



TERMS OF REFERENCE

EXTERNAL AUDITOR FOR THE 2022/23 FINANCIAL YEAR

Reference Number: SABFS001/2023

Advertisement Date: 09 August 2023

Closing Date: 29 August 2023

Closing time: 17:00

Tender Type: Public

1. BACKGROUND

The South African Board for Sheriffs (“SABFS”) is a statutory regulatory body established in terms of the Sheriffs Act 90 of 1986. The SABFS’ objectives are the maintenance of the esteem, the enhancement of the status of sheriffs, and the improvement of the standard of training and functions performed by sheriffs.

The core objectives of the SABFS are to:

- Liaise with the sheriffs and relevant stakeholders;
- To monitor the conduct of sheriffs;
- Promote the sheriffs’ profession; and
- To provide overall Policy directives.

2. OBJECTIVES

The SABFS seeks to appoint a reputable, independent, and qualified external Audit firm to provide an independent audit opinion on the accounts, financial statements, annual performance reports, and annual financial reports of SABFS and its Fidelity Fund for the 2022/23 Financial Year. The audit will have to be performed in line with the IRBA, PFMA, ISA, and the Sheriffs Act.

3. SCOPE OF WORK

The audit will be carried out in accordance with the International Standards of Auditing and will include tests and verification procedures as the auditors deem necessary.

3.1. DELIVERABLES

The independent external auditors will be required to:

- 3.1.1.** Perform the audit in accordance with the International Standards of Auditing (ISA) and other bodies as specified above.
- 3.1.2.** In consultation with SABFS, determine the scope, methodology, and approach as per International Auditing Standards and PFMA guidelines, and legislative requirements and prepare the audit strategy with a detailed budget for approval by the Risk and Audit Committee.
- 3.1.3.** Conduct entry and exit meetings with the relevant teams as identified by the SABFS.
- 3.1.4.** Provide reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and whether they are prepared in accordance with the applicable financial reporting framework
- 3.1.5.** In addition to the audit report, the auditors will prepare a Management Letter on the following subject matter:
 - a. Give comments and observations on the accounting records, procedures, systems, and controls that were examined during the audit.
 - b. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
 - c. Report on the implementation status of recommendations pertaining to previous period audit reports.
 - d. Communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organization.
 - e. Bring to the Executive Manager, matters that the auditors consider significant.

3.2. Duration and Completion of the Audit

- a. The audit work shall be completed within three weeks from the date of commencement of the audit.
- b. The auditors will after completion of the audit work, submit an original signed copy and an electronic copy of the Audit Report attached to the Financial Statements along with the reports to the attention of the chairperson of the Board and the independent chairperson of the risk and audit committee, and;
- c. Management letter in accordance with the scope of work described above.
- d. Deadline will be critical as we will be required to have the audit reports available for inclusion in the annual report at the date to be set during the inception meeting.

3.3. Audit Fees

The following costing table should be used to break down the professional fees charged:

Item (where applicable)	Hourly Rate (including overheads and VAT)	Typical Total number of hours on the project	Total Amount
Engagement Partner	R		R
Partner	R		R
Senior Manager	R		R
Manager	R		R
Assistant Manager	R		R
Supervisor	R		R
Senior Auditor	R		R
Trainee Auditor	R		R
Specialists(e.g. tax, technical)	R		R

3.4. Independence and objectivity of audit staff

- a. The audit staff needs to be independent at all times. In carrying out the work, the auditor must ensure that their staff members maintain objectivity by remaining independent of the activities they audit.

3.5. Team detail requirements:

- a. Fully updated CV/s of each employee of the Audit firm who will be providing professional service.
- b. Certified copies of the qualifications of each team member.
- c. Certified copies of Identity Document/s for each team member.
- d. List of 3 referees being clients previously consulted for, not older than 18 months, along with the contact person and contact details.
- e. Certificate of registration with the IRBA.

3.6. EVALUATION CRITERIA

3.6.1. Phase 1: Technical Evaluation

Evaluation of the technical part of the proposal will be based on the candidate/firm's responsiveness to the terms of reference, as well as the application of the evaluation criteria and points system as indicated below. Each responsive proposal will be given a technical score.

Criteria	Points
Company experience in the provision of the required services including specialized skills, expertise, and value-added services	40
Qualifications and experience of team members	20
Methodology and Approach	40
TOTAL	100

The proposals will receive further consideration if they score at least 70% minimum points out of the 100 points on the technical criteria listed above.

3.6.2. Phase 2: Pricing and BEE Evaluation

The following 80/20 criteria will be used for the evaluation of the proposals:

- i. Pricing 80 points
- ii. B-BBEE Points 20 points

3.6.3. Supervision

The successful service providers will be regularly in contact with the Finance Manager whenever applicable.

3.6.4. Payment Agreement

Payments will be made based on a signed service-level agreement between the SABFS and the successful bidder.

To enable the SABFS to evaluate the entity on the above criteria, please ensure that adequate documentation is attached

4. REGISTRATION REQUIREMENTS:

Service providers must submit the following information when preparing their bid documents:

- a. Certificate of Registration
- b. Valid and original tax clearance certificate at the time of bid closing (bidders must ensure that their tax status is always compliant as failure to do so will result in an automatic disqualification)
- c. Proof of banking details.
- d. Declaration of Interest

NB:

- Please note that the above requirements are mandatory and **MUST** accompany the proposal.
- Non-compliance with the above mandatory submissions will lead to disqualification.
- Proposals must be properly indexed.

All inquiries relating to the tender must be communicated in writing only by no later than 12h00 on 29 August 2023. All written communication should be sent to the following email address only: proposals@sheriffs.org.za, Subject Heading: **SABFS001/2023 – External Auditor for the 2022/23 Financial Year.**

5. All applicants are strictly forbidden to communicate with the office of the South African Board for Sheriffs in respect of their application, other than through the required communication channels as stipulated in this document; and
6. Each applicant is required to submit one (1) Softcopy to proposals@sheriffs.org.za, no later than the stipulated closing date and time.
7. The SABFS is not obliged to accept any applications and has the right to withdraw and or amend tender specifications at its sole discretion.

Approved



Mrs. S. Mashaba
Executive Manager: South African Board for Sheriffs