

REQUEST FOR PROPOSAL (RFP)

Date of issue: 10 February 2021
Submission deadline: 05 March 2021
Ref no: RFPZA2021/01

TERMS OF REFERENCE

Independent Audit Services

FOR THE INTERNAL AUDIT OF .ZA DOMAIN NAME AUTHORITY FOR THE THREE FINANCIAL YEAR PERIODS 1 April 2021 TO 31 March 2024

The .ZA Domain Name Authority (.ZADNA) is the regulator and manager of dotZA (.ZA) – South Africa’s Internet namespace. .ZADNA is a statutory entity founded in terms of Chapter X of the Electronic Communications and Transactions Act 25 of 2002.

1. INTRODUCTION

This document aims to invite the submission of proposals to provide independent Internal Audit Assurance to the .ZA Domain Name Authority (ZADNA/the Authority) from qualified auditors, registered with a recognised and accredited auditors body to the authorities board. The work to be undertaken by the services provider will focus on giving internal assurance on the systems of control and good corporate governance and any other audit which may be requested by the Authority or deemed necessary to be performed for effective and efficient operations of the Authority.

2. ROLE AND OBJECTIVES OF INTERNAL AUDIT

The role of the Internal Audit (IA) function is to provide an independent, objective assurance on the effectiveness of ZADNA system of corporate governance systems, risk management, and performance auditing. The IA function be a proactive and independent appraisal function within the ZADNA conducting its activities in terms of standards set by the Institute of Internal Audit (IIA) and relevant Regulations. It should use current and appropriate internal audit methodologies and techniques to provide ZADNA and Management with a systematic review and evaluation of

operations for determining efficiency, economy, and effectiveness of policies, practices, and control.

3. ORGANISATIONAL STATUS OF INTERNAL AUDIT

The Internal Audit function reports, functionally, to the Audit and Risk Committee (ARC) and administratively to the Chief Executive Officer of ZADNA.

4. SCOPE OF WORK

The internal audit must be conducted following the Professional Practices of Internal Auditing standards and the Code of Ethics set by the Institute of Internal Auditors (IIA).

The scope of the Internal Audit function shall consist of, but not limited to the following work:

- 4.1. Evaluate the adequacy and effectiveness of the organisation's corporate governance processes, risk management, and internal control systems.
- 4.2. Review and update the internal audit charter for approval.
- 4.3. The internal auditors, in consultation with the ARC and the CEO, no later than two (2) months before the date the work is due to commence, will prepare:
 - 4.3.1. A rolling three-year strategic Internal Audit Plan and Annual Internal Audit Plan, plans must indicate the scope, cost, and timelines of each audit; and
 - 4.3.2. Audit reports directed to the ARC detailing its performance against the plan, to allow effective monitoring and intervention when necessary.
- 4.4. Reviewing the policies and systems established by Management to ensure compliance with any law pertaining to the organisation's operations.
- 4.5. Reviewing the means of safeguarding assets and verifying the existence of assets.
- 4.6. Appraising the economy and efficiency with which resources are employed and, where appropriate, recommend suggestions for improved operating performance.
- 4.7. 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.

4.8. As when needed to reviewing the planning, design, development, implementation, and operation of major computer-based systems or ICT Projects to determine whether:

- 4.8.1. Adequate controls are incorporated.
- 4.8.2. Thorough systems testing is performed at appropriate stages.
- 4.8.3. System documentation is complete and accurate.
- 4.8.4. The needs of users are met, and
- 4.8.5. That adequate ICT governance systems are in place.

4.9. Perform risk-based audit assignments in line with the standards and guidelines set by the IIA.

4.10. Reporting the results of the audits to ARC and Management for their response.

4.11. Perform any ad hoc investigations into any matter or activity affecting the probity, interest and operating efficiency of ZADNA on request by the ARC, and in conjunction with CEO before work is due to commence.

4.12. Liaise with the external auditors to align the respective work programmes so that, where applicable, the latter may place reliance on the IA work output.

Performance of audit assignments. The Internal Audit Function must apply due care and professionalism during audits to identify severe defects in the internal controls, which might result in possible malpractice. Any such defects must be reported immediately to the CEO or the ARC, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularity is uncovered. In addition to the above, the scope includes but is not limited to the following;

- 4.12.1. Audit preparation
- 4.12.2. Preliminary survey
- 4.12.3. Review of internal controls
- 4.12.4. Audit testing
- 4.12.5. Development of findings and recommendations
- 4.12.6. Obtaining management responses and
- 4.12.7. Reporting

4.13. Quality assurance reviews of the work.

- 4.14. Independence and objectivity of audit staff. In carrying out the audit work, the auditor must ensure that audit staff maintains their objectivity by remaining independent of the activities they audit. The audit consultant shall;
- 4.14.1. Have no executive or managerial powers, functions or duties except those relating to Internal Audit work.
 - 4.14.2. Not be involved in the day to day operations of ZADNA; and,
 - 4.14.3. Not be responsible for the detailed development or implementation of new systems and procedures.
- 4.15. Monitoring progress of assignments. Quarterly, the Successful Bidder shall meet with the ARC to report on the progress of work accomplished.
- 4.16. Report of audit results. The report(s) on findings and recommendations should be sent to the relevant ZADNA Executive, as the case may be, (auditee) responsible for implementing those recommendations for their review and comment. Within ten
- 4.17. (10) working days of sending the report(s), the Successful Bidder shall meet with ZADNA Management to discuss the findings and obtain written responses to recommendations together with implementation dates. If the findings have not been addressed, these shall then be incorporated into the relevant report.
- 4.18. The Successful Bidder shall ensure that all work conforms to the Standards for the Professional Practice of Internal Auditing.
- 4.19. Fraud and irregularities. In planning and conducting its work, the successful bidder should seek to identify serious irregularities, which might result in possible fraud; any such irregularities must be reported immediately to the Chief Executive Officer of ZADNA as well as the Chairperson of the ARC without disclosing these to any other members of the staff.

5. CONTRACT DURATION

5.1. The contract’s duration is anticipated to run for three (3) fiscal years, commencing for the 2021/2022 financial period and ending after the audit for the 2024/25 financial period. The 2nd and 3rd year will be subject to an evaluation of the 1st year’s achieved targets and approval by the ARC.

6. SKILLS REQUIRED ON THE PROFESSIONAL

- 6.1. Strong analytical skills and interpersonal skills.
- 6.2. Sound judgement and commercial awareness
- 6.3. Assertiveness, Independence and objectivity.
- 6.4. Performing effective audit and assurance engagement.
- 6.5. Ability to report accurately with the highest level of precision and meet deadlines.
- 6.6. Guiding efficient and effective operations.
- 6.7. Risk Management
- 6.8. IT General skills

7. REQUESTED DOCUMENTS

- 7.1. CIPC registration documents.
- 7.2. Tax Compliance certificate/Pin .
- 7.3. BEE Certificate / Affidavit .
- 7.4. Detailed Company profile.
- 7.5. Professional body affiliation accreditation.
- 7.6. Three contactable references in the same scope of work.
- 7.7. Pricing Schedule
- 7.8. Declaration of Interest for key Management in the organisation.

8. EVALUATION

8.1. The RFP will be evaluated with the preference point 80/20 evaluation as per the ZADNA’S procurement policy.

Total Point for price and Functionality awarded 80:	Total HDI awarded points 20
Price - 50 Points	Upliftment of communities (BEE)
Functionality - 30 Points	Promotion for SMME’S
	Promotion of Female owned entities
Total	

9. CONFLICTS OF INTEREST

9.1. The professional service providers are required to comment on any potential conflicts of interest arising out of other assignments or a conflicting involvement in other assignments which may impair on their independency.

10. CONFIDENTIALITY

- 10.1. The Consultant agrees to keep confidential all information that they receive, directly or Indirectly, from the Authority, or any other stakeholder, as well as all copies or analysis that they make, or have been made by third parties, based on such information (collectively, the Material);
- 10.2. The Consultant shall use the Material exclusively to prepare deliverables relevant to this assignment. The confidentiality obligations shall not apply to information in the public domain.
- 10.3. The Consultant shall only permit access to the Material to persons within their organisations on a need-to-know basis.
- 10.4. The Consultant shall explicitly inform such persons of the confidential nature of the Material and, before providing them with the Material, subject them to the confidentiality obligations contained in this Terms of Reference.
- 10.5. The Consultant agrees that the Material will remain property of ZADNA and cannot be used anywhere outside of the scope of this project.

Submissions should be emailed to zadnafinance@zadna.org.za and info@zadna.org.za no later than Friday the 05th of March 2020. Submitted documents should be bound together electronically and be in pdf format. No late submissions will be considered.

Enquiries should be directed to Mr. German Moutlaneng (Finance Manager) at telephone number 010 020 3910 or at the aforementioned email addresses.