

Invitation to submit a proposal for the provision of

**EXTERNAL AUDIT SERVICES - REF.: FPI RFP19/01**

**To be supplied to Financial Planning Institute of Southern Africa NPC  
and its wholly-owned subsidiary  
FPI Centre for Professional Development (Pty) Ltd.**

Project	FPI EXTERNAL AUDITORS
Release Date	13 DECEMBER 2018
Issuer	FINANCIAL PLANNING INSTITUTE OF SOUTHERN AFRICA NPC
Supplier Response Date	25 JANUARY 2019

Date: 13 December 2018

Dear Vendor

**RE: INVITATION TO SUBMIT A PROPOSAL FOR THE PROVISION OF EXTERNAL AUDIT SERVICES TO FINANCIAL PLANNING INSTITUTE OF SOUTHERN AFRICA NPC GROUP (“FPI”):**

FPI invites you to submit a proposal for the provision of the abovementioned services to us.

Please acknowledge safe receipt of this letter within seven working days via email and advise us of your interest to submit a proposal or not to propose.

The key details of the FPI’s requirements are furnished below and you should take these into account in your final proposal. By participating herein, you accept to be bound by the guidelines set out in both this letter and Annexure 1 hereto.

To simplify the exchange of information regarding this Request for a Proposal (RFP) please nominate a representative from your organisation to deal with this matter and provide us with the name of that person together with contact telephone numbers and an email address.

Please direct any questions regarding the RFP content or process to the FPI signatory named below. All questions should be submitted in writing to the indicated email address.

FPI undertakes no obligation in any way to:

- (i) Pay any vendor for any RFP response; or
- (ii) Award the contract with the lowest or any bidder; or
- (iii) Accept the RFP information received from vendors; or
- (iv) Include vendors responding to this RFP in any future invitation; or
- (v) Any other commitment to vendors whatsoever.

**FPI reserves the right to disqualify and reject proposals from vendors that do not comply with these guidelines.**

Best regards,

**RONALD MATANDE**  
Finance Manger  
[ronald@fpi.co.za](mailto:ronald@fpi.co.za)  
011 470 6000

[www.fpi.co.za](http://www.fpi.co.za)  
84 Sophia Street (Cnr 11<sup>th</sup> Avenue),  
Fairland, Johannesburg, 2170  
PO Box 6493, Weltevredenpark, 1715

## ANNEXURE 1: INVITATION TO PROPOSE:

### 1. INTRODUCTION

This document is proprietary to **FINANCIAL PLANNING INSTITUTE OF SOUTHERN AFRICA NPC GROUP** (“FPI”) and the information contained herein is confidential.

Without FPI’s prior written permission this document, either in whole or part, may not be reproduced in any form or by any means or disclosed to others or used for the purposes other than its evaluation by you.

Whilst care and attention has been exercised in the preparation of this document, it remains subject to final contract and all warranties whether express or implied by statute, law or otherwise are hereby disclaimed and excluded.

The exchange of any further information between you and FPI as well as your proposal is to be treated by both yourself and FPI as confidential and, if required, a bespoke confidential agreement may be entered into.

### 2. OVERVIEW:

#### 2.1 Company Background

FPI is the leading independent professional body for Financial Planners and Advisors in South Africa. FPI is a non-profit professional body and founding member of the international Financial Planning Standards Board Ltd. (FPSB). FPI exists to improve the level of professionalism and positively influence the quality of advice delivered by our members. FPI is the only institution in Southern Africa able to offer the CFP® certification.

FPI, furthermore, includes a wholly-owned subsidiary company FPI Centre for Professional Development (Pty) Ltd. This company is property owning and until October 2018 it offered continuing professional development courses.

FPI adheres to the King IV code of Corporate Governance and has a separate Audit & Risk Committee to promote fiscal discipline and judicious internal control.

The holding company is a tax-exempt membership organisation that is subject to VAT. The subsidiary company is both subject to income tax and VAT. Accounts for the year ended 31 December 2017 in respect of both entities will be provided.

#### 2.2 Background to the Project

FPI has reviewed the way in which it engages with its independent auditing firm and wishes to revitalise its financial controls.

Accordingly, FPI requests proposals for comprehensive external audit services to be in place with effect from **1 March 2019** covering an initial three-year term. FPI invites suitably experienced auditing firms to submit proposals for the provision of these services to the group companies.

### 2.3 Capability required

The external audit services required will include, but not be limited to:

#### - Scope in relation to Financial Reporting:

- a) To provide reasonable assurance over the accuracy of the Financial Statements by identifying and assessing the risks of material misstatement of the financial statements
- b) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### - Scope in relation to Internal Controls

- a) Review the accounting and internal control systems to assess their adequacy as a basis for the preparation of the financial statements and to establish whether adequate accounting records had been maintained by the company
- b) Review Conflict of Interest identification procedures to ensure effective controls that properly monitor any disclosed outside interests
- c) Assess the adequacy and effectiveness of Internal controls over procurement and payment procedures
- d) Review controls over the IT environment including physical security of the IT infrastructure
- e) Reviewing the policies and procedures in the IT department for their adequacy in detecting and preventing fraudulent and unauthorised use of the company's IT infrastructure.
- f) Any other opinions and recommendations on internal controls

#### - Scope in relation to Statutory Compliance

- a) Review the compliance status of the organisation with the following bodies:
- b) SARS (Tax Compliance)
- c) CIPC (Annual returns and up to date director details)
- d) Central Supplier Database
- e) Review the company's BBBEE status and ascertain if it is in line with Board expectations of the minimum BBBEE level acceptable for the company to maintain.

**2. TIMETABLE:**

General	
Deadline for submissions	25 January 2019
Selection of providers for interview	1 February 2019
Meetings with potential vendors	8 - 20 February 2019
Contract implementation date	1 March 2019
Questions	Questions arising from this document should be directed to FPI before 20 January 2019

**3. RESPONSE GUIDELINES:**

Submit a written proposal in applying for this proposal electronically before the proposal deadline. Submissions must be signed by the relevant official.

Please send your written response: [ronald@fpi.co.za](mailto:ronald@fpi.co.za)

Appropriate supporting documents e.g.; brochures, charts, etc. should be included.

FPI reserves the right to disregard any response submitted after the deadline.

FPI reserves the right to modify the provisions of this RFP at any time prior to awarding of the contract. Additional scope and requirements may be added and suitable response time will be allowed. Notification of such changes will be provided to all potential vendors.

By submitting a proposal, potential vendors commit that they understand FPI's requirements and operation, that they have sufficiently addressed all aspects of the proposal and the information contained herein and that they have checked all their stated details, such as pricing and projections, to be correct and as intended.

**5. PROPOSAL ASSESSMENT:**

In choosing the successful vendor, FPI will take the following aspects of your proposals into consideration, *inter alia*:

**5.1 Commercial:**

- Competitive fee structure and hourly rates of relevant staff;
- Clarity of pricing;
- An indication of fee escalations and any applicable ad hoc fees.

## **5.2 Service Capability:**

- Service delivery experience and service delivery models;
- Quality of advice;
- Ability to comply with required service levels;
- Culture and ability to work with FPI;
- Ability to adapt to changing business requirements;
- Audit methodology & use of technology in the audit process;
- Experience, qualifications and capabilities of audit partner, audit manager & support staff;
- How and when audit findings are reported.

## **5.3 Long term roadmap proposals:**

- Technical expertise and innovations of the vendor that could benefit FPI;
- Practices of the vendor to ensure compliance, independence & avoidance of conflicts;
- Understanding of FPI's broad business needs & strategic fit;
- Disclosure of conflicts;
- Succession.

## **5.4 Empowerment:**

- BBBEE level.

## **5.5 Completed documents submitted**

- Completed FPI supplier form and attachments;
- Vendor's profile, organisational structure and relevant experience.

## **6. PROCUREMENT COMMITTEE SELECTION OF SUCCESSFUL PROPOSAL:**

The successful applicant shall be chosen only from those written applications received from vendors in terms of this RFP. The selection shall take into account the specific provisions of this RFP in conjunction with the relevant provisions of the FPI Procurement Policy. The FPI Audit Committee shall be responsible for making the final selection of a successful vendor, alternatively, may elect to make no selection from those applications received.

## **7. INFORMING OF UNSUCCESSFUL PARTICIPANTS:**

FPI will provide written feedback to every potential vendor submitting a proposal in terms hereof without being obliged to provide reasons for its decisions.

## **8. RIGHT TO REVIEW AND APPEAL AWARD / REJECTION OF PROPOSAL:**

Any potential vendor who is unsatisfied with the decision reached by FPI in relation to this RFP may appeal such decision. Any such application for appeal or review must be made within seven working days of the aggrieved party being informed of the proposed decision.

Appeals and reviews shall be dealt with by FPI's executive management and FPI shall provide an outcome to any or appeal within 5 working days of having received written notice of appeal.

Should a potential vendor still feel aggrieved by FPI's decision thereafter such potential vendor may apply to the relevant Court under the Promotion of Administrative Justice Act, for judicial review, within 180 days.

## **9. SERVICE LEVEL AGREEMENT METRICS:**

### **Introduction**

The service level details below are intended to form the basis of service level negotiations. They define the service levels that need to be agreed between FPI and the successful vendor and will be the foundation of the core service level agreement. Service level requirements are minimum expectations that must be achieved.

### **Service Level Details**

Key components of the SLA will include:

- A set of key requirements around timeliness and accuracy of the major service elements;
- The number and frequency of ongoing reports;
- Key performance indicators (KPI's) which accurately measure adherence to the SLA;
- FPI has the right to audit the service level statistics at any time;
- Vendor's SLA statistics;
- The consequences of non-performance to the SLA;
- Management of the SLA.

- END -