



**competition**commission  
*south africa*

**REQUEST FOR PROPOSALS:  
PROVISION OF  
INTERNAL AUDIT SERVICES**

**TENDER No:**

**CC AUDIT /08 FOR THE COMPETITION COMMISSION**

**AND/OR**

**CT AUDIT/08 FOR THE COMPETITION TRIBUNAL**

**CLOSING DATE: Monday 17th November 2008**



**competition**tribunal  
*s o u t h a f r i c a*

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## 1. OVERVIEW

The Competition Act, 1998 (Act No 89 of 1998) as amended provides for the establishment of three institutions. These are:

- The Competition Commission which investigates mergers and complaints of anti-competitive practices and grants exemptions;
- The Competition Tribunal which is the court of first instance: it adjudicates cases referred to it by the Competition Commission or brought directly to it by an aggrieved party;
- The Competition Appeal Court has the status of the High Court and hears appeals and reviews decisions of the Competition Tribunal.

Although the three institutions are governed by the same Act, and share administrative services as well as fee income, they operate independently of each other and maintain separate and independent management and accounting functions.

**The Competition Commission and the Competition Tribunal (the Authorities) have outsourced their internal audit functions, and hereby call for Tenderers to submit two separate proposals to provide two separate internal audit functions. Tenderers may chose to submit a proposal for both institutions or alternatively to submit a proposal for only one institution.**

The contract for the Internal Audit function for the Competition Commission will require the approval of the Commissioner. In the case of the Tribunal the Chairperson of the Tribunal will approve the contract.

The closing date of this tender is at **12h00 on Monday 17<sup>th</sup> November 2008**

**Joint tenders and / or consortiums will not be considered. Firms have to tender in their own names.**

## **2. TERMS OF ENGAGEMENT**

The contract for internal audit services will be effective 1 April 2009 for a 3-year period ending 31 March 2012. The contract may be extended for a further period, not exceeding three years, following satisfactory delivery of the services specified in the proposal and engagement letter, but solely at the discretion of the Authorities.

## **3. INTERNAL AUDITOR OBJECTIVITY**

The internal audit function will be an objective assurance and consulting activity, which will assist the Commission / Tribunal to accomplish their objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The proposer must demonstrate the capability to perform the internal audit in accordance with the Institute of Internal Audit Standards and practices, and any relevant legislation. Auditing /Accounting firms that have performed, or are providing internal audits for similar entities are encouraged to submit tenders.

## **4. INDEPENDENT AUDIT TEAMS**

Proposers submitting proposals for the internal audit of both institutions must note that two separate audit teams must be identified and there should be no overlap in this regard.

## **5. SCOPE OF INTERNAL AUDIT WORK**

All the internal audit work will be carried out at the offices of the Authorities, in Sunnyside, Pretoria.

The successful tenderer will be required to perform the following services:

- Financial auditing
- Compliance auditing

- Performance auditing
- Computer auditing
- Investigative (forensic) auditing as and when required, and
- Ad hoc projects.

The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of the organisation's systems of internal control. This includes:

- Review the current risk register in the Institution. Establishing a rolling three-year strategic and annual auditing plan based on the results of the risk review and executes audits in accordance with these plans.
- Reviewing the reliability and integrity of financial and operating information and the means used to identify measure, classify and report such information.
- Reviewing the systems established by management to ensure compliance with those policies, plans, procedures laws and regulations that could have a significant impact on operations and determine whether the department is in compliance.
- Reviewing the means of safeguarding assets and verifying the existence of assets.
- Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance.
- Reviewing operations or programmes to ascertain whether the results are consistent with established objectives or goals and whether the operations or programmes are being carried out as planned.
- Performing any ad hoc projects as may be required by Management and / or the Audit Committee.
- Liaise with the external auditors on the institutions audits whenever necessary

## 6. KEY PERFORMANCE AREAS

The successful tenderer will perform the following Key Performance Areas: -

<b>Key Responsibilities (What)</b>	<b>Activities (How)</b>	<b>Results indicators (Why)</b>
Regularity audits	Internal audits on all the institution's activities as determined by the annual	To advise management on compliance with laws, regulations and policies.

## Internal Audit Tender 2008

<b>Key Responsibilities (What)</b>	<b>Activities (How)</b>	<b>Results indicators (Why)</b>
	internal plan according to the following process: <ul style="list-style-type: none"> <li>• Planning the audit</li> <li>• Examining and evaluating information</li> <li>• Communicating results</li> <li>• Follow up actions by management on findings and recommendations</li> </ul>	
Fraud prevention, detection and action	Prevention in terms of the institution's fraud prevention plan  Assist with investigations in terms of the institution's fraud strategy  Action in terms of the PFMA in conjunction with the SAPS	To minimise fraud in the institution.  To bring perpetrators to book.  To ensure disciplinary and /or criminal action against perpetrators.
Forensic audits (only when required)	Co-ordinate the appointment, execution, the investigation and the reporting of the forensic audit when requested to.	Possible recovery of Public funds.  Civil, criminal and/or disciplinary action against guilty parties.
Ad hoc investigations	Investigate issues as requested by Management and/or the Audit Committee	To report findings to Management in order to determine whether further actions are required.
Performance audits	Executing audits in terms of the audit plan	To determine whether resources at the Commission / Tribunal are applied effectively and economically.
Reporting	Reporting on all the activities of the Internal Audit component to the Management and the Audit	In order for the Management and the Audit Committee to evaluate the efficiency of the Internal Audit Component.

## Internal Audit Tender 2008

<b>Key Responsibilities (What)</b>	<b>Activities (How)</b>	<b>Results indicators (Why)</b>
	Committee	
Managing the Internal Audit Component	Meetings on a regular basis Evaluation of outputs	To ensure that management are furnished with correct and up to date information.
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance.

## 7. EXTENT OF WORK

Performance of audit assignments will be as follows: -

- Assignments are to be performed in accordance with the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance as may be considered expedient by the Commission / Tribunal.
- All audit reports will become the property of the Commission / Tribunal.
- The performance of each assignment shall be in accordance with the annual audit plan.
- In carrying out the work, the successful tenderer must ensure that its staff maintains their objectivity by remaining independent of the activities they audit.
- On a mutually agreed basis, the consultant shall meet with the Commissioner of the Commission / Chairperson of the Tribunal or his/her delegate to report on progress of the work.
- For planning and conducting its work the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any material defects must be reported immediately to the Accounting officer and / or the Audit Committee without disclosing these to any other members of the staff. This also applies to instances where serious fraud and irregularity is uncovered.
- The successful tenderer may be required to attend strategic workshops as may be required from time to time. This would ensure that the successful tenderer obtains knowledge of the procedures of the institution. The cost of attendance will be for the account of the Commission / Tribunal.

## 8. TECHNICAL SPECIFICATIONS

### 8.1 Technical Component

To describe clearly the tenderer's understanding of the work to be done, the proposer will:

- ▶▶ Explain the proposer's approaches to performing an internal audit, including the audit methodology, nature, timing and extent of audit procedures to be performed;
- ▶▶ Describe how the approach to performing the audit would be affected if this were a one year contract; and
- ▶▶ Make a statement concerning the independence of the proposer, including ANY relationship of the proposed audit team to employees of the Commission or the Tribunal and/or members of the Commission's and the Tribunal's Audit Committee's.
- ▶▶ Demonstrate experience and expertise of auditing public sector entities and in compliance with the PFM Act of 1999.

### 8.2 Management Component

The proposer will furnish satisfactory evidence of its capability to provide professional and timely services. To meet this requirement the proposer must:

- ▶▶ provide the name of the external quality control review organization of which the proposer is a member and the proposer's length of membership (e.g. ABASA, IIA, etc). **Proof of such membership should be provided;**
- ▶▶ state whether the proposer is currently under the terms of a public or private reprimand/warning of a professional Association;
- ▶▶ provide an organogram or list of partners, managers, specialists and clerks in the company;
- ▶▶ describe the proposed audit team, in terms of job positions in the firm;
- ▶▶ list names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the educational background/detailed resumes of all staff members named and professional membership held;
- ▶▶ provide details of staff training and development policies and procedures with specific mention of continuing professional accounting and auditing experience/qualifications received by the proposed audit team during the last two years;
- ▶▶ describe staff rotation plans for audit team members as this is intended to be a multiyear pact.

### **8.3 Task/Activity Plan**

The proposer will provide a proposal plan of action to achieve the objectives of the internal audit function. The plan will specify budgeted hours, time lines and sequence for audit procedures, and levels of staff to be assigned.

### **8.4 Track Record Component**

The tenderer must furnish satisfactory evidence of its capability to provide professional and timely services. To meet this requirement the tenderer must do the following:

- Provide information that will assist the Commission/Tribunal to assess the service provider's capabilities, capacity, competitive advantages, etc, for instance, in-house skills, previous experience, etc;
- Provide proof that the service provider has experience in performing internal audits services. List current and past audit clients (in the public and private sector) along with the names and telephone numbers of contact persons, the value of and the number of years audit services were provided. (refer Annexure A);
- Provide the names and qualifications of tenderers staff members who would be on this project, as well as any outside specialists and consultants who would assist the tenderer on various aspects of the functions to be performed.

### **8.5 Cost Proposal**

- The tenderer must submit a comprehensive and detailed line-item budget showing total cost of the services, as well as the hourly rates of personnel to be involved. The budget should show service activities proposed and budgeted hours per activity and per team member. All assumptions made in drawing the budget, including all cost factors such as traveling, must be detailed. The headings below provide a guideline for detailed costing:

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Activity/Service	Name	Designation	Number of hours	Rate per hour (R)	Total Cost (R)
Service 1	XYZ	Partner	3	1500	4500
	MNO	Manager	1	750	750
<b>Total for 1</b>			<b>3</b>		<b>5250</b>
Service 2	ABC	Manager	1	750	750
	DEF	Clerk	4	500	2000
<b>Total for 2</b>			<b>5</b>		<b>2750</b>
<b>Audit Total</b>			<b>8</b>		<b>8000</b>

**Similar detail should be provided for year 2 and year 3**

- The proposer should estimate fees per annum for the 3-year cycle beginning April 01, 2009 and ending March 31, 2012.
- The Authorities will pay audit fees as agreed upon in the engagement letter. Audit hours worked and charged must be in line with the Auditor General approved rates
- The proposal should also detail the following costs: -
  - Travel rates (Project Team meetings will take place at the Authorities' offices based in Pretoria);
  - Meeting rates, if applicable;
  - Any other costs not included in the budget, with a detailed breakdown of such costs
- The tenderer must indicate if the prices referred to above include or exclude value added tax (VAT)
- **The proposal must be based on the following estimation of the hours per institutions audit:**

	<b>Competition Tribunal</b>	<b>Competition Commission</b>
<b>Audit hours (including of Audit Committee meetings)</b>	<b>414 hours</b>	<b>700 hours</b>

## Internal Audit Tender 2008

<b>Ad hoc projects</b>	<b>50 hours</b>	<b>100 hours</b>
<b>Total hours</b>	<b>464 hours</b>	<b>800 hours</b>

A tender that does not include the pricing schedule as requested will be disqualified.

## 9. EVALUATION

The Commission/Tribunal will apply the **90:10 Preference Point System** in the evaluation of tenders. The points will be allocated as follows: -

CRITERIA	WEIGHT
<b>TOTAL PRICE FOR THE THREE YEAR PERIOD</b>	<b>30</b>
<b>FUNCTIONALITY</b>  <u><b>Technical (35)</b></u> <ul style="list-style-type: none"> <li>○ Internal Audit Approach</li> <li>○ Internal Audit Methodology</li> <li>○ Public sector internal audit competencies</li> <li>○ Creativity in addressing the project objectives</li> </ul> <u><b>Management component (10)</b></u> <ul style="list-style-type: none"> <li>○ Membership of external quality control organizations</li> <li>○ Credentials of Management team</li> <li>○ Continuing professional experience</li> </ul> <u><b>Track Record and Experience (15)</b></u> <ul style="list-style-type: none"> <li>○ Credentials of Project Team</li> <li>○ Credentials of external experts</li> <li>○ Experience on similar projects</li> </ul>	<b>60</b>

## Internal Audit Tender 2008

CRITERIA	WEIGHT
<ul style="list-style-type: none"> <li>○ Ability to meet project requirement</li> </ul>	
<p><b>EQUITY OWNERSHIP &amp; SMME PARTICIPATION</b></p> <ul style="list-style-type: none"> <li>• Ownership by <i>Historically disadvantaged individuals</i> (4)</li> <li>• Ownership by Women (2)</li> <li>• Ownership by people with Disabilities (1)</li> <li>• Ownership by SMMEs (3)</li> </ul> <p><i>(Historically Disadvantaged Individuals</i> are classified as Africans, Coloured and Indians)</p>	<b>10</b>

The tenderer must complete **Annexure A** fully

The Commission/Tribunal reserves the right not to accept the lowest tender, or any tender response submitted.

## 10. CONDITIONS FOR TENDERS

**All Tenderers responding to this request must meet the following conditions in order to be considered:**

- a) The tender must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the tenderer's representative;
- b) **Annexure A** (Supplier Details) must be properly completed and signed and stamped by a Commissioner of Oaths.
- c) Proof of annual turnover (e.g. copies of the previous two years' audited financial statements)
- d) The latest tax clearance certificate obtained from the SA Revenue Services must be attached.

- e) The tenderer must address each of the requirements as stated in section 8 above.
- f) The tenderer must submit **three (3) copies** of the tender to the Commission/Tribunal in the manner prescribed in this tender document.
- g) The Tenderer must include the pricing schedule required in Section 8.5 above.
- h) Each tender document supplied is for the tenderer only and may not be copied and submitted by another service provider;
- i) The tenderer shall furnish such additional information that the Commission/Tribunal may reasonably require;
- j) The Commission/Tribunal will not be liable for any cost incurred in the preparation of tenders;
- k) The Commission/Tribunal may invite tenderers for an oral interview prior to the approval of a tender. The Commission/Tribunal will not be liable for the costs incurred by the tenderer in connection with such interview.
- l) The Commission/Tribunal reserves the right to visit the premises of the tenderer if deemed necessary; and
- m) Any false declaration of information will result in the exclusion of the tender from consideration.
- n) The Commission / Tribunal will provide office space and furniture during audits.

## **11. PROCEDURES FOR SUBMITTING TENDERS**

The **closing date** of this tender is at **12H00 on Monday 17<sup>th</sup> November 2008**. Tenders must reach the Commission / Tribunal before or on the closing date and time.

All tenders must be enclosed in sealed and separate envelopes.

Tenders must either be posted or delivered to the Commission / Tribunal. Tenders submitted electronically will not be considered.

#### A. Posting

Tenders may be posted to the following address and must be dispatched in time for sorting by the SA Post Office to reach the Commission / Tribunal on time: -

<b>COMPETITION COMMISSION</b>	<b>COMPETITION TRIBUNAL</b>
<b>TENDER NUMBER: CC AUDIT/08</b>	<b>TENDER NUMBER: CT AUDIT/08</b>
The Head of Registry, Competition Commission, Private Bag X23, Lynnwood Ridge, 0040	The Head of Corporate Services Competition Tribunal Private Bag X24, Sunnyside, 0132

#### B. Mail Delivery

Tenders may be delivered to the following address: -

<b>COMPETITION COMMISSION</b>	<b>COMPETITION TRIBUNAL</b>
<b>TENDER NUMBER: CC AUDIT/08</b>	<b>TENDER NUMBER: CT AUDIT/08</b>
The Head of Registry, Competition Commission, Block B <b>the dti</b> Campus, Building C, 1 <sup>st</sup> Floor 77 Meintjies Street Sunnyside, Pretoria	The Head of Corporate Services Competition Tribunal Block B <b>the dti</b> Campus, Building C, 3 <sup>rd</sup> Floor 77 Meintjies Street Sunnyside, Pretoria

The Following Information Must Be Clearly Marked On The Envelope:

**The Tender Number:**

**CC AUDIT /08 FOR THE COMPETITION COMMISSION**

**AND/OR**

**CT AUDIT/08 FOR THE COMPETITION TRIBUNAL**

The description of the work: **PROVISION OF INTERNAL AUDIT SERVICES**

The closing date of the tender: **Monday 17<sup>th</sup> November 2008**

### C. Number of Copies of Tender

Submit **three (3) copies** of the tender in respect of each institution. The tenders are to be **bound and sealed**.

## 12. ASSISTANCE TO TENDERERS

Any person wishing to obtain additional information about the request for proposal or about the operations of the Authorities may contact the following people during official hours and before Monday 17<sup>th</sup> November 2008

 <b>COMPETITION COMMISSION</b>	 <b>COMPETITION TRIBUNAL</b>
Mr Joe Phele  Te: (012) 394 3221  Email: <a href="mailto:joep@compcom.co.za">joep@compcom.co.za</a>  Website: <a href="http://www.compcom.co.za">www.compcom.co.za</a>	Ms Gladness Moorosi  Tel: (012) 394 3341  Email: <a href="mailto:gladnessm@comptrib.co.za">gladnessm@comptrib.co.za</a>  Website: <a href="http://www.comptrib.co.za">www.comptrib.co.za</a>

## 13. FINAL APPROVAL

The Commission / Tribunal intends to award the tender by 28<sup>th</sup> November 2008. Below is the proposed tender process: -

- 20th October 2008 - Request for Proposal goes out;
- 17th November 2008 - Closing date for responses;
- 24<sup>th</sup> November 2008 - Tender evaluation commences;
- 28<sup>th</sup> November 2008 - Bidders notified of the outcomes;
- 1<sup>st</sup> April 2009 - Successful Service provider joins the Institution.

The successful tenderer will be notified on or before **28<sup>th</sup> November 2008**, bearing in mind that the Commission / Tribunal reserves the right to reject any or all tenders, and/or not to appoint any tenderer.

## 14. REPORTING AND MONITORING

The incumbent for the internal audit function for the Competition Commission would report directly to the Audit Committee and the Commissioner, but administratively to the Divisional Manager for Corporate Services.

The incumbent for the internal audit function for the Competition Tribunal would report directly to the Audit Committee and Chairperson of the Tribunal, but administratively to the Head of Corporate Services.

## 15. TIMING

The successful tenderer should be able to commence this assignment no later than **1 April 2009**.

## 16. GENERAL NOTICE

The lowest or any tender will not necessarily be accepted nor will any reason be given or assigned for the rejection of the tender.

If tenders are not posted or delivered as stipulated herein, such tender will not be considered and will be disqualified.

Should you need to know more about the Commission or the Tribunal, please visit our websites at [www.compcom.co.za](http://www.compcom.co.za) OR [www.comptrib.co.za](http://www.comptrib.co.za)

This tender document is also available on the Commission website, <http://www.compcom.co.za/aboutus/tenders.asp> and on the Tribunal's website <http://www.comptrib.co.za>





**Internal Audit Tender 2008**

Tax Clearance Certificate Attached (Compulsory)	YES	NO
Expiry Date of Tax Clearance Certificate		

**Supplier Grouping detail: Type of Firm:** (Please tick the relevant box)

1	Public Company (Ltd)	
2	Private Company (Pty) Ltd	
3	Closed Corporation (CC)	
4	Other (Specify)	
5	Joint Venture	
6	Consortium	
7	Sole Proprietor	
8	Foreign Company	
9	Partnership	
10	Trust	
11	Section 21 Company	
12	Government / Parastatals	

**Main Contact Person in your Company:**

Name:																				
Company Position:																				
Cell Phone Number:																				
Fax Number:																				
E-Mail Address:																				

**Sales Contact Person in your Company:**

Name:																				
Company Position:																				
Cell Phone Number:																				
Fax Number:																				
E-Mail Address:																				

**Main services supplied:**


**Other services supplied:**


**TRACK RECORD**

LIST THE FOUR LARGEST CONTRACTS/ASSIGNMENTS COMPLETED BY YOUR FIRM IN THE LAST THREE YEARS

WORK PERFORMED	FOR WHOM	CONTACT PERSON AND TELEPHONE NUMBERS	CONTRACT FEE

**Internal Audit Tender 2008**

**PDI Ownership Status:** Please read notes below very carefully

**Instructions and Definitions:**

**(Please read carefully before completing PDI Ownership Status)**

**Legislation:**

- **Supply Chain Management Guidelines**, as referred to in the **Public Finance Management Act, 2003 (PFMA)**

**Terminology:**

- **Commodities:** The commodities the company wishes to be registered for as a supplier to the Commission.
- **Trade Names:** The trade names that the company own or distribute, which you wish to be registered for as a supplier to the Commission/Tribunal.
- **Owned:** Having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination rather than the form of ownership arrangements.
- **Previously Disadvantaged Individuals (PDI):** For the purpose of registering as a supplier for the Commission/Tribunal, the refutable presumption shall be made that SA citizens who fall into population groups that had no franchise in national elections prior to the introduction of the 1983 and 1993 constitution are Previously Disadvantaged Individuals. It is incumbent on individuals to demonstrate their claims to fall into such population groups on the basis of identification and association with and recognition by the members of such a group.
- **Woman:** A female person who is a SA citizen.
- **Establishment of PDI / Women Equity Ownership in a enterprise:** Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals, or in the case of a company, the percentage shares that are owned by individuals who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership.

**Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership may not be claimed.**

**List all Partners, Proprietors and Shareholders: (Compulsory)**

Name	Position in Company	Occupation	ID Number

Note: Where owners are themselves a Company or Partnership, owners of the holding firm must be identified

**EQUITY OWNERSHIP**

**% Shares owned by the following groups: (Compulsory)**

	MALE	FEMALE	DISABLED
<b>AFRICAN</b>			
<b>COLOURED</b>			
<b>INDIAN</b>			
<b>WHITE</b>			

**PDI Ownership Status:**

(Failure to complete this section will result in the application being rejected)

Previously Disadvantaged Individuals (PDI)		%
Women Equity (WE)		%
Disabled Individuals (DA)		%

**SMME STATUS OF YOUR ENTERPRISE:**

- Please use this table to determine the SMME status of your enterprise

A. Sector	B. Full Time Paid Employees				C. Annual Turnover (millions)				Total Gross Asset value			
	Med	Small	Very Small	Micro	Med	Small	Very Small	Micro	Med	Small	Very Small	Micro
Manufacturing	200	50	20	5	40	10	4	0.15	15	3.75	1.5	0.1
Construction	200	50	20	5	20	5	2	0.15	4	1	0.4	0.1
Retail and Motor Trade	100	50	10	5	30	15	3	0.15	5	2.5	0.5	0.1
Wholesale Trade	100	50	10	5	50	25	5	0.15	8	4	0.5	0.1
Catering / Accommodation	100	50	10	5	10	5	1	0.15	2	1	0.2	0.1
Transport / Storage	100	50	10	5	20	10	2	0.15	5	2.5	0.5	0.1
Finance & Business Services	100	50	10	5	20	10	2	0.15	4	2	0.4	0.1
Repair / Allied Services	100	50	10	5	30	15	3	0.15	5	2.5	0.5	0.1
Communications	100	50	10	5	20	10	2	0.15	5	2.5	0.5	0.1
Other Trade	100	50	10	5	10	5	1	0.15	2	1	0.2	0.1
Commercial Agents (e.g. Travel Agent)	100	50	10	5	50	25	5	0.15	8	4	0.5	0.1
Community and Social Services	100	50	10	5	10	5	1	0.15	5	2.5	0.5	0.1
Personal Services (e.g. Consulting Services)	100	50	10	5	10	5	1	0.15	5	2.5	0.5	0.1

**SMME Status of your Enterprise:** (Please tick the relevant Box)

Micro	
Very Small	
Small	
Medium	
Large	

**Declaration of any Conflict of Interest:**

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**Comments / Notes:**

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Internal Audit Tender 2008

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I/we the undersigned acknowledge(s) that:

- The information furnished is true and correct
- The Equity Ownership claimed is in accordance with the General Conditions
- Any conflict of interest will be declared in the comment space below

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Signature of Owner or Authorised  
Representative

---

Date

---

Signature of Owner or Authorised  
Representative

---

Date

COMMISSIONER OF OATHS :

SIGNATURE : \_\_\_\_\_

DATE : \_\_\_\_\_

STAMP : \_\_\_\_\_

## **ANNEXURE B: COMPANY INFORMATION - COMPETITION COMMISSION**

### **Mission/Core function**

The Commission is committed to promote a competitive business environment for the benefit of all South African consumers, workers and owners. The Commission is responsible for the investigation, control and evaluation of restrictive practices, abuse of dominant positions and mergers. The Commission is governed by the Competition Act of 1998 and the Public Finance Management Act.

### **Composition of the Commission**

The Commission has the following divisions:

- The Commissioner's office;
- Mergers & Acquisitions;
- Policy & Research;
- Enforcement & Exemptions
- Compliance;
- Legal Services; and
- Corporate Services.

The Corporate Services Division, responsible for the centralized operational support, comprises of the following departments: -

- Finance, including Procurement;
- Human Resources;
- Information Technology;
- Security and Facilities; and
- Registry.

### *Branches*

The Commission has no branches and operates from its offices based in Sunnyside, Pretoria.

### *IT system*

The Commission utilizes the following IT systems:

- Financial accounting: Pastel
- Asset management: Hardcat
- Salaries: VIP
- Recordkeeping: Case management system (CMS/SPS)

In addition, the Commission uses ABSA's electronic banking system – Cashfocus.

**FINANCIAL INFORMATION**

A summarized Balance Sheet and Income Statement for the eight months ended 31<sup>st</sup> August 2008 is provided below:

**Income statement****31<sup>st</sup> August 2008**

<b>Revenue</b>	1	36 891 794
<b>Expenditure:</b>		
Staff costs	2	17 810 180
Administrative costs	3	19 861 473
<b>Surplus / (Deficit)</b>		<b>(779 859)</b>

**Balance sheet****31<sup>st</sup> August 2008****Assets**

Property, Plant & Equipment	4	3 082 005
Accounts receivable	5	5 276
Bank/Investment accounts	6	33 666 406
Sundry Control Accounts	7	
<b>Total Assets</b>		<b>36 753 687</b>

**Equity and liabilities**

Retained income		31 829 802
Accounts payable	8	1 225 575
Provisions & Accruals	9	3 698 310
<b>Total Equities and liabilities</b>		<b>36 753 687</b>

**Notes:**

1. The revenue of the Commission mainly consist of:
  - Filing fee income for mergers & acquisitions
  - Grants from government
  - Interest revenue
2. The Commission currently employs 120 staff
3. The highest administration expenses are:
  - Legal costs
  - Rental payments
  - Special projects e.g. banking enquiry
4. Property, plant & equipment consist of (in order of value):
  - Computer equipment
  - Computer software
  - Furniture & fittings
  - Office equipment
  - Motor vehicles
5. Accounts receivable includes money owed by companies for opinions and other debtors such as the Department of Trade and Industry.
6. Bank and investments accounts include current accounts, call deposits and investments held at the Corporation for Public Deposits (CPD).
7. The Commission as a public entity is exempt from VAT. Accounts payables consist of amounts owed to suppliers and the Competition Tribunal.
8. Provisions and accruals include:
  - Provision for bonuses
  - Provision for accumulated leave

**RISK ASSESSMENT**

Risk areas identified by the internal and external auditors in prior reports are:

- Fee income
- Staff costs (due to the materiality)
- SCM and suppliers
- Compliance with regulations (PFMA, Treasury Regulations, Competition Act etc)
- Budget control.

## **ANNEXURE C: COMPANY INFORMATION - COMPETITION TRIBUNAL**

### **Mission/Core function**

The mandate, role and core activities of the Competition Tribunal are defined in the *Competition Act* (1998).

The Tribunal's mission is to promote and maintain competition through the implementation of the Competition Act. In contributing to the purpose of the Act the Tribunal will strive to be "fair, objective and independent"

The Tribunal Rules gazetted on 1 February 2001 outline how Tribunal proceedings should be conducted.

The Tribunal is expected to expeditiously decide cases brought to it in terms of the *Act*. In line with the Constitution, Tribunal hearings are public and written reasons are provided for all decisions and orders of the Tribunal. The *Act* and Rules prescribe time frames, which must be followed. The decisions of the Tribunal have the same legal weight as the judgments of the High Court and may be taken on appeal only to the Competition Appeal Court.

### **Composition of the Tribunal**

The Tribunal has the following departments:

- Corporate Services
- Research  
Registry

Corporate services includes:

- Finance
- Human Resources
- Information Technology
- Security
- Procurement

### *Branches*

The Tribunal has no branches and operates from offices in Sunnyside, Pretoria.

### *IT system*

The Tribunal utilizes the following IT systems:

- Financial accounting: Pastel
- Salaries: VIP
- Asset Management – Pastel Evolution

In addition, the Tribunal uses ABSA's Cashfocus for electronic banking.

## FINANCIAL INFORMATION

Herewith the summarized Balance sheet and Income statement of the Tribunal for the five months up to 31<sup>st</sup> August 2008:

### Income statement

**31st August 2008**

Revenue	1	4 974 905
Expenditure:		
Staff costs	2	(3 890 269)
Administrative costs	3	(2 930 094)

**Surplus/(Deficit)**

**(1 845 458)**

### Balance sheet

**31<sup>st</sup> August 2008**

#### Assets

Property, Plant & Equipment	4	789 759
Accounts receivable	5	775 934
Inventory	6	34 542
Bank/Investment accounts	7	14 571 450

**Total Assets**

**16 171 685**

#### Equity and liabilities

Retained income		15 188 919
Accounts payable	8	493 087
Provisions & Accruals	9	489 679

**Total Equity and liabilities**

**16 171 685**

#### **Notes:**

1 The revenue of the Tribunal mainly consists of:

- Filing fee income for mergers & acquisitions received from the Commission
- Grants from government
- Interest revenue

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Internal Audit Tender 2008

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2 The Tribunal currently employs 14 staff members and has 3 permanent Tribunal members on the staff.

3 The biggest administration expenses are:

4 Property, plant & equipment consist of (in order of value):

5 Accounts receivable includes money owed by the Commission for filing fees and other minor debtors

6 Inventory refers to stationary stock held by the Tribunal

7 Bank and investments accounts include current accounts, petty cash and money held at the Corporation for Public Deposits.

8 Accounts payable consist of amounts owed to suppliers.

9 Provisions and accruals include:

- Provision for 13<sup>th</sup> cheque payments
- Provision for accumulated leave

## **RISK ASSESSMENT**

Risk areas identified by the internal and external auditors in prior reports are:

- Late / non-appointment of Tribunal members
- Delays in response time from the DTI
- Inability to attract and retain competent Tribunal members
- Ineffective communication with the DTI
- Insufficient funding from the DTI