



APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF FIVE (5) YEARS

The South African Medical Association (SAMA) has sanctioned a procurement process to source bids from qualified service providers who offer Internal Audit Services for a period of FIVE (5) years. SAMA does not have an Internal Audit function and thus wishes to outsource this service to a successful bidder. SAMA is a medical association of medical doctors with the head office located in Pretoria.

This document outlines specifications, requirements, and instructions for responding to this request for proposals (RFP):

Information related to the bid:

RFP Number:	RFP SAMA/Internal Audit
Description:	Provision of Internal Audit Services
Publication Date:	15 January 2021
Validity Period:	60 days from the RFP closing date
Closing Date:	29/01/2021
Closing Time:	16:00 PM
Delivery Address For Bids Submission:	richardm@samedical.org <ul style="list-style-type: none">• All bids may be submitted electronically to this email address on or before the cut of date and time.
All related enquiries to be directed to:	richardm@samedical.org



OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

The objectives of the envisaged outsourced Internal Audit function within SAMA are:

- Provision of independent, objective assurance, and consulting services designed to add value and improve the SAMA's operations;
- The Internal Audit function will evaluate and improve the effectiveness of risk management, and control and governance processes with the Association;
- Rendering an independent appraisal function through examining and reviewing the effectiveness of internal controls earmarked at assisting management in the effective discharge of their duties and responsibilities.

These responsibilities include:

- Internal control processes;
- Information technology (IT) environment;
- Human Resources function;
- Reliability and integrity of strategic, financial, and operational information;
- Efficiencies and effectiveness of SAMA operations;
- Efficient allocation and utilisation of resources paid by SAMA Members;
- Compliance with policies, regulations and contractual obligations;
- Safeguarding of SAMA's assets;
- Attainment of key strategic goals, objectives and key performance indicators (KPIs);

SERVICES AND SCOPE REQUIRED FROM THE INTERNAL AUDITOR

The envisaged Internal Audit service provider shall be suitably qualified and experienced and able to serve as an outsourced Internal Audit Function for a five year period commencing in 2021. The function must be conducted in accordance with all applicable prescripts, particularly the Standards for the Professional Practices of Internal Auditing and Code of Ethics as set by the Institute of Internal Auditors (IIA). Upon appointment, the service provider will be required to produce the following, doing so in consultation with the Finance & Risk Committee:



- Rolling three year (3) strategic Internal Audit;
- Annual internal Audit Plan;
- Individual audit reports to the Finance & Risk Committee detailing audit performance and outcomes in comparison to the approved audit plan. This will allow effective monitoring and intervention by the Committee when required;
- Plans must indicate the scope, cost and timelines of each audit.
 - As a minimum, audit plans and audit reports must incorporate the following over and above other items to be agreed upon:
 - Minutes of key meetings with those charged with governance;
 - Audit planning process;
 - Audit programme(s);
 - Risk assessment assurance;
 - Sampling methodology;
 - System description(s)
 - Record of audit work performed;
 - An indication of follow-up on matters previously reported and feedback to the Finance & Risk Committee;
 - An indication of senior audit staff involvement on the audit assignments;
 - Key audit findings and recommendations;
 - Frequency and manner of reporting (this will incorporate draft internal audit reports and final internal audit reports)

EVALUATION CRITERIA AND METHODOLOGY

SAMA will evaluate all bids received based on qualitative and financial considerations. The evaluation will be split into three categories, namely:

- (i) Stage 1: Mandatory requirements (company compliance documents);
- (ii) Stage 2: Functionality Evaluation; and
- (iii) Stage 3: Pricing and BBBEE Evaluation.

All bidders who meet a minimum functionality threshold (70 points) will proceed to



the pricing assessment. All bids that pass functionality will then be assessed solely on pricing.

Stage 1: MANDATORY REQUIREMENTS

1. Completed Tender Documents.
2. Proof of Tax compliance with SARS (for this purpose submit a SARS Pin Number to allow SAMA verification of compliance. This should include all companies or parties in the event of a joint venture or consortium);
3. Proof of company registered business address;
4. Certified copies of Company Registration documents;
5. Registered company directors certified identity documents; and
6. KEY INFORMATION TO BE INCLUDED IN THE BID SUBMISSION
 - Name of bidder
 - Registration number (include all parties if a consortium or joint venture)
 - VAT registration number (include all parties if a consortium or joint venture)
 - Contact person
 - Telephone number
 - E-mail address
 - Postal address
 - Physical address

Failure to submit these mandatory documents will result in the bidder being disqualified from proceeding to Stage 2.

STAGE 2: FUNCTIONALITY EVALUATION (Total of 100 POINTS)

EVALUATION CRITERIA	Evaluation Indicator	Points
Company experience (20 points)	5 years or less	5
	5-10 years' experience	10
	11-15 years' experience	15



EVALUATION CRITERIA	Evaluation Indicator	Points
SAMA is looking for a suitably experienced service provider to provide services of an outsourced internal auditor.	Above 15 years' experience	20
Company References of similar worked performed at other entities (10 points) Attach proof of references obtained from other companies in the provision of internal audit services.	Three (3) reference letters, with ALL of them coming from companies <u>WITHOUT</u> similar background of work done by SAMA (Healthcare and or Professional Association)	5
	Three (3) reference letters, with at least one (1) reference letter coming from a company similar to industry or work done by SAMA (Healthcare and or Professional Association)	7
	At least three (3) reference letters, with <u>ALL</u> reference letters coming from a company similar to industry or work done by SAMA (Healthcare and or Professional Association)	10
TEAM COMPOSITION (Qualifications) (15 points) Provide a detailed list of the team to be assigned to SAMA's Audit listing at least the following levels: <ul style="list-style-type: none"> Internal Audit Director Internal Audit Manager Senior Internal Auditor 	50% of team registered or certified internal auditors (CIA)	5
	75% of team registered or certified internal auditors (CIA)	10
	100% of team registered or certified internal auditors (CIA)	15



EVALUATION CRITERIA	Evaluation Indicator	Points
<ul style="list-style-type: none"> Junior Internal Auditor 		
TEAM COMPOSITION (Experience) (15 points) Provide a detailed list of the team to be assigned to SAMA's Audit listing at least the following levels: <ul style="list-style-type: none"> Internal Audit Director Internal Audit Manager Senior Internal Auditor Junior Internal Auditor Include an abridged profile of each team member, with a minimum of the above staff included.	50% of team has 0-3 years' experience.	5
	50% of team has a minimum of 3 years' experience or more.	10
	50% of team has a minimum of 5 years' experience.	15
Technical Evaluation (40 Points) The bidder should demonstrate their understanding of the services required, how the service will be delivered, and any value adds in delivering the services among other key information required when performing internal audit services.	Understanding of services required	5
	Understanding of the SAMA environment and how the function could be performed effectively	5
	Audit Methodology	10
	Indication of any value adds to SAMA during the 5 years	10
	Project Plan	5
	Reporting plan	5
TOTAL POINTS AVAILABLE TO PASS FUNCTIONALITY		100
MINIMUM SCORE REQUIRED FOR PROGRESSION TO STAGE 3		75



STAGE 3 PRICE AND BBBEE EVALUATION

All bidders that pass the Functionality Evaluation will then be assessed on Pricing and BBBEE. A valid BBBEE certificate or affidavit will be required as part of the tender documents submission to allow for the scoring of points on this stage. Points will be allocated as follows.

Evaluation Criteria		Points
1.	Price	70
2.	Black Economic Empowerment (points allocated based on level of bidder as follows): <ul style="list-style-type: none">• Level 1 – 30 points,• Level 2 – 20 points,• Level 3 – 10 points,• Level 4 – 5 points.	30
Total		100

