AGSA/07/2026: RFP for the appointment of a service provider for the provision of External Audit Services to the Auditor-General South Africa (AGSA) for a period covering five (5) financial years from 2026/27 – 2030/31

No.	Question	Type	Answer
1	If a firm currently performs Contract Work Commission (CWC) work for the AGSA, may it also bid for and perform the external audit engagement?	Commercial	No. To preserve auditor independence, a successful bidder appointed as the AGSA's external auditor will be required to forgo any existing CWC work performed for the AGSA.
2	Does the restriction on CWC work apply only to traditional audit work, or does it also extend to specialist services such as IT audit, taxation and other specialist panels?	Commercial	The restriction applies to all work performed for the AGSA through CWC arrangements, including specialist services. The AGSA's position is that firms must remain independent and should not be an existing supplier to the AGSA, whether through CWC or any other expert / specialist service work as a supplier to the AGSA.
3	May multiple firms submit a joint bid as a consortium/JV to meet the minimum requirement of five partners, even if no individual consortium / JV member has five partners independently, but the consortium collectively has at least five partners?	Commercial	Yes. Consortium arrangements are permitted. The consortium may collectively satisfy the minimum five-partner requirement. However, the consortium must identify a lead engagement partner who will be responsible for the audit and the signing of the audit report.
4	Please clarify the requirement that the AGSA audit fee should not exceed 15% of a firm's total revenue.	Commercial	The revenue generated from the AGSA external audit engagement may not exceed 15% of the firm's total revenue. This requirement is intended to safeguard auditor independence and ensure that the firm is not economically dependent on the AGSA. In the case of a consortium, the requirement will be assessed on the collective position presented in the bid response.
5	Does the technical evaluation merely serve as a threshold requirement, or do technical points contribute to the final evaluation score?	Commercial	Technical evaluation serves both purposes depending on the stage of the evaluation process. Bidders must first achieve the minimum threshold of 70 points out of 100 to proceed to the final evaluation stage. Technical scores achieved are then converted to a weighted score out of 50 points and combined with Price (30 points) and B-BBEE (20 points) to determine the final overall score out of 100 points.
6	With respect to the Accounting Standards and Implementation criterion, are reference letters required only for implementation engagements, or will audit and assurance experience also be accepted?	Technical	Audit and assurance experience relating to the relevant accounting standards will be accepted. Bidders may therefore provide references demonstrating applicable audit and assurance experience in the specified areas.
7	Is the AGSA evaluation methodology aligned to the traditional 80/20 or 90/10 preference point systems?	Commercial	No. The AGSA applies its own evaluation methodology in accordance with its approved Supply Chain Management policy. The final evaluation comprises Technical Capability (50 points), Price (30 points) and B-BBEE (20 points). The 80/20 methodology referenced in the bid documentation is used solely for the allocation of the B-BBEE points component.
8	Clarification on the partner requirements: Paragraphs 4.1(c) and 6.1.2 require a minimum of five partners within the firm, including the engagement partner. Paragraphs 5.1 and 6.1.2 require the engagement partner and quality partner to be Registered Auditors (RAs) with assurance status at IRBA. Could you please clarify whether all five partners must be RAs with assurance status at IRBA, or whether this requirement applies only to the engagement partner and quality partner?	Technical	The requirement for IRBA registration and assurance status, as stipulated in paragraphs 5.1 and 6.1.2, applies only to the Engagement Partner and the Engagement Quality Review Partner. The requirement for a minimum of five partners within the firm, as set out in paragraphs 4.1(c) and 6.1.2, does not require all five partners to be Registered Auditors with assurance status. However, the Engagement Partner and Engagement Quality Review Partner must both be Registered Auditors (RAs) with assurance status registered with the IRBA.
9	XXX Inc in South Africa operates as a network of independent member firms. Each member firm is a separate legal entity, locally owned and managed, and contracts directly with its own clients. XXX Inc South Africa provides central network support and coordination but does not provide professional services to external clients. The RFP states that the independent external auditor must forgo any contract work for and on behalf of AGSA through the CWC panel for the duration of the audit appointment. Please could you confirm whether, given the above structure, this requirement applies only to the bidding legal entity, or whether it extends to all XXX Inc South Africa member firms? We note that the broader independence and disclosure requirements extend to member firms and affiliates and would therefore appreciate confirmation of the intended scope of the CWC restriction specifically.	Commercial	The requirement to forgo CWC work applies directly to the legal entity appointed as AGSA's independent external auditor. However, this requirement must be read together with the broader independence and disclosure provisions of the RFP, which expressly extend to relevant member firms, network firms, affiliates and related entities. Accordingly, the fact that XXX Inc South Africa member firms operate as separate legal entities does not, in itself, exclude the activities of those firms from AGSA's independence assessment. Any existing or recent CWC allocations or other services rendered to AGSA by the bidding entity, relevant XXX Inc member/network firms or affiliates must therefore be fully disclosed in accordance with the RFP and Annexure 8. AGSA will assess such relationships having regard to the nature, scope, value, timing and circumstances of the services and whether they create an actual, potential or perceived threat to the independence of the external auditor. Where such a threat cannot be eliminated or reduced to an acceptable level, this may affect the bidder's eligibility for appointment. If the firms are part of the network group, they fall under the member firms, affiliates, and associated entities, thus their independence (i.e. in apparent and in mind) will be questionable, thus they cannot be part of external auditors. Where firms form part of the same network group, they are regarded as member firms, affiliates, or associated entities for purposes of assessing auditor independence. Accordingly, the independence requirements set out in the RFP apply not only to the bidding entity but also to its member firms, affiliates, and associated entities. The involvement of any such entity in providing services to, or on behalf of, the AGSA could give rise to actual, perceived, or potential threats to independence. To preserve both independence of mind and independence in appearance, member firms, affiliates, and associated entities within the same network group cannot undertake contract work for, or on behalf of, the AGSA through the CWC panel for the duration of the external audit appointment.
10	Please confirm the cut-off date used to assess the "previous two (2) years" requirement for services rendered to AGSA.	Commercial	The two-year period will be assessed with reference to the bid closing date of 09 November 2026. Accordingly, bidders must disclose services rendered to AGSA during the period 09 November 2024 to 09 November 2026.

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No.	Question	Type	Answer
11	Where a board resolution is signed using DocuSign, will AGSA accept the electronically signed resolution together with the DocuSign Certificate of Completion, or must a printed, certified copy of the signed resolution also be submitted?	Commercial	AGSA will accept a board resolution that has been electronically signed, provided it clearly evidences the authority of the signatory(ies) to submit the bid on behalf of the bidder. Where an electronic signature is used, bidders should submit the electronically signed resolution together with the associated electronic signature audit trail or certificate, as well as a printed certified copy of the signed resolution in accordance with the RFP requirements.
12	Bidder's tax affairs with the South African Revenue Service (SARS) must be in order (tax compliant status) and bidders must provide written confirmation to this effect as part of their tender response. Please confirm whether bidders must submit both a SARS Tax Compliance Status PIN and separate written confirmation that their tax affairs are in order.	Commercial	Yes. Bidders must submit a valid SARS Tax Compliance Status (TCS) PIN and complete the applicable tax compliance declarations and forms required in the RFP, including Annexure 2: Tax Compliance Requirements.
13	The bidder must provide evidence of satisfactory results (i.e. latest IRBA review results) of the partner(s) committed on the assignment. May a partner who has not undergone an IRBA review lead the engagement? If so, would a recent firm inspection report be required?	Technical	Yes. The RFP does not require every proposed partner to have personally undergone an IRBA review. However, bidders are required to provide the latest available IRBA firm review or inspection results as evidence of the firm's quality and regulatory standing. Where an IRBA review has not been undertaken, bidders must submit the completed ISQM 1 Checklist and supporting quality management documentation as prescribed in the RFP. AGSA will assess the adequacy of the evidence submitted in accordance with the stated bid requirements.