

# **THE NATIONAL CREDIT REGULATOR**

**JULY 2021**

## **TERMS OF REFERENCE (TOR) TO APPOINT AN AUDIT FIRM TO CONDUCT AN AUDIT ON ALL HOSTING CREDIT BUREAUS REGISTERED WITH THE NATIONAL CREDIT REGULATOR**

**RFP NUMBER: NCR776.07.2021**

**DUE DATE: 20 AUGUST 2021 AT 11H00  
CAT  
HAND DELIVERY TO NCR OFFICES**

**NB: PREFERENCE MAY BE GIVEN TO WOMEN OWNED COMPANIES**

## **SECTION 1**

### **GENERAL TERMS OF CONDITIONS**

#### **1. General Information for Bidders**

The National Credit Regulator (NCR) was established in terms of Section 12 (1) of the National Credit Act (Act 34 of 2005) and came into being on 1 June 2006.

The NCR will determine which bidding organisation (“bid participant”), if any, is appointed in response to this request for submission as stipulated in section 2 of this document.

##### **1.1. General Terms**

This tender is issued in terms of the Public Finance Management Act 1 of 1999 (PFMA), the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), the Preferential Procurement Regulations, 2017 (PPR), Supply Chain Management Regulations issued by the National Treasury and BBBEE Act.

Parties that wish to submit proposals are required to indicate that they are willing to accept the General Conditions and Procedures of the NCR (see Section 4 below and Annexure B.1). Please read this document carefully prior to submitting your proposal.

##### **1.2. The Proposal Format**

###### **1.2.1. Economy of proposal preparation**

The proposal should be prepared simply and economically, providing a straightforward and concise description of the bid participant’s ability to meet the requirements of the proposal request.

Clear factual responses are required. The content of the proposals shall determine the merit of each participant, not brochures or other marketing material. To facilitate the review of proposals, participants are required to organise their responses according to the format presented below. Should a participant wish to provide additional information, that information should be referred to, and provided for, in a file of Annexures.

###### **1.2.2. Validity of proposals**

The proposals must include a statement as to the period for which the proposal remains valid. The proposal must be valid for at least ninety (90) days from the due date for the submission of all bids. Refer to the quarters in the terms of reference (TOR).

###### **1.2.3. Number of proposals**

Each bid participant must provide **three (3) hard copies and 1 CD/Stick** of their entire proposal,

including all the documentation referred to in 4 below, in the format specified in that section. All submitted proposals will become the property of the NCR, and will not be returned. Receipt of all proposals will be recorded in a register at the point of receipt. One copy of the proposal must be signed and dated in black ink by the bidder or authorized representative of the bidder and initialled on each page.

## **2. Submission of proposals**

**2.1.** Proposals must reach the offices of the NCR before **11:00 on 20 AUGUST 2021, @11H00am** and must be enclosed in a sealed envelope which must be clearly labelled/addressed on the outside:

**(a) RFP No: NCR 776.07.2021**

**(b) TERMS OF REFERENCE (TOR) TO APPOINT AN AUDIT FIRM TO CONDUCT AN AUDIT ON ALL HOSTING CREDIT BUREAUS REGISTERED WITH THE NATIONAL CREDIT REGULATOR**

**(c) CLOSING DATE: 19 AUGUST 2021 AT 11H00 SHARP**

**2.2.** Proposals are to be submitted in the marked tender box, in the reception area, National Credit Regulator, 127-15<sup>th</sup> Road, Randjiespark, Halfway House, Midrand. The tender box will only be available for the depositing of proposals between 08h00 and 16h30 on weekdays (excluding public holidays).

**2.3.** Please note that this RFP closes punctually at 11h00 on **20 AUGUST 2021**. No late submissions will be considered under any circumstances.

**2.4.** All the documentation referred to in Section 4 below must be submitted. Failure to submit all the documentation referred to in this section may result in a submission being discarded, and not considered for evaluation.

**2.5.** If responses are not delivered as stipulated in this Section 2.1, such responses will be considered "late", and will not be considered for evaluation.

**2.6.** The NCR shall not disclose any details pertaining to the responses received, to any other participant, as this is regarded as confidential information.

**2.7.** Envelopes must not contain documents relating to any RFP other than the one referred to in this RFP.

**2.8.** The responses to the RFP will be opened as soon as is practical after the expiry of the time advertised for receiving them.

**2.9.** Only the participants that are short-listed after the evaluation process will be informed of

the results of the submission adjudication process.

- 2.10.** After the evaluation process is completed, the Evaluation Committee may, prior to making a final selection, draw up a shortlist of participants and require them to make a detailed presentation to the Adjudication Committee. A minimum of 2 days' notice will be given to relevant participants in advance of the presentation date.

### 3. Timetable

Date	Activity
26/07/2021	Advertisement of the RFP
20/08/2021	Closing date @ 11h00
20/08/2021	Preliminary evaluation
24/08/2021	Evaluations by the Evaluation Committee
27/08/2021	Adjudication Committee meeting
31/08/2021	Appointment

The National Credit Regulator reserves the right to determine the structure of the process, the right to determine the number of short-listed participants, the right to withdraw from the proposal process, and the right to change this timetable at any time without notice.

### 4. Documentation to be submitted

Please Note

All of the documentation described below must be submitted, with no omissions whatsoever. Where a particular form or format of documentation is stipulated, this is the only form or format in which these documents must be submitted. Failure to adhere to these requirements may result in the rejection of the entire submission.

All of the documentation referred to below (in Parts One – Twelve) must be acknowledged and submitted. For ease of reference and to facilitate the evaluation process, you are requested to clearly mark each part of the submitted documentation as it is referred to below.

#### 4.1. Table of content

**Introductory letter** by the bidder with authorized contact person and details for this specific tender

- 4.2. SBD 1** – should be the completed and inserted after the introductory letter

**One – Proposal drafted in response to Terms of Reference**

Section 2 of this document below, contains the terms of reference (TOR) for the above mentioned tender. Bid participants are required to draft a proposal that will clearly indicate to the Evaluation Committee how they will fulfil the requirements as set out in the TOR.

Bid participants should include the following information when drafting their proposals:

- Proposals should make clear the relevant skills, experience and capacity of the participant, in respect of this particular TOR. This is an important evaluation criterion. Bid participants should ensure that their proposals focus on how they will address the requirements of this TOR, rather than on achievements.
- Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR.
- Proposals should clearly indicate whether or not bid participants have the internal capacity to meet the requirements of the TOR.

#### **4.3. Two – Pricing Proposal- SEPERATE ENVELOPE**

**SBD 3.3** Pricing Schedule together with signed off detailed pricing on the company's letter head. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected. Additional information may be added on a separate page if necessary.

The total price that the participant will charge to deliver services in accordance with the TOR must be clearly indicated. The pricing proposal should contain sufficient information to allow the Evaluation Committee to estimate the cost of the service, to a high degree of accuracy.

Please note that a financial proposal must be submitted in a separate sealed envelope together with your submission. The financial Proposal will be opened once all technical proposals have been evaluated. This appointment will be made in line with QBS. All prices provided must be inclusive of Value-Added Tax (VAT).

Please note that the prices contained in the pricing proposal are the only charges that may be levied if the participant's proposal is successful, unless explicitly agreed to in writing by the National Credit Regulator, and in terms of the General Conditions of Contract, no additional cost will be accepted after the bidding documents have been submitted and the tender closing date has expired. Any cost for additional parts and peripherals needed for the successful implementation of the project shall remain and form part of the bidding price.

#### **4.4. Three – General Conditions and Procedures of the NCR**

Annexure B and B1 - General Conditions and Procedures of the NCR. Bid participants must indicate clearly that they have read this document, and have no objections to being bound by its

contents. In cases where any provisions of the General Conditions and Procedures conflict with this General Information for Bidders and/or Terms of Reference, the latter will take precedence over the General Conditions of Contract.

#### **4.5. Four – Contract Form: Rendering of Services**

**Annexure C** - Contract Form: Rendering of Services. This will only be completed by the successful bidder once a selection has been made by NCR. Participants do not, therefore, need to complete this form at the bidding stage but their proposals must clearly indicate that they have read this form, and have no objections to signing it as is, if selected as the successful participant.

#### **4.6. Five – Tax status**

Annexure D - Please attach CSD showing Tax status

*A CSD print out must also be attached.*

#### **4.7. Six – Preference Points Claim Form**

Annexure E – form SBD 6.1. Bid participants must complete Sections 8 and 9 in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected. *## Please note that a **BBEE certificate/ sworn affidavit** must also be attached to the bid documents. None submission will result in zero scoring in this competitive bidding process*

#### **4.8. Seven – Declaration of Interest**

Annexure F – form SBD 4. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

#### **4.9. Eight – Declaration of past Supply Chain Management Practices**

Annexure G – form SBD 8. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

#### **4.10. Nine – Non-Disclosure Agreement**

Annexure H – Non-Disclosure Agreement. Participants must indicate clearly that they have read this agreement, and have no objections to signing it, as is.

#### **4.11. Ten – Certificate of Independent Bid Determination**

Annexure I – Certificate of Independent Bid Determination Participants. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

#### 4.12. Eleven – SLA draft version for supplier review

Annexure K – SLA draft version for supplier review. The participants must indicate clearly that they have read this agreement, and have no objections to signing it, as is. If not objections should be outlined separately in a letter. NB: all the SBD documents can be downloaded from our website - <https://www.ncr.org.za/tenders-download/current-tenders>

#### 5. Evaluation Criteria

Proposals will be evaluated on the 80/20 preference points scoring system: that is, 80% of the points awarded will be based on price, as indicated in the table below; and 20% of the points awarded will be based on B-BBEE codes system, allocated as indicated in the table below:

B-BBEE status level of contributor	Number of points	Price
Total maximum points	20	80

Functionality will be evaluated in terms of Section 2 point 10

#### 6. Conflict of interest

Service providers are required to provide services that are professional, objective and impartial. Service providers must ensure that there is no conflict of interest between existing assignments, obligations and responsibilities to other clients and the services set out in the TOR. In the event of any uncertainty in this regard, full disclosure in the submitted proposal should be considered. Non-disclosure of a conflict of interest may be grounds for termination of any contract.

#### 7. Confidentiality agreement

The successful service provider may have access to confidential data or information. The appointment of a successful bidder is subject to that bidder agreeing to the contents of, and signing, the NCR's standard Non-Disclosure Agreement.

#### 8. Contact details

This no-contact policy does not apply to any information deemed to be in the public domain, or which is readily available from organs of State, which are repositories of such information. All communications and enquiries/requests for clarification relating to this proposal should be directed to [procurement@ncr.org.za](mailto:procurement@ncr.org.za).

## **SECTION 2**

### **TERMS OF REFERENCE TO APPOINT AN AUDIT FIRM TO CONDUCT AN AUDIT ON ALL HOSTING CREDIT BUREAUS REGISTERED WITH THE NATIONAL CREDIT REGULATOR**

#### **1. Background**

In recent times there has been several incidents of unauthorised and unlawful access of consumer credit information held by hosting credit bureaus. The NCR seeks to appoint an audit firm to conduct an audit on all hosting credit bureaus registered with the National Credit Regulator to establish the adequacy of their systems, processes and policies in protecting consumer information against unlawful and unauthorized access.

#### **2. Audit objective**

The objective of the audit is to obtain a professional opinion by an independent auditor on the adequacy and effectiveness of the following –

- (a) The measures, systems and protocols implemented to protect the confidentiality of consumer information on the credit bureau database;
- (b) The measures, systems and protocols implemented by the credit bureau to protect clients' login credentials and passwords and to ensure that they are given only to authorised individuals;
- (c) The due diligence and authentication measures and protocols implemented by the credit bureau to authenticate requesters of consumer information;
- (d) The measures, systems and protocols in place to prevent unlawful or unauthorised access to consumer information;
- (e) The measures, systems and protocols in place to protect the credit bureau systems from cyber threats and intrusion attempts;
- (f) The security measures, systems and protocols in place to ensure the protection and safety of the hardware infrastructure where consumer data is hosted;
- (g) The measures, systems and protocols in place to ensure the secure transmission of consumer data from the credit bureau to their clients

The measures should include but not be limited to policies.

The audit must also review and assess the purpose for which the consumer information is sought and provide instances where it is against the permissible purpose provision under the National Credit Act 34 of 2005, its regulations or any other law or regulation.

The audit must also review the current regulatory requirements (in all legislation, not limited to the National Credit Act) applicable to credit bureaus in respect of protection of data privacy, in order to determine the adequacy thereof and whether additional regulatory measures need to be put in place for credit bureaus to mitigate and prevent incidents of this nature and any other relevant regulatory matters.

### 3. **Scope of the audit**

The auditor is required to –

#### **PART A**

- (a) Review the current measures in place to protect private and confidential data that is held by all hosting credit bureaus; and
- (b) Review and assess the adequacy and effectiveness of the measures, systems, procedures and protocols implemented and used by all hosting credit bureaus to:
  - (i) Protect and safeguard the confidentiality of consumer information on its database;
  - (ii) Protect and safeguard its clients' login credentials and passwords, and ensure that they are given only to authorised individuals;
  - (iii) Authenticate and identify requesters of access to consumer information and/or its database; and
  - (iv) Prevent and detect unauthorised access to consumer information and/or its database.
  - (v) Protect the credit bureau systems from cyber threats and intrusion attempts;
  - (vi) Ensure the protection and safety of the hardware infrastructure where consumer data is hosted
  - (vii) Ensure secure transmission of consumer data from the credit bureau to their clients
- (c) Where applicable, determine previous fraudulent incidents, data or system breaches and establish adequacy of prevention and detection mechanisms adopted pre and post the incident(s).

#### **PART B**

- (a) Review the current regulatory requirements (in all legislation, not limited to the National Credit Act) applicable to credit bureaus in respect of protection of data privacy, the adequacy thereof; whether additional regulatory measures need to be put in place for credit bureaus to mitigate and prevent incidents of this nature and any other relevant regulatory matters.

#### 4. **Methodology**

The approach should include, but not limited to the following –

- (a) Holding pre-engagement meeting with the NCR;
- (b) Arrange meetings with all hosting credit bureaus senior and operational management;
- (c) Examination and review of policies, systems, procedures and protocols of all hosting credit bureaus; and
- (d) Interviews and perform a walkthrough to establish adherence to the policies, procedures and protocols by employees.
- (e) Review the current regulatory requirement applicable to credit bureaus, by conducting a research on all laws that apply to the protection of personal information in South Africa, and providing a legal opinion on the adequacy thereof in protecting the privacy and confidentiality of personal information.
- (f) Research on any data breaches that occurred both locally and in other countries, and the steps taken to address these and lessons learnt that can be incorporated in the South African data protection legislation.

#### 5. **Deliverables**

The auditors must submit an audit report to the NCR. A meeting should be arranged with the NCR to present the audit report.

#### 6. **Duration**

This project must be completed within 4 months from the commencement date.

#### 7. **Specific compliance**

- a. All NCR bids and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- b. This bid and/or contract is subject to all applicable industry related legislation, particularly the legislation stated below. Contravention of any provision of the below mentioned

legislation as well as the following legislation may result in disqualification of this bid or termination of Contract in the event that the contravention occurs after the contract award:

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- i. Broad -Based Black Economic Empowerment Act 53 of 2003; ii. Sector Codes of Good Practice;
- iii. Preferential Procurement Policy Framework Act, (No.5 of 2000); iv. Broad-Based Black Economic Empowerment Amendment Act, (No.46 of 2013); v. Broad-Based Black Economic Empowerment Regulations 2016.
- c. The NCR's objective is to appoint strictly South African service providers, companies or entities as well as to promote and advance the employment of South African citizens.
- d. **The NCR's objective is to promote transformation in the economy through the procurement of goods and services from companies and businesses owned by women.**
- e. **Preference for this tender is to the majority women Audit firms.**

## 5. Technical / Functionality Evaluation

Bid responses will be evaluated in accordance with the following functional criteria:

1= Poor; 2= Does not meet the requirements; 3= partially meets the requirements; 4= Meets the requirements; 5= Exceeds the requirements

Criteria	Description	Weight (%)
<p>Registration with an authorized body and majority women owned firm.</p>	<p>Proof of registration with IRBA (Independent Regulatory Board for Auditors) and ACFE(Association of Certified Fraud Examiners)</p> <p>Submission of the certificate and proof of majority women owned firm= 5</p> <p>Submission of the certificate and less than 40%- 50% women owned =4</p> <p>Submission of the certificate and less than 40% women owned = 3</p> <p>Non submission = 1</p>	<p>5</p>
<p>Lead IT resource assigned to the project possesses a degree in ICT and relevant accreditation in IT auditing or information security from recognized professional bodies</p>	<p>An Honours or higher degree in Information systems or Information technology and 1 or more of the following: Certified Information Systems Auditor (CISA); Certified Information Security Manager (CISM); Certified Information Systems Security Professional (CISSP); CompTIA Security+; Global Information Assurance Certification (GIAC); or similar = 5</p> <p>A Bachelor's degree in Information systems or Information technology and 1 or more of the following: Certified Information Systems Auditor (CISA); Certified Information Security Manager (CISM); Certified Information Systems Security Professional (CISSP); CompTIA Security +; Global Information</p>	<p>15</p>

	<p>Assurance Certification (GIAC); or similar =4</p> <p>A Bachelors / Honours degree in information systems or information technology and no certification in IT auditing or information security from a recognized professional body =3</p> <p>A National Diploma in Information Technology =2</p> <p>No formal academic qualifications in Information Technology or Information Systems =1</p> <p>No information provided on academic qualifications =0</p>	
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<p>Project team has accredited skills in relation to 3 ICT areas: networking, infrastructure and software applications</p>	<p><b>Networking accreditations:</b> Networking specific academic qualification offered by a SAQA accredited academic institution or Networking certifications offered by CISCO, AWS, CompTIA or similar; <b>Infrastructure accreditations:</b> OEM (Microsoft, HPE, Dell EMC or similar) certifications in relation to infrastructure, architecture, storage or cloud; CompTIA (Server +, Linux+ or Cloud+) certifications or similar;</p> <p><b>Software applications accreditations:</b> Software development or engineering qualification offered by a SAQA accredited academic institution; certifications in relation to software development or software engineering offered by OEM (Microsoft, AWS, Oracle or similar)</p> <hr/> <ul style="list-style-type: none"> <li>• Project team has in total 4 or more accreditations covering all 3 areas (e.g. 2 in Networking, 1 in</li> </ul>	<p>15</p>
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	<p>Infrastructure, 1 in software applications or any other combination as long as all the areas are covered) =5</p> <ul style="list-style-type: none"> <li>• Project team has 1 accredited skill in each of the 3 areas =4</li> <li>• Project team has 1 or more accredited skills in 2 of the 3 areas =3</li> <li>• Project team has more than 1 accredited skill in 1 of the 3 areas =2</li> <li>• Project team has only 1 accredited skill in 1 of the 3 areas =1</li> <li>• No accredited skill or no information provided =0</li> </ul>	
<p>Experience of the proposed accredited IT project team members.</p> <p>A short CV of all the proposed staff with maximum of 3 pages and related academic qualification must accompany the submission</p>	<ul style="list-style-type: none"> <li>• 6 or more years' experience on each of the accredited IT project team members =5</li> <li>• Some of the accredited IT project team members have 5 years' experience and the rest of the accredited IT project team members have more than 5 years' experience =4</li> <li>• Some of the accredited IT project team members have 4 years' experience and the rest of the accredited IT project team members have more than 4 years' experience=3</li> <li>• Some of the accredited IT project team members have 3 years' experience and the rest of the accredited IT project team members have more than 3 years' experience =2</li> </ul>	10

	<ul style="list-style-type: none"> <li>• Some of the accredited IT project team members have less than 3 years' experience =1</li> <li>• No CVs or years of experience provided =0</li> </ul>	
<p>Experience of the supplier or proposed staff in conducting IT audits involving data breaches.</p> <p>Years of experience?</p>	<ul style="list-style-type: none"> <li>• More than 3 years' experience =5 • 3</li> <li>• More than 2 years' experience =4</li> <li>• More than 1 year of experience =2</li> <li>• No experience=1</li> <li>• No information on experience provided=0</li> </ul>	15
<p>Experience in conducting legal review and research.</p>	<ul style="list-style-type: none"> <li>• Legal degree (LLB, B Proc , LLM) and more than 3 years = 5</li> <li>• Legal qualification (LLB, B Proc , LLM) and 3 years' experience =4</li> <li>• Legal qualification (LLB, B Proc , LLM) and less than 3 years =3</li> </ul>	15
<p>Availability of the audit firm and its proposed team members to start work within 3 days of contract finalization and sign off and a purchase order</p>	<ul style="list-style-type: none"> <li>• Available within 3 days =5</li> <li>• Available in 4 days =4</li> <li>• Available in 5 days =3</li> </ul>	5

<p><b>Technical Approach and Execution Plan</b></p> <p>Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR</p>	<p>Audit firm must submit proposal which indicate the execution/project plan addressing each task that is included in the TOR in order to complete the audit within 4 months from the commencement date</p> <ul style="list-style-type: none"> <li>• Detailed project plan which indicates the approach and the completion of the audit in less than 4 months =5</li> <li>• Detailed project plan which indicates the approach and the completion of the audit in 4 months=4</li> <li>• Detailed project plan which indicates the approach and the completion of the audit in more than 4 months= 3</li> <li>• High-level project plan with little information on the approach regardless of the completion timeframe =2</li> <li>• High-level project plan with no information on the approach regardless of the completion timeframe =1</li> <li>• No project plan submitted =0</li> </ul>	<p>15</p>
<p>Three (3) reference letters from any client in past 3 years with contact details ( email and telephone number)</p>	<ul style="list-style-type: none"> <li>• More than 3 letters of successful projects =5</li> <li>• 3 letters of successful projects =4</li> <li>• 2 letters =3</li> <li>• 1 letter =2</li> </ul>	<p>5</p>

Bidders must achieve a score of 70 points on functionality to qualify to be evaluated in order to be considered in the next level (BBEE and price). Bidders who do not score the minimum of 70% points on functionality will be disqualified.

**6. Additional documents and information to be submitted**

- Brief company profile, as relevant to the above mentioned terms of reference.
- Experience/CV's qualifications in the relevant areas.
- Clientele.
- Work plan, showing tasks, timelines etc.
- Should the bidder make use of subcontractors on any part of the bid, full details of the subcontractor and the extent of the work undertaken by the subcontractor must be provided (BBBEE, CSD registration number, address, technical capacity and years of experience).
- Contact details of at least three references from among recent clients with whom similar work has been conducted in the past 36 months.
  - Financial proposal.

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