheet</u></b>	<b>31 December 2011</b>
<b><u>Assets</u></b>	
Property, Plant & Equipment	8 459 079
Accounts receivable	33 716
Bank/Investment accounts	87 333 708
Sundry Control Accounts	411 093
<b>Total Assets</b>	<b>96 237 598</b>
<b><u>Equity and liabilities</u></b>	
Retained income	81 904 540
Accounts payable	7 365 691
Provisions & Accruals	3 477 417
Control Accounts	3 489 949
<b>Total Equities and liabilities</b>	<b>96 237 598</b>

## **ANNEXURE B: COMPANY INFORMATION - COMPETITION TRIBUNAL**

### **Mission/Core function**

The mandate, role and core activities of the Competition Tribunal are defined in the *Competition Act* (1998).

The Tribunal's mission is to promote and maintain competition through the implementation of the Competition Act. In contributing to the purpose of the Act the Tribunal will strive to be "fair, objective and independent"

The Tribunal Rules gazetted on 1 February 2001 outline how Tribunal proceedings should be conducted.

The Tribunal is expected to expeditiously decide cases brought to it in terms of the *Act*. In line with the Constitution, Tribunal hearings are public and written reasons are provided for all decisions and orders of the Tribunal. The *Act* and Rules prescribe time frames, which must be followed. The decisions of the Tribunal have the same legal weight as the judgments of the High Court and may be taken on appeal only to the Competition Appeal Court.

### **Composition of the Tribunal**

The Tribunal has the following departments:

- Corporate Services
- Research
- Registry

Corporate services includes:

- Finance
- Human Resources
- Information Technology
- Security
- Procurement

### *Branches*

The Tribunal has no branches and operates from offices in Sunnyside, Pretoria.

*IT system*

The Tribunal utilizes the following IT systems:

- Financial accounting: Pastel
- Salaries: VIP
- Asset Management – Pastel Evolution

In addition, the Tribunal uses ABSA system- Business Integrator Online.

## FINANCIAL INFORMATION – COMPETITION TRIBUNAL

Herewith the summarized Balance sheet and Income statement of the Competition Tribunal for the nine months up to 31<sup>st</sup> December 2011:

<b><u>Income statement</u></b>	<b>31 December 2011</b>
Revenue	15 199 980.39
Expenditure:	
Staff costs	7 887 162.48
Administrative costs	6 844 611.42
<b>Surplus/(Deficit)</b>	<b>468 206.49</b>

<b><u>Balance sheet</u></b>	<b>31 December 2011</b>
<b><u>Assets</u></b>	
Property, Plant & Equipment	3 894 424.02
Accounts receivable	1 081 731 .89
Inventory	40 166.23
Other current assets	85 572.92
Bank/Investment accounts	21 327 554.24
<b>Total Assets</b>	<b>26 429 449.30</b>

<b><u>Equity and liabilities</u></b>	
Retained income	23 627 735.63
Long term liability	58 117.64
Accounts payable	1 527 321.94
Other current liabilities	410 933.13
Provisions & Accruals	805 340.96
<b>Total Equity and liabilities</b>	<b>26 429 449.30</b>