



Khayelitsha Community Trust

Committed to the upliftment of Khayelitsha and its people

REQUEST FOR PROPOSAL: PROVISION OF INTERNAL AUDIT SERVICES FOR THE 2023/2026 FINANCIAL YEARS

Title: Internal Audit Services for the 2023/2026 financial years

RFP Ref. No.: KCT/0622/01

Closing date: 24 June 2022

Closing time: 16:00

Address: Unit 3 Old Dutch Square, Cnr. Bill Bezuidenhout & Old Paarl Rd,
Bellville

Proposals can be e-mailed to info@kctrust.org with subject title being the RFP reference number stated above.

RFP queries

contact person: Finance Officer, Mr Mawande Mayedwa, e -mail:
mawande@kctrust.org

TABLE OF CONTENTS

1. Introduction.....	3
2. Overview of KCT.....	3
3. Scope of Services.....	4
4. Evaluation Criteria.....	4
5. Conditions of Engagement.....	5
6. Disqualification.....	5
7. Changes to this RFP document.....	6
8. Confidentiality.....	6

1. Introduction

The Board of the Khayelitsha Community Trust (KCT), represented by the Audit and Risk Committee, hereby invites suitably qualified and experienced firms to submit proposals for the provision of Internal Audit Services to KCT for a three-year period.

The scope of work will include Internal Audit Services to KCT and its subsidiaries. The detailed scope, requirements and the criteria for assessment are set out in the subsequent sections.

2. Overview of KCT

KCT is a non-profit organization that was established by the City of Cape Town in 2003. The mandate of KCT is to develop a Khayelitsha Business District through the provision of housing, retail and commercial amenities, whilst ensuring economic empowerment opportunities to the Khayelitsha community. To this effect, a Land Availability Agreement was entered into between KCT and the City of Cape Town for purposes of delivering on the expressed mandate.

In turn, KCT established development entities / subsidiaries as a means of implementing its commercial initiatives and whose aim is to ensure that long-term financial sustainability of the Group is achieved.

These subsidiaries are as follows:

- KBD Management Company (Pty) Ltd (“KManco”) - responsible for overall coordination of KCT development initiatives and is 100% owned by KCT;
- KBD Retail Properties (Pty) Ltd (“KRetail”) - responsible for the provision and management of the retail component and is 100% owned by KManco;
- KBD Housing (Pty) Ltd (“KHousing”) - responsible for the provision of residential component and is 100% owned by KManco

3. Scope of Services

The objective of the audit will be to evaluate risk management, internal controls, and governance processes of the KCT Group and to provide recommendations for improvement.

The scope of the audit will include the following focus areas:

- Internal Controls
- Accounting procedures and practices
- Risk assessment and risk management
- Compliance with applicable legislation
- Performance Management
- Overall governance processes
- Attendance at Audit Committee meetings
- Any ad-hoc audit procedures considered necessary by KCT management and approved by the Audit and Risk Committee

The auditors shall at all times have access to the accounting records and supporting documentation of the Trust and its subsidiaries and shall be entitled to such information and explanations from Management and Trustees as may be necessary for the performance of their duties as internal auditors.

The current external auditors place a level of reliance on the work performed by the internal auditors through the year.

4. Evaluation criteria

The assessment criteria shall be included in a statement by the bidder covering the following aspects:

- 4.1 The Respondent's ability to perform the work in a timely manner.
- 4.2 Factors which may impinge on actual or perceived independence of the service provider.
- 4.3 Any potential conflicts of interest.

- 4.4 BEE status of the Respondent cognisant that KCT follows BBBEE procurement policies, subject to the cost being competitive and the quality of services being of the required standard.
- 4.5 Familiarity with NPO audits and a good understanding of the industry.
- 4.6 A firm profile, to include qualifications and experience of senior audit team members.
- 4.7 A valid tax clearance certificate.
- 4.8 An outline of the proposed strategic audit plan.
- 4.9 The proposed fee and any possible variances on the proposed fee. The charge out rates and hours of partners and staff should be included. Please also supply a schedule of ancillary costs.
- 4.10 The allocation of adjudication points is divided as follows:
- | | |
|---|-------------------|
| ➤ Maximum points for Price | 20 |
| ➤ Maximum points for Quality & Functionality | 60 |
| Allocated into the following categories: | |
| ○ Expertise = 25 | |
| ○ Previous experience and track record = 10 | |
| ○ Interpretation of brief - Approach and methodology = 25 | |
| ➤ Maximum points for Empowerment | 20 |
| ➤ Maximum total | <u>100</u> |

5. Conditions of Engagement

Though the conditions of engagement will be set out in the Service Level Agreement, it is crucial for Respondents to note the following submission terms and conditions:

- 5.1 The proposals must be received by no later than 24 June 2022. Any proposal received after the closing time will not be considered. KCT reserves, under exceptional circumstances, the right to extend the closing date.
- 5.2 KCT reserves the right not to accept any proposal. In the event KCT does not accept any proposal, it will declare the proposal call process to be closed.
- 5.3 Submission of a proposal by a Respondent, and all the subsequent adjudication processes, does not represent a commitment on the part of KCT to proceed further with that or any Respondent.
- 5.4 KCT will not accept any responsibility incurred by Respondents in preparing and submitting proposals.
- 5.5 In responding to the RFP, interested parties must submit their proposals to info@kctrust.org, clearly marked **KCT0622/01 INTERNAL AUDIT RFP**.

6. Disqualification

- 6.1 Respondents are advised that, should there be any contact with the Audit & Risk Committee members or KCT staff which could in any way be seen or deemed to constitute a conflict of interest, bribe or otherwise influence the process and outcome thereof, this will result in immediate disqualification.
- 6.2 All queries relating to this RFP must be in writing and must be addressed to the Finance Officer on the indicated e-mail address only.
- 6.3 KCT cannot accept responsibility for the accuracy of any information obtained outside the formal communication process as stipulated in 6.2 above, provided such has been condoned through prior consultation with the Finance Officer.

7. Changes to this RFP document

KCT reserves the right to make any changes to this RFP document. No reliance shall be placed on other information or comment from any other person. All changes will be communicated to those who have been issued the document in the form of an Addendum.

8. Confidentiality

- 8.1 Any information relating to the submissions through the process or otherwise shall be treated in strict confidence.
- 8.2 In submitting a response, a Respondent agrees that it shall not be entitled to any information disclosed by another applicant to KCT which the latter has determined to be of a confidential nature.
- 8.3 The content and details of the evaluation of submissions will remain confidential to KCT.