

**REQUEST FOR PROPOSAL: PROVISION OF
INDEPENDENT EXTERNAL AUDIT SERVICES**

RFP: AUDIT01/082022

DATE: 22 AUGUST 2022



Selective
Empowerment
Investments 1

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INTRODUCTION

This document provides the requirements from Selective Empowerment Investments 1 Limited (“SEI1”) Board to appoint a suitably qualified independent external auditor for an initial period of three years in terms of section 90 of the Companies Act 71 of 2008. The appointment of the independent external auditor would be subject to ratification by shareholders in the Annual General Meeting (“AGM”) to be held in March 2023.

This document provides guidelines to service providers/firms wishing to submit proposals in terms of the Request for Proposals No. **AUDIT01/082022** – Provision of Independent External Audit Services, for the financial years ending 30 June 2023 to 2025.

BACKGROUND

Selective Empowerment Investments 1 Limited (“SEI1”) was established in 2007 as part of a broader investment holding scheme. SEI1 was particularly established to enable the small investor to acquire an investment that offered a healthy spread of top-class shares listed on the Johannesburg Stock Exchange (“JSE”). SEI1 has over the years **revised** its strategy from making investments in listed equities to making investments in unlisted equities as a form of diversification. **SEI1 is a broad-based, impact-focused investment holding company with a diverse portfolio of public and private equities available in a single tradable share.** SEI1 also serves as a Broad-Based Black Economic Empowerment (“B-BBEE”) vehicle, and prides itself in meeting the aims of B-BBEE through investing as an equity partner in both listed and unlisted equities. SEI1 is a Level 2 B-BBEE Contributor.

VISION & MISSION

SEI1’s vision is to be the preferred global empowerment equity investment partner. This vision is achieved through SEI1’s mission which is to grow capital through a diversified investment portfolio with sustainable income generating investments supported by a strong management team at the investee company level and at SEI1 Group level. The three main tenets to our vision and mission include the following:

- **Strategic Equity Stakes:** SEI1 invests in listed, semi-listed and unlisted equity instruments and actively seeks and subscribes to Broad-based Black Economic Empowerment transactions.



- **Capital Growth & Maximising Return:** SEI1’s primary investment objective is to provide shareholders with long-term capital growth and to maximise the return for our shareholders through an investment policy that reflects a spread of investments aiming at capital growth, while cultivating an investment portfolio that is sustainable.
- **Facilitation of Financial Inclusion:** The participation by SEI1 in various investment opportunities specially in the Small Micro and Medium Enterprises (SMME) space allows SMME’s that would not have otherwise had access to finance an opportunity to grow and expand resulting in not only financial inclusion but also social inclusion and economic development.

OUR VALUES

Our values represent the core priorities of our organisation, including what drives stakeholders/shareholders and employees within the organisation to achieve set strategies. SEI 1’s guiding philosophy and values are as follows:

VALUE	DESCRIPTION
Integrity	Our conduct will demonstrate respect for key moral principles that include honesty, fairness, equality, dignity, diversity and individual rights
Accountability	We are accountable – individually and in teams – for our behaviours, actions and results, both positive and negative
Commitment	We focus and concentrate on the core activities in a consistent manner
Creative Thinking	We embrace change, for ourselves and for our customers and nurture and support creativity and the development of new ideas, products and processes

SCOPE OF SERVICES

The scope of services will include the following:

- Audit of annual financial statements of SEI1 in accordance with International Financial Reporting Standards (“IFRS”).
- Express an audit opinion on the financial statements.



- Perform audits in compliance with International Standards on Auditing (ISAs).
- Work in conjunction with internal auditors to provide combined assurance to the SEI1 on the effectiveness of the internal control systems.
- Communicate audit findings to management and ensure they are fully aware of the implications to the operations of SEI1.
- Review the financial information in the annual report prior to publishing.
- Attend and provide input to the Audit and Risk Committee and Board meetings where necessary.
- Provide a final audit report with recommendations to management and the Board.

SUBMISSION REQUIREMENTS

1. The Independent External Auditor must be registered and in good standing as an accountant and auditor with:
 - a. SAICA - South African Institute of Chartered Accountants.
 - b. IRBA - Independent Regulatory Board of Auditors.
2. The audit firm must have:
 - a. The in-house capacity of at least three (3) Registered Auditors with the audit engagement partner based in Gauteng.
 - b. Experience and a comprehensive understanding of the statutory or regulatory environment will be an advantage.
 - c.
3. The audit firm must not be over-reliant on SEI1 for audit fees. In other words, the Independent External Auditor firm must be a going concern and not depend on SEI1's audit fees for going concern purposes (i.e., the audit fees from SEI1 must not exceed 15% of the firm's total revenue).
4. The firm, partner, manager, and team should be free of any conflicts of interest related to the provision of external audit services and include a declaration of interest confirmation as part of the submission documents.
5. The audit firm must submit a minimum of three (3) recent written and contactable references of external audit clients on the letterhead of the audit client and must not be older than a year.

In addition to the above requirements, the service provider must submit the following documents:

- A. Company Profile (The company must have been operating for at least 5 years)
- B. Valid Tax Clearance Certificate or PIN
- C. Valid BEE Certificate
- D. List of team members assigned to the engagement indicating the number of years of experience for each individual



- E. Abridged CV's of team members assigned to the engagement
- F. Professional certification and affiliation with professional bodies for Team Members must be duly attached
- G. A fee schedule that is VAT inclusive and quoted in South African Rand. The fee schedule must include the estimated hours to complete the assignment and the hourly rate used to determine a proposed fee.

As a reference point, the annual reports for SEI1 are available on the following link www.seinvest.co.za/shareholders

DURATION OF CONTRACT

The services shall be for a period of three (3) years with a possibility of extension to five years.

DEADLINE FOR SUBMISSION

Submissions must be emailed to wandan@seinvest.co.za no later than Friday, 30 September 2022, at 12h00.

EVALUATION OF SUBMISSIONS

The service provider submissions will be evaluated in two (2) phases, namely on the technical functionality and presentation to the Audit and Risk Committee.

Service providers who score a minimum threshold of 80% shall proceed to phase two (2) of the evaluation.

KEY CONTACTS

All questions, queries and submissions must be directed to:

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Cell: 063 256 5037

