

THE NATIONAL CREDIT REGULATOR

AUGUST 2018

**TERMS OF REFERENCE
FOR THE APPOINTMENT OF A SERVICE
PROVIDER TO DEVELOP AND
IMPLEMENT THE COMBINED
ASSURANCE MODEL**

NCR528.08.18

**DUE DATE: 27 AUGUST 2018 @ 11H00
HAND DELIVER AT: 127 15TH ROAD,
RANDJES PARK, MIDRAND**

TERMS OF REFERENCE

FOR THE APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AND IMPLEMENT THE COMBINED ASSURANCE MODEL

1. Introduction

The National Credit Regulator (NCR) is the regulatory authority established on 01 June 2006 in terms of the National Credit Act No. 34 of 2005, with the mandate to promote and advance the social and economic welfare of South Africans, promote a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market and industry and to protect consumers.

2. Background

The combined assurance model was introduced by King III as a recommended governance practice but the concept needed to evolve to become more useful and effective. King IV expands on this concept by indicating that a combined assurance model incorporates and optimises all assurance services and functions so that, taken as a whole, these enable an effective control environment, support the integrity of information used for decision-making by management, the governing body and its committees; and support the integrity of the organisation's external reports.

"King IV recommendations however, do not prescribe the design of the model, but allow for the governing body to exercise its judgement in this regard" (PricewaterhouseCoopers (PWC), a summary of the King IV Report on Corporate Governance for South Africa, 2016).

The Audit & Risk Management Committee (ARMC) should ensure that this model is applied to provide a co-ordinated approach to all assurance activities. In addition, ARMC should approve the model; and also review and conclude on the effectiveness of assurance received.

The NCR is in the process of formalising the implementation of combined assurance by establishing a forum. One of the primary roles of the forum will be to coordinate assurance activities focusing on key risks and also to improve collaboration between different assurance providers.

This will satisfy the ARMC as well as the Accounting Authority that significant risk areas within the organisation have been adequately addressed and suitable controls exist to mitigate these risks.

3. Scope of work

In order to ensure successful implementation of combined assurance, the NCR is looking to acquire the services of a suitably qualified and experienced service provider for the development and implementation of the framework. The scope should cover the following key focus areas but not limited to:

- Development of the combined assurance framework;
- Review and map the combined assurance plan;
- Develop the reporting templates, as well as control self-assessment templates for relevant committees;
- Conduct awareness sessions on combined assurance to Executive team and combined assurance forum members, covering the following but not limited to:
 - Definition of combined assurance in the context of King IV;
 - Benefits of combined assurance;
 - Roles and responsibilities of Accounting Authority, Audit & Risk Management Committee; and the forum members.
 - How to co-ordinate efforts by different assurance providers;
 - How to implement control self-assessments, continuous monitoring and other activities to monitor controls.

4. Output

- Training material for assurance providers;
- Combined assurance & Control Self-Assessments (CSAs) reporting templates;
- Combined assurance framework;
- A reviewed combined assurance plan;

5. Duration

Five (5) working days

6. Functionality evaluation criteria

Criteria	Weights
Experience and reputation <ul style="list-style-type: none">Proposals should make clear the relevant skills, experience and capacity of the participant, in respect of this particular TOR	40
<ul style="list-style-type: none">Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR	40
<ul style="list-style-type: none">Proposals should clearly indicate whether or not bid participants have the internal capacity to meet the requirements of the TOR.	20

Bidders are required to score a minimum of 65% points on functionality to qualify to be evaluated in the next level (BBBEE and price). Bidders who do not score the minimum of 65% points on functionality will be disqualified and not be evaluated on price and BBBEE.

7. Additional information required

- Brief company profile, as relevant to the above mentioned terms of reference
- Experience in the relevant areas
- Clientele
- A proposal including methodology
- Certification of all team members, highlighting experience relevant to this exercise. Confirmation that the proposed team members will in fact be available to undertake this exercise at the appropriate time and meet the necessary deadlines
- The proposal should contain a work plan, showing tasks, timelines etc.
- Contact details of at least two references from amongst clients with whom similar work has been conducted in the past 6 months
- Certificate of incorporation / legal status
- Financial proposal