



REQUEST FOR PROPOSAL (RFP NO: 02/2025)

**FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR
TO THE TELKOM RETIREMENT FUND**

CLOSING DATE AND TIME: 31 OCTOBER 2025, 16:00

(LATE TENDERS WILL NOT BE ACCEPTED)

TABLE OF CONTENTS

1.	INTRODUCTION.....	3
2.	BACKGROUND TO THE TRF.....	3
3.	INSTRUCTIONS FOR COMPLETING THIS RFP.....	3
4.	QUALIFYING CRITERIA.....	6
5.	BID EVALUATION.....	6
6.	SCOPE OF WORK.....	7
7.	QUESTIONNAIRE AND SCORE.....	7

1. INTRODUCTION

The Telkom Retirement Fund (the “Fund” or “TRF”) hereby seeks to appoint an independent and reputable auditing firm to provide audit services for the financial year ended 31 March 2026, in accordance with applicable laws, regulations, and professional standards. A service provider will be selected by the Fund at its discretion, under the procedures described in this Request for Proposal (“RFP”) document.

2. BACKGROUND TO THE TRF

The Fund is a registered retirement fund in terms of section 4 of the Pension Funds Act, 1956 and has its own legal personality. It is registered as a type B umbrella fund and its financial operations include contributions from active members, investment income from both local and offshore assets, pension payouts, and management of unclaimed benefits. The Fund maintains a diversified investment portfolio including equities, fixed income, and alternative investments, and engages in securities lending activities to enhance returns. The Fund has multiple service providers including investment managers, custodians, and administrators. The appointed external auditor should consider these arrangements when planning and executing the audit.

The Fund fully endorses and supports Broad-Based Black Economic Empowerment (‘B-BBEE’) principles and Socially Responsible Investment, which is evident in its activities. It also awards contracts for services in accordance with a system that is fair, equitable, transparent, competitive and cost effective.

The object of this RFP is to provide details relevant to the external audit services required and to invite suitably qualified and competent service providers to submit proposals to the Fund.

The appointed external auditor will be expected to conduct an independent audit of the Fund’s financial statements in accordance with applicable laws, regulations, and professional standards.

3. INSTRUCTIONS FOR COMPLETING THIS RFP

3.1 Contractual commitment

No commitment of any kind, contractual or otherwise, shall exist unless and until a formal written agreement has been executed by or on behalf of the TRF and the successful service provider. Any notification of preferred bidder status by the TRF shall not give rise to any enforceable rights by the bidder.

The TRF may cancel this RFP at any time.

The TRF reserves the right at its sole discretion, and at any time, to amend, deviate from, postpone, discontinue or terminate the procurement process without incurring any liability whatsoever to any other party.

The TRF reserves the right not to award this tender to the highest ranked or highest scoring bidder. The TRF reserves the right to reject any and all proposals in response of this RFP. The TRF reserves the right not to make an appointment and that no correspondence will be entered into regarding the reasons for the Board of Trustees’ decision to appoint certain bidders and not to appoint others.

3.2 RFP validity

All proposals received from a potential service provider by the closing date and time will remain valid for a period of one hundred and fifty (150) days after the closing date.

3.3 Important dates

Release of RFP	10 October 2025
Last day for queries	24 October 2025
Responses to queries received	28 October 2025
Closing date and time for submission of proposals	31 October 2025 at 16:00
Presentations with shortlisted bidders	February to March 2026

3.4 Queries

All queries must be addressed in writing only to the Deputy Principal Officer, Ms Maemu Makhado at trfchairperson@telkom.co.za. Any communication relating to the RFP should be directed to this address in writing only. Failure to observe this condition may result in the disqualification of the tendering party.

Both the question as well as the response will be sent to all bidding companies who registered their intent to provide a proposal.

It should be noted that the Fund reserves its right not to respond to questions related to this procurement process.

3.5 Automatic disqualification

If it is found that the bidder or person(s) acting on behalf of the bidder has, in the RFP or during the process of evaluation, selection, etc.:

- Misrepresented or altered material information in whatever way or manner;
- Promised, offered, or made gifts, or benefits to any employee or Trustee of the TRF;
- Canvassed, or lobbied in order to gain unfair advantage;
- Committed fraudulent acts; or
- Acted dishonestly and/or in bad faith;

such bidder and/or person(s) shall automatically be disqualified from further participation in the procurement process. In addition, the TRF reserves the right to report such conduct to the appropriate authority. Any attempts by a bidder to directly or indirectly canvas any Trustee or employee of the Fund for support may result in disqualification of their bid/proposal.

3.6 Format of submission of proposals

Bidders are required to submit detailed bid responses in accordance with the submission format specified below (each schedule must be clearly marked):

Section	Title
A	Cover page: Indicating the RFP Number, name, description and introduction of the bidder.
B	Executive Summary Proposal

Section	Title
C	Company Background and track record
D	Proposed team members and their track record
E	Proposed services
F	Key deliverables
G	Pricing Structure
H	Original and valid Tax Clearance Certificate (or Tax Compliance PIN).
I	Valid B-BBEE Certificate
J	Registration with the Financial Sector Conduct Authority and Independent Regulatory Board for Auditors
K	Three letters of reference
L	Professional Indemnity and Fidelity insurance certificates
M	Most recently audited Annual Financial Statements
N	<ul style="list-style-type: none"> - Data Security - Confirmation of breach procedure - Measure and processes in place to safeguard special, personal, and confidential information - Confirmation of Protection of Personal Information Act Compliance
O	Conflict of Interest Policy
P	Supporting documentation

Note: Failure to provide any one of the documents required in **G** to **M** above will lead to an immediate disqualification of the service provider from the tender process.

3.6.1 Completed Questionnaire which includes four (4) sections:

- a. Technical Functionality
- b. Governance and Ethics
- c. B-BBEE Confirmation
- d. Price Proposal

3.7 Submission of Proposals

Take note of the requirements listed below, as failure to meet the requirements will lead to automatic disqualification from the RFP process.

- All documentation submitted in response to this RFP to be in English.
- The Questionnaire should be completed in the format provided.
- All bidders should check the numbers of the pages of this RFP to satisfy themselves that none are missing. No liability will be accepted by the Fund with regard to anything arising from the fact that pages are missing.
- The closing date for the submission of proposals is **31 October 2025 at 16h00**. Under no circumstances will late tenders be accepted. The RFP must be submitted electronically to Ms Maemu Makhado at trfchairperson@telkom.co.za.

3.8 Subcontracting

The successful bidder will be prohibited from subletting, sub-contracting, conveying, assigning or otherwise disposing of any contract resulting from this RFP, its rights, title,

or interest therein or its power to execute such agreement to any other company, corporation, or entity without the prior consent and written approval of the TRF.

3.9 Proposal costs

All costs and expenses incurred by the bidder relating to their participation in, and preparation of this proposal process shall be borne by the bidder exclusively. The TRF assumes no responsibility or liability for costs incurred by the bidders in preparing or submitting their proposals.

4. QUALIFYING CRITERIA

Bidders will be evaluated according to the Fund's adopted Preferential Procurement Policy.

5. BID EVALUATION

All bids will be evaluated against the TRF's adopted Preferential Procurement Policy. Under this policy, bidders will be scored out of a total of 100 point as follows:

Stage	Points
Technical Functionality	25
Governance and Ethics	25
B-BBEE	25
Price	25
Total	100

5.1 Prequalification:

- **Regulatory Registration**
 - The firm must be registered with the Independent Regulatory Board for Auditors (IRBA) and be in good standing.
 - The firm must be registered with the Financial Sector Conduct Authority (FSCA), where applicable.
- **Relevant Experience**
 - The bidder must demonstrate a minimum of five years of external audit experience, specifically in auditing retirement funds or similar financial institutions.
- **Audit Team Competence**
 - The proposed audit engagement partner must be a Registered Auditor with at least 10 years' post-qualification experience.
 - The bidder must provide CVs for all key team members assigned to the engagement.
- **B-BBEE Compliance**
 - The bidder must have a minimum B-BBEE contribution level of 3 (Level 1, 2 or 3) and at least 30% black ownership (certified by a valid B-BBEE verification certificate).

6. SCOPE OF WORK

The Fund requires the following services:

- Audit the Fund's annual financial statements in accordance with ISA standards and Regulatory Reporting Requirements for Retirement Funds in South Africa (RRR).
- Review compliance with the Pension Funds Act, FSCA regulations, and other applicable laws.
- Assess the effectiveness of internal controls and financial reporting processes.
- Evaluate service providers' control environments using ISAE 3402 or equivalent reports.
- Identify risks, recommend improvements, and report findings to the Board.
- Attend Audit and Risk Committee and Board meetings as required.
- Prepare and present detailed audit reports, management letters, and final opinions.
- Provide audit planning memoranda, budgets, and timelines for audit phases.
- Ensure audit personnel comply with IRBA standards, ethical requirements, and demonstrate relevant retirement fund experience.
- Support the Fund with review of financial statements for annual reporting purposes, including adherence to reporting deadlines.

Bidders should consider all relevant operational, regulatory, and investment risks that may impact financial reporting, including related-party transactions, securities lending activities, and IT systems supporting accounting and reporting functions

7. QUESTIONNAIRE AND SCORE

	Section	Points
7.1	Technical Functionality	25
a	Company Information <ul style="list-style-type: none">▪ Brief history of the company.▪ Contact details of the company and contact person.▪ Date of establishment of the company.▪ Core business of the company.▪ Organisational structure organogram indicating holding company, subsidiaries, sister companies etc.▪ Ownership structure – provide full transparency and indicate black ownership level, top 10 shareholders and state what percentage is held by employees of the firm and what % is held by parties outside the firm. Board of directors – indicate independent non-executive, executive, gender and race profile.	
b	Experience in external auditing services <ul style="list-style-type: none">▪ Number of years the firm has been providing external audit services, specifically to retirement funds or similar financial institutions.▪ Details of the proposed audit team, including qualifications, relevant experience, and areas of expertise.▪ A list of up to three current or recent clients for whom the firm has provided external audit services, including three client references (refer to Section K).▪ Experience in auditing funds with hybrid structures, including defined contribution and defined benefit components, and familiarity with relevant	

	Section	Points
	legislation, Regulatory Reporting Requirements for Retirement Funds in South Africa (RRR), and regulatory reporting requirements.	
c	People <ul style="list-style-type: none"> Total number of full-time people employed within the business. What is the percentage black staff and what is the percentage female? What is your succession plans within the team? Please provide an organogram of your servicing structure. Do you have any staff capacity constraints? <p><i>Include overview of proposed team members and their track record – Section D.</i></p>	
d	Reporting, Communication and Servicing <ul style="list-style-type: none"> Details on the type, format, and frequency of audit reports, management letters, and other relevant communications to the Fund. Confirmation of whether reports and findings can be tailored to the Fund's specific requirements. Expected turnaround times for responding to queries from the Fund, including ad hoc requests during the audit process. A description of the proposed client servicing and engagement model, including interaction with the Fund's Principal Officer, Audit and Risk Committee, and Board of Trustees. Procedures for escalating significant findings or concerns to senior management or the Board. 	
7.2	Governance and Ethics	25
a	<ul style="list-style-type: none"> Conflicts of Interest Does the firm provide any other services to the Fund? If so, please describe the services provided. Does the firm have any rebate/commission or similar arrangements in place with service providers? If so, please describe the nature of these relationships. Does the firm have any strategic alliances with other financial services providers? If so, please describe. Does your firm have a contractual, fee sharing arrangement with any current service provider to the Fund? If so, please provide more detail. 	
b	Governance <ul style="list-style-type: none"> Has the firm ever received a qualified audit? Has the firm ever been fined by the FSCA or similar regulatory body? Has the firm or any of its directors, shareholders or staff ever been fined for wrongdoing? Is the firm or any of its directors, shareholders or staff under investigation by any regulatory authority for wrongdoing? <p><i>If the answer is yes to any of the questions above, please provide full detail.</i></p>	

	Section	Points
	<ul style="list-style-type: none"> Provide detail of the corporate governance structures in place and mechanisms to mitigate governance risk within the organisation. <p><i>Please provide a copy of your Conflict-of-Interest Policy – Section O</i></p>	
c	Membership of Professional Bodies <p>Is the firm a member of a professional body? If so, please list the organisations to which the firm is a member.</p>	
7.3	B-BBEE Confirmation	25
a	<ul style="list-style-type: none"> Only bidders with a minimum B-BBEE contribution level of 3 (i.e. level 1, 2 or 3) and minimum black ownership of 30% will qualify to provide services to the Fund. The maximum points earned by bidders based on their B-BBEE contribution level is as follows: <ul style="list-style-type: none"> Level 1 = 25 points Level 2 = 20 points Level 3 = 15 points Provide certified proof of black ownership (full B-BBEE ratings report) – Section I Please include your firm's Transformation Policy List the number of qualified SA Black Chartered Accountants in your company. State in terms of gender. Indicate whether your company partners with, or is willing to partner with, a smaller B-BBEE audit firm for this engagement. <ul style="list-style-type: none"> If yes, specify: <ul style="list-style-type: none"> The identity of the partner firm; The nature of the partnership or joint audit arrangement; Whether this has any impact on the fee quoted (see Section 7.4). <i>Note: Partnering with a smaller B-BBEE firm is not mandatory but will be viewed as a positive factor during evaluation. The Fund encourages bidders to propose a partner firm to avoid conflicts and promote transformation.</i> 	
7.4	Price Proposal	25
a	External auditing services (Section 6) <ul style="list-style-type: none"> The Fund's Terms of Reference has been clearly defined in Section 6 of this document. Please provide a total fee proposal for the delivery of the listed services in the form of a Rand value fee. <p><i>Please note that the Fund will only provide inflation related annual increases.</i></p>	

	Section	Points
	<ul style="list-style-type: none"> Please clearly state if there are any other fees that the Fund could be charged for such as travelling costs etc. 	
b	<p>Points will be determined as follows:</p> $P_s = 25 * \left[1 - \frac{P_t - P_{min}}{P_{min}} \right]$ <p>Where: -</p> <p>P_s = Points scored by the Provider</p> <p>P_t = Price quoted by the Provider</p> <p>P_{min} = Lowest price quoted by the group of Providers</p>	

End.