UNIVERSITIES SOUTH AFRICA

REQUEST FOR PROPOSAL FOR PROVISION OF INTERNAL AUDIT SERVICES TO UNIVERSITIES SOUTH AFRICA

1. OBJECTIVE

The objective of this bid is to appoint a suitable independent internal audit service provider firm that can provide appropriate internal audit consulting services to the management of Universities South Africa (USAf) and the USAf Board's Audit and Risk Committee.

USAf must comply with the provisions of its own organisational policies, statutory requirements and, where possible, some of the provisions of the King IV Report on Corporate Governance. The suite of services to be rendered must therefore assist USAf management to comply accordingly.

2. ROLE AND OBJECTIVES OF INTERNAL AUDIT

The internal audit should be an independent appraisal function within USAf, which provides management with a systematic review and evaluation of the operations for determining compliance and the efficiency and effectiveness of policies, procedures, practices and the overall internal control within USAf.

The objective of internal auditing is to add value by assisting the Audit and Risk Committee, the Board and management to effectively discharge their responsibilities, which include, among others, the promotion of effective internal control at reasonable costs, compliance with the provisions of the organisational policies and where practical, applying the King IV Report on Corporate Governance.

3. ORGANISATIONAL STATUS OF INTERNAL AUDIT

The internal auditor will report to the Audit and Risk Committee of USAf functionally and to the Chief Executive Officer (CEO) administratively and will ensure:

a) the independence of internal audits;
b) ensure adequate coverage considering the scope of the external audit
c) report findings to the Audit and Risk Committee
d) make recommendations to management where controls are weak.

4. INTERNAL AUDIT SCOPE

In broad terms, the scope of the internal audit work entails evaluating the adequacy and effectiveness of USAf's systems of internal control. This includes:

4.1 Reviewing the reliability and integrity of financial and operational information and the means used to identify, measure, classify and report such information;

4.2 Reviewing the systems established by management to ensure compliance with applicable policies, plans, procedures and processes and to determine whether the organisation complies;

4.3 Reviewing the means of safeguarding assets and verifying the existence thereof;

4.4 Appraising the economy as well as the efficiency with which resources are employed and identifying opportunities to improve operating performance;

4.5 Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, as set up in the mandates.

4.6 Reviewing the planning, design, development, implementation and operation of major computer-based systems to determine whether:

a) adequate controls and backup systems are incorporated into systems;
b) thorough systems testing is performed at appropriate stages
c) cybersecurity controls are adequate;
d) system documentation is complete and accurate; and
e) user needs are met.

4.7 Reporting to the Audit and Risk Committee and management in writing on the scope of reviews of corporate governance and any significant findings.

5. EXPECTED INTERNAL AUDIT SERVICES

The appointed service provider will be required to:

5.1 Compile a three-year risk-based rolling internal audit plan in consultation with management and for approval by the Audit and Risk Committee.

5.2 Develop a detailed annual plan in consultation with management and to be approved by the Audit and Risk Committee, indicating the scope for each internal audit.

5.3 Present the coverage plan to management and the Audit and Risk Committee

5.4 Perform internal audits in compliance with the International Professional Practices Framework (IPPF).

5.5 Monitor the clearing and implementation of the external auditor's audit findings and recommendations.

5.6 Report on the findings to management and secure comments before presenting to the Audit and Risk Committee.

5.7 Attend Audit and Risk Committee meetings when requested, and provide feedback on internal audits completed, risk management, and an overview of the control environment.

5.8 Work closely with the external auditors and other assurance providers to ensure synergy of approach, minimise duplication of effort and obtain reliance on work performed

5.9 Perform compliance reviews with the:

- Financial, procurement and human resources policies of USAf
- King IV Report, where practicably possible

- Any other statutory and regulatory requirements.

6. FEES AND PAYMENT

- The proposed fee structure is based on the following:
    - Total of 450 annual hours
    - Rate per hour for each category of staff and a blended rate per hour
    - Reimbursement costs.

7. CONTENT OF THE BID PROPOSAL

The proposal should indicate:

7.1 All relevant perceived strengths and weaknesses of the firm bidding for the services, e.g. similar previous experience, in-house skills, providing information which will assist USAf to assess its capabilities, capacity, competitive advantages, etc.

7.2 A proposed plan of action to achieve the objectives of the internal audit function and risk management support to management. Such a plan should cover short- and medium-term steps to manage the internal audit function and the risk management effort for USAf;

7.3 A minimum of three copies of appointment letters of previous and current internal audit contracts awarded;

7.4 An organogram or list of partners, managers, specialists and assistants together with the *curriculum vitae* of the staff who will be available for the duration of the contract with USAf. In addition, the team to be appointed to provide internal audit services to USAf should:

a) Appoint a team, the core of which should remain constant for the duration of the contract; and
b) Any possible staff changes to the engagement partner and engagement manager during the audit must be done in consultation with the management of USAf and reported to the Audit and Risk Committee.

7.5 In so far as possible, provide an overview of the methodology to be applied to the execution of the audit function;

7.6 The service provider must supply the following information:

a) Certification of registration (CIPC) where applicable
b) Verification PIN supplied by SARS on tax status;
c) Details of equity status and BEE initiatives
d) BBBEE rating certificate issued by a SANAS-approved rating agency/authority
e) Shareholder details
f) Organisational chart for the firm
g) Company profile.
h) Qualifications and experience of the audit team, including in cybersecurity and registration with the Institute of Internal Auditors South Africa (IIA SA).

8. VALIDITY OF PROPOSALS

The bidder must confirm that it will hold its proposal valid for 90 days from the closing date of the submission of proposals, during which time it will maintain without changing the personnel proposed for the service and their proposed rates.

9. APPOINTMENT, COMMENCEMENT AND DURATION

The successful bidder will sign an agreement with USAf, which will be valid for three years, subject to confirmation on an annual basis by the Audit and Risk Committee of USAf based on an evaluation of the effectiveness as well as the independence and objectivity of the internal auditors.

The successful bidder will have unfettered access to all information held by USAf and will be required to execute the internal audit function within the normal working hours of the organisation.

10. DESCRIPTION AND EXTENT OF WORK

10.1 Conducting audit assignments

Assignments are to be performed in accordance with the bidder's internal audit procedures in compliance with the standards set by the IPPF. However, each assignment should consist of the following tasks:

a) Audit preparation (which should include the scoping document, audit plan or audit planning memorandum)
b) Preliminary survey
c) Review of internal controls
d) Audit testing
e) Development of findings and recommendations
f) Obtaining management responses; and
g) Reporting

At the request of USAf and the Audit and Risk Committee, all procedural documentation and working papers must be made available within three (3) working days, even after the expiry of the appointment.

10.2 Timing of assignments

The annual internal audit coverage plan shall be presented and agreed upon by the Audit and Risk Committee at its meeting prior to the commencement of any work. Furthermore, the final responsibility of approving the scope and extent of the work resides with the Audit and Risk Committee.

10.3 Quality assurance reviews of the work

The internal auditor shall ensure that all work conforms to the standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors). Such work shall further be subject to external quality assurance as may be considered necessary and appropriate by the Audit and Risk Committee.

10.4 Independence and objectivity of audit staff

In carrying out the work, the internal auditor must ensure that their staff maintains their objectivity by remaining independent of the activities they audit.

10.5 Monitoring the progress of assignments

The internal auditor shall present a report on the progress of the internal audit work at the scheduled Audit and Risk Committee meetings and to the CEO of USAf as and when required to do so.

10.6 Report of audit results

The report(s) on findings and recommendations should be sent to the CEO of USAf and the divisional heads responsible for implementing those recommendations (the auditee) for their consideration and comments. Within ten (10) working days of sending the report(s), the internal auditors shall meet with the auditee to discuss the findings and obtain written responses to the recommendations together with implementation dates. These shall then be incorporated into the final report, which must be issued to the CEO. Copies of these reports must also be tabled at the Audit and Risk Committee meeting for discussion.

The structure of the report is to be as follows:

i. Introduction
ii. Audit objective and scope
iii. Background
iv. Executive summary
v. Activity, findings, recommendations and management response (including corrective action and implementation dates)
vi. Conclusion
vii. Practical method of proceeding with recommendations.

10.7 Fraud and irregularities

In planning and conducting work, the bidder should seek to identify serious defects in the internal controls which may potentially result in malpractices. Any such defects must be reported immediately to the CEO and the Audit and Risk Committee without disclosing these to any other members of the staff. This applies to instances where serious fraud and irregularity are uncovered.

10.8 Authorised delegate(s)

Nothing stipulated in the task directives may be amended without the written confirmation of the CEO of USAf or any person nominated by him/her.

11. PROPOSAL EVALUATION

In broad terms, USAf will assess proposals based on the technical and financial criteria indicated above to ascertain value for money and any other specific criteria that may be deemed pertinent during the selection process. The technical and financial components of the written proposal must be submitted in hard copies to the address listed below.

In more specific terms, the following assessment criteria will be used to evaluate the proposal.

- Credentials of the management team
- Audit methodology (including quality assurance)
- Professional experience
- Track record & experience

- Previous experience in the public sector of the envisaged audit team
- Previous experience with clients similar to USAf
- Ability to meet the company requirements
- Price for each of the three years.

USAf reserves the right **not** to accept any proposal and/or proposal with the lowest price.

12. CONDITION FOR PROPOSALS

- Only sealed envelopes will be accepted.
- Proposals received after the set date and time will be disqualified.
- Postal deliveries must only be made by courier services.
- The bidder must include a cover letter clearly stating the firm's name, address and the bidder's representative's name and contactable telephone number.
- The bidder must submit three (3) printed copies of the proposals.
- The bidder shall furnish such additional information that USAf may reasonably require.
- USAf will not be liable for any cost incurred in preparing the proposal.
- USAf may invite bidders for an oral interview/ presentation prior to the approval of a proposal; however, USAf will not be liable for the costs incurred by the bidder in connection with such interview or presentation.
- USAf will keep the contents of the application strictly confidential.
- The information/data provided in this document, together with any subsequent issue of addenda of information/data, is provided in good faith for the guidance of applicants. No warranties or representations are given regarding the accuracy or completeness of such information.

13. BRIEFING SESSION AND SUBMISSION OF PROPOSALS

13.1 Compulsory briefing session will be conducted on Microsoft Teams meeting as follows:

Date: 10 March 2026
Time: 11h00
Join: https://teams.microsoft.com/meet/33824399695619?p=L4zJxlfZlcCMkuwx80
Meeting ID: 338 243 996 956 19
Passcode: YX2g4ta9

13.2 Service providers are at liberty to discuss any aspect of this request for proposal with the entity, and enquiries must be referred to:

Mr Emert Nkhatu, Universities South Africa, 1267 Pretorius Street, 1st Floor, Block D, Hadefields Office Park, Pretoria.

Tel: 012 030 0665
E-mail: emert@usaf.ac.za

Closing date: 31 March 2026
Time: 11h00

The proposal must be placed in the tender box at Universities South Africa, 1267 Pretorius Street, 1st Floor, Block E, Hadefields Office Park, Pretoria.

USAf does not take any responsibility for any procedural and substantive information obtained from a source other than the above-mentioned official. For more information about USAf and directions to USAf offices, see the website: www.usaf.ac.za.

14. SPECIAL CONDITION

Bidders who do not have a fully resourced office in Pretoria will not be considered.

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