Terms of Reference

REQUEST FOR PROPOSALS

APPOINTMENT OF AN INDEPENDENT EXTERNAL AUDITOR FOR THE PROVISION OF EXTERNAL AUDIT SERVICES TO AGRÉMENT SOUTH AFRICA FOR A PERIOD OF 3 YEARS

RFP Number	ASA 03/2026
Date of Issue	02 November 2026
Compulsory Briefing session	Not Applicable
Closing date for written enquiries	17 November 2026
Publishing responses to enquiries on ASA website and eTender portal	19 November 2026
Closing date	24 November 2026 (12:00 noon)
Submissions	procurement@agrement.co.za

Supply Chain Management and Technical enquiries may be directed to:

procurement@agrement.co.za

1. Background

The Agrément South Africa Act was accented to by the Honourable President of the Republic of South Africa as Act No 11 of 2015 from 1 April 2017. Agrément South Africa was established as a Schedule 3A entity on 1 April 2017. The entity operates under a delegation of authority from the Minister of Public Works.

The main objectives are:

- To provide assurance of fitness-for-purpose of non-standard construction-related products and systems to specifiers and users.
- To support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry.
- To support and promote the introduction and use of certified non-standardized construction-related products or systems in the local or international market.
- To support policymakers in minimizing the risk associated with the use of non-standard construction-related products or systems; and
- To be an impartial and internationally acknowledged South African centre for assessment and confirmation of fitness-for-purpose of non-standard construction-related products or systems

2. Objective of the assignment

The objective of the assignment is to appoint a reputable independent external audit service provider to provide an independent audit opinion of the accounts, financial statements, annual performance report and annual financial reports of ASA for a period of 3 years.

The external auditor must adhere to and meet all statutory requirements of the Public Audit Act,2004 (Act No. 25 of 2004) the International Auditing Standards (ISA) and such requirements as may be set by the Auditor-General South Africa (AGSA).

3. Scope of work and project deliverables

The independent external auditor will be required to:

a. Perform an audit in accordance with the Public Audit Act of South Africa (Act No. 25 Auditing and the Public Finance Management Act 29 of 1999 and National Treasury Regulations, including required interim work in order to limit the time required after year end.

b. In accordance with the Public Audit Act of South Africa and the General Notice issued in terms thereof, report on the findings relevant to performance against predetermined objectives, accounts, financial statements, financial management, general controls, information systems audit, compliance with laws and regulations and other reports required by the Public Finance Management Act 29 of 1999 and National Treasury Regulations.

c. Determine the scope, methodology and approach per AGSA guidelines and legislative requirements (i.e. Public Audit Act) and prepare the Audit Strategy (Audit Planning Memorandum) with a detailed budget for approval by the Board.

d. Communicate audit findings to management and ensure they are fully aware of the implications to business operations.

e. Provide a final report with management responses on corrective actions and the presentation thereof to the Audit & Risk Committee.

f. Review the financial information in the annual report prior to publishing.

g. Attend and provide input to the Audit & Risk Committee (ARC) meetings, per invitation.

h. Perform a review and express an opinion on the National Treasury financial statements template based on the statutory work performed by 31 July each year.

All bidders must please note that ASA is classified as a small audit in terms of Auditor- General classification.

4. Expertise and Capacity

The key criteria to be considered for the suitability of the independent external auditor include the following:

a. Have knowledge and a comprehensive understanding of the public sector; and an understanding of ASA's regulatory universe.

b. The independent external auditor must demonstrate that they:

   i. Have sufficient in-house capacity to perform statutory audits for ASA.

   ii. Will not be over-reliant on ASA audit fees (i.e. audit fees from ASA must not exceed 15% of its total revenue). In other words, the independent external auditor should be a going concern without depending on ASA's audit fees.

c. Have a minimum of two (2) partners, including the engagement partner

d. The bidder must provide evidence of satisfactory results (i.e., the latest Independent Regulatory Board for Auditors (IRBA) firm-level review results conducted in the past three (3) years) of the partner(s) committed to the assignment.

e. Independence and Objectivity – No conflict of interest. A firm where any of the Board members, management, or staff of ASA are partners or part-owners will not be eligible for appointment.

f. The independent external auditor will not, and has no right to, assign the audit contract to third parties.

g. The independent external auditor will be bound to the Code of Conduct and confidentiality as per the International Auditing Standards in the course of their duties.

h. The independent external auditor must have a quality control system in place as required by International Standard on Quality Control (ISQC 1).

5. Professional Membership and Registration.

It is mandatory that the audit engagement partner of the preferred independent external auditor overseeing ASA's account be a Registered Auditor (RA) with the Independent Regulatory Board for Auditors (IRBA). Similarly, the preferred independent external auditor (audit firm) must also be registered with the IRBA.

6. Project timeframe.

The term of the appointment is for a period of 3 years, subject to annual re-appointment in line with

the Public Finance Management Act, 1999 (Act No.29 of 1999 (as amended), Public Audit Act, 2004 (Act No. 25 of 2004) and the annual performance review by the Audit and Risk Committee.

7. Content of the proposal

i. Company profile and relevant experience.
ii. Full and comprehensive description of similar work, including fee per project undertaken in the past 5 years.
iii. Client reference letters where the bidder has successfully concluded similar audit work within the public sector in terms of scope and complexity.
iv. Composition of the project team.

Bidders must note that the proposed engagement partner and engagement manager will be the contracted resources. The project team must at least have the following experience.

Team member	Qualification/Experience
Two (2) Registered Audit Partners, Quality reviewer	Registered Auditor, with 10 years of experience for each partner.
Senior or Audit Manager	Registered CA(SA), 5 years of experience
IT Audit Manager	Registered with CISA, 5 years of experience
Trainee Accountant	BCom: Accounting and SAICA article registration

Should the proposed team members be replaced during the tenure of the contract, they should have similar qualifications and experience to the previous resource.

v. Abridged CV of each member of the proposed team (qualifications, experience, expertise, nationality).
vi. Evidence of registration with IRBA.
vii. The latest satisfactory IRBA firm-level review results or the engagement partners' latest satisfactory IRBA review score (attained in respect of the inspection conducted in the last three (3) years).
viii. Detailed statement on the independence of the bidder and the proposed external audit team as per Annexure B.
ix. Company registration documents and ID of registered directors.

x. Latest Audited Annual Financial Statements (2024/25 financial year)

b. For the Financial Proposal, the following is required:

i. The Financial Proposal must indicate the proposed annual cost for the service, which gives an indication of the following:

1. Overall fixed price for the three - year fixed period must be inclusive of VAT and disbursements.
2. A breakdown of these anticipated out-of-pocket expenses (disbursements) must be provided.

8. Evaluation Process

After the closing date, an appointed Bid Evaluation Committee will evaluate the proposals received. The following evaluation process shall be followed:

a. Submission of procurement documents.

- Latest National Treasury's Central Supplier Database (CSD) report. It must be noted that no contract with a service provider will be entered if such a service provider is not registered on the CSD,
- Completed and signed standard bidding documents, **SBD 4 and SBD 6.1 forms.**
- The disclosure in the SDB 4 Form must be true and complete in every respect (Take specific note of Paragraph 2.3 of the disclosure).
- Company registration documents.
- Signed General Conditions of Contract.

b. Mandatory Requirements:

- Attach an evidence of registration with IRBA for a minimum of two (2) Registered Auditor partners Joint ventures must provide signed agreements/resolution between the two parties.
- The latest IRBA firm-level and/ or engagement-auditors inspection outcome letters with satisfactory review results in the last three (3) years and/ or IRBA confirmation of no inspection conducted.
- Completed and signed ~~detailed~~ statement of the independence of the bidder and the proposed external audit team as per Annexure A.
- Latest audited or independently reviewed Annual Financial Statement (AFS) (not older than 18 months).

NB: FAILURE TO MEET ANY OF THE MANDATORY REQUIREMENTS ABOVE WILL LEAD TO THE BIDDER TO BE DISQUALIFIED.

c. Evaluation

i. Phase 1: Technical Specification and Functionality Evaluation

The bids shall first be evaluated for functionality. A **minimum score of 75%** must be obtained on functionality before a proposal is considered for further evaluation. Details of the functionality scoring and how the points shall be allocated are as follows:

<table>
<tr><th>CRITERIA FOR FUNCTIONALITY</th><th>WEIGHT</th><th>SCORING GUIDELINE</th></tr>
<tr><td>At least three contactable reference letters where similar services rendered within the past 5 years in the public sector, (National department; Provincial department; Local (municaplities) and government entities) external audit. (40)

The reference letters must have the following:
Company letterhead, contact name, contact details, duration of contract, a brief description of the services that you provided, and a good level of satisfaction.

NB: Contactable reference letter must comply with all the requirements as stated above.</td><td>40</td><td>0 contactable reference letters relevant to the assignment = 0 points

1 contactable reference letter relevant to the assignment = 1 point

2 contactable reference letters relevant to the assignment = 2 points

3 contactable reference letters relevant to the assignment = 3 points

4 contactable reference letters relevant to the assignment =4 points

5 and more contactable reference letters relevant to the assignment = 5 points</td></tr>
<tr><td>Capacity

The bidders must submit, as part of its proposal the following:</td><td>30</td><td>Engagement Partners /Audit Partners
<table>
<tr><th>Years experience</th><th>IRBA registered</th><th>IRBA and any other relevant professional registration</th></tr>
<tr><td>10</td><td>Score = 3</td><td>Score = 4</td></tr>
<tr><td>12- 14</td><td>Score = 4</td><td>Score = 5</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>CRITERIA FOR FUNCTIONALITY</th><th>WEIGHT</th><th>SCORING GUIDELINE</th></tr>
<tr><td rowspan="2">The structure and composition of the proposed team, clearly outlining the main disciplines/ specialities of this audit and the key personnel responsible for each speciality. Please refer to Annexure A of this document for the format in which the required information must be provided.
• Two (2) Audit partners (15)
• Audit Manager (5)
• IT Audit Manager (5)
• South African Trainee Accountants (5)

Submit the condensed CV’s of the key resources to work on the project.</td><td rowspan="2"></td><td>
<table>
<tr><td>>14</td><td>Score = 5</td><td>Score = 5</td></tr>
</table>
Audit Manager
<table>
<tr><td>Years experience</td><td>Not SAICA Registered</td><td>SAICA registered</td><td>IRBA and any other professional registration relevant to the assignment</td></tr>
<tr><td>Below 5</td><td>Score = 0</td><td>Score = 2</td><td>Score = 3</td></tr>
<tr><td>5 and more</td><td>Score = 3</td><td>Score = 4</td><td>Score = 5</td></tr>
</table>
IT Audit Manager
<table>
<tr><td>Years experience</td><td>Not CISA Registered</td><td>CISA registered</td></tr>
<tr><td>Below 5</td><td>Score = 0</td><td>Score = 2</td></tr>
<tr><td>5 and more</td><td>Score = 3</td><td>Score = 5</td></tr>
</table>
South African Trainee Accountants
Bidder Must provide a minimum of three (3) Trainee Accountants with an Accounting degree or equivalent.
No South African Trainee Accountants = 0 point

One (1) to two (2) South African Trainee Accountants = 1 point

Three (3) and above South African Trainee Accountants = 5 points</td></tr>
</table>

CRITERIA FOR FUNCTIONALITY	WEIGHT	SCORING GUIDELINE
The bidder MUST confirm that • They will not be over-reliant on ASA audit fees (i.e., audit fees from ASA must not exceed 15% of its total revenue). In other words, the independent external auditor should be a going concern without depending on ASA's audit fees. **(30)** • Fee reliance calculation (Use this formula: Year 1 fee including VAT ÷ revenue in the AFS submitted).	**30**	Proposed audit fee more than 15% of the bidder's total revenue as per submitted AFS = 0 points Proposed audit fee less than 15% of the bidder's revenue as per submitted AFS = 5 points
TOTAL	**100**	

The following formula will be used to convert the points scored against the weight:

$$\boldsymbol{Ps} = \left(\frac{\boldsymbol{So}}{\boldsymbol{Ms}}\right) X \text{ weighting percentage for section under consideration}$$

Where:

Ps = Percentage scored for functionality by bid under consideration

So = Total score of bid under consideration

Ms = Maximum possible score

Service providers will be expected to achieve a minimum threshold score of 75% in order to proceed to Phase 2.

ii. Phase 2: Calculation of points

Please note for acquisitions below or equal to R50 Million, ASA evaluates these in terms of the 80/20 preference point system where:

80 points are allocated for price and 20 points will be awarded based on the specific goals.

Points for price will be calculated for all shortlisted service providers in accordance with the following formula:

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where:

Ps = Points scored for the price of the quotation under consideration

Pt = Price of the quotation under consideration

Pmin = Price of lowest acceptable quotation

Preference points for the specific goals will be allocated as follows:

NO.	SPECIFIC GOALS ALLOCATED POINTS	PREFERENCE POINTS ALLOCATION	SUPPORTING EVIDENCE TO BE SUBMITTED
1.	SMMEs	5 points	- A B-BBEE certificate /sworn affidavit as supporting evidence - CSD report.
2.	>50% Black female ownership	5 points	- CSD report or, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners
3.	>50% Black youth ownership	5 points	- CSD report, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners, or - Identification Documentation of all owners

4.	>50% People with disabilities ownership	5 points	- CSD report, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners, or - Identification Documentation of all owners

The final points will be calculated as follows:

CRITERIA	WEIGHTING POINTS
Price	80
Specific goal	20
TOTAL	**100**

ASA also reserves the right to conduct an investigation of the bidder's financial position, previous contracts carried out, availability of skills or knowledge, existing workload, etc.

A recommendation for award will then be formulated for approval by the relevant delegated authority.

9. TERMS OF CONTRACT AND SERVICE LEVEL AGREEMENT

Before the bid is awarded, the successful bidder shall be required to enter into a Service Level Agreement (SLA) with Agrément South Africa (ASA). The SLA shall form the contractual basis for the delivery of the service as well as how performance shall be measured. Contract extensions are at the sole discretion of ASA.

Category	No of audit personnel (A)	Hours per resource (B)	Total hours (C = A x B)	Rate per hour (D)	Total (C x D)
Engagement Partners or Audit Partners					
Engagement Quality Control reviewer (AGSA Pre-Issuance Reviewer)					
Senior/Audit Manager					
IT Audit Manager					
Senior Auditor					
Trainee Accountant					
Other (specify)					
Total excluding VAT					
Vat @ 15%					
Total audit costs inclusive of VAT - Year 1					
Total audit costs inclusive of VAT - Year 2					
Total audit costs inclusive of VAT - Year 3					
TOTAL					

CONTRACT VALUE

Description	Estimated hours per annum	Amount per annum R
Year 1	1 200	
Year 2	1 200	
Year 3	1 200	
TOTAL AMOUNT		
VAT		
Total amount inclusive of VAT		

10. PRICE SCHEDULE.

Fees must be quoted at an inclusive rate for the different levels of proposed resources to be utilised, as listed below:

11. COPYRIGHT AND INTELLECTUAL PROPERTY RIGHTS.

In consideration of the fees paid, the service provider expressly assigns to ASA any copyright arising from the works the consultant produces while executing this contract. The consultant may not use, reproduce or otherwise disseminate or authorise others to use, reproduce or disseminate such works without prior consent from ASA.

12. FINAL APPROVAL

ASA reserves the right not to accept the lowest bid. ASA also reserves the right to reject any or all of the proposals, and/or not to appoint any service provider.

13. PROCEDURE FOR SUBMISSION OF PROPOSALS.

13. 1 All proposals must be submitted electronically to procurement@agrement.co.za.

13.2 Respondents must use the RFP number as the subject reference number when submitting their bids.

13.3 All documents submitted electronically via e-mail must be clear and visible.

13.4 All proposals, documents, and late submissions after the due date will not be evaluated. Proposals and documents not received by ASA by closing date and time will not be considered.

NB: NO HARD COPIES OR PHYSICAL SUBMISSIONS WILL BE ACCEPTED

14. VALIDITY PERIOD OF PROPOSAL

Each proposal shall be valid for a minimum period of **150 days** calculated from the closing date.

15. APPOINTMENT OF SERVICE PROVIDER

15.1 The contract will be awarded to the bidder who scores the highest total number of points during the evaluation process, except where the law permits otherwise.

15.2 Appointment as a successful service provider shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement, ASA reserves the right to appoint an alternative supplier.

15.3. Awarding of contracts will be announced on the National Treasury website, and no regret letters will be sent to unsuccessful bidders.

15.4. Awarded bidder will be appointed following conformance of AGSA.

16. ENQUIRIES AND CONTACT WITH ASA

16.1 Any enquiry regarding this RFP shall be submitted in writing to ASA at procurement@agrement.co.za with **RFP NO: ASA 03/2026** "**The provision of external auditors for the provision of external audit to Agrement South Africa for a period of 3 years**".

16.2 Any other contact with ASA personnel involved in this Proposal is not permitted during the RFP process other than as required through existing service arrangements or as requested by ASA as part of the RFP process.

17. MEDIUM OF COMMUNICATION

All documentation submitted in response to this RFP must be in English.

18. COST OF PROPOSAL

Tenderers are expected to fully acquaint themselves with the conditions, requirements, and specifications of this RFP before submitting proposals. Each bidder assumes all risks for resource commitment and expenses, direct or indirect, of proposal preparation and participation throughout the RFP process. ASA is not responsible directly or indirectly for any costs incurred by tenderers.

19. CORRECTNESS OF RESPONSES

19.1 The bidder must confirm satisfaction regarding the correctness and validity of their proposal and that all prices and rates quoted cover all the work/items specified in the RFP. The prices and rates quoted must cover all obligations under any resulting contract.

19.2. The bidder accepts that any mistakes regarding prices and calculations will be at their own risk.

20. VERIFICATION OF DOCUMENTS

20.1 Bidders should check the numbers of the pages to satisfy themselves that none are missing or duplicated. ASA will accept no liability concerning anything arising from the fact that pages are missing or duplicated.

20.2 Only one electronic copy of the proposal must be submitted via email to procurement@agrement.co.za. If the bidder sends more than one proposal, the first submission shall take precedence should it not have been recalled/withdrawn in writing by the bidder.

21. ADDITIONAL TERMS AND CONDITIONS

21.1 A tenderer shall not assume that information and/or documents supplied to ASA, at any time prior to this request, are still available to ASA, and shall consequently not make any reference to such information document in its response to this request.

21.2 Copies of any affiliations, memberships and/or accreditations that support your submission must be included in the tender.

21.3 An omission to disclose material information, a factual inaccuracy, and/or a misrepresentation of fact may result in the disqualification of a tender, or cancellation of any subsequent contract.

21.4 Failure to comply with any of the terms and conditions as set out in this document will invalidate the proposal.

22. ASA RESERVES THE RIGHT TO

22.1 Extend the closing date.

22.2 Verify any information contained in a proposal.

22.3 Request documentary proof regarding any tendering issue.

22.4 Appoint one or more service providers, separately or jointly (whether or not they submitted a joint proposal).

22.5 Award this RFP as a whole or in part.

22.6 Cancel or withdraw this RFP as a whole or in part

23. DISCLAIMER

This document is only an RFP is a request for proposals only and not an offer document. Answers to this RFP must not be construed as acceptance of an offer or imply the existence of a contract between

the parties. By submission of this proposal, tenderers shall be deemed to have satisfied themselves with and to have accepted all Terms & Conditions of this RFP. ASA makes no representation, warranty, assurance, guarantee or endorsements to tenderer concerning the RFP, whether with regard to its accuracy, completeness or otherwise and ASA shall have no liability towards the tenderer or any other party in connection therewith.

24. POPIA.

Protection of Personal Information - All bidders agree that personal information of persons related to or linked with bidders or respondents to this request for proposals may be required to fulfil the requirements for submitting a bid. All bidders agree that the ASA may collect, keep and process such information provided that the aforesaid uses shall be for purposes of evaluating the bid submitted. Where the information is sought to be used for other purposes, further and specific consent shall be obtained.