

DOCUMENT 1



TENDER SPECIFICATION INTERNAL AUDIT SERVICE

November 2018

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Section 1 About Southway Housing Trust

Southway Housing Trust is a community based social landlord working in and around South Manchester. The Trust was established in 2007 to take over the ownership, management and improvement of almost 6,000 council owned homes.

Our Vision

We will work in partnership with others to make south Manchester a place that people are proud of – a safe place where people choose to live, work and play.

Our Purpose

Our primary purpose is to provide high quality affordable homes in desirable neighbourhoods where people are happy to live and have the opportunity to achieve their potential.

We also have a wider purpose which is to make best use of our resources to achieve our social and community objectives.

Our Values shape how we do things. We are committed, ambitious, inclusive, collaborative and accountable.

Corporate Strategy and Structure

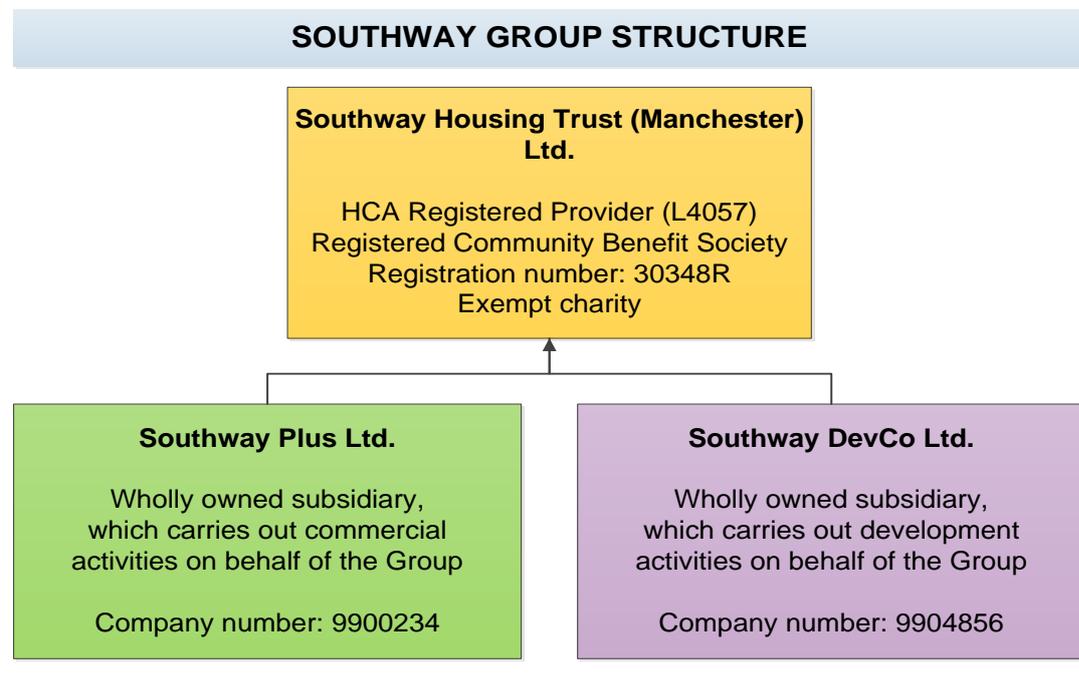
Southway adopted its current Corporate Strategy in March 2015, the 'Futures Strategy 2015 to 2020'. The strategy has five thematic priorities:

Theme	Success measure by 2020
Affordable Homes in Desirable Neighbourhoods	We will know that we have been successful because we will have increased the proportion of our tenants who tell us that they are satisfied with our services and with their neighbourhoods.
Community Investment	We will have increased the proportion of working age people living in Southway homes who are in employment or are regularly volunteering in our communities.
Age Friendly Living	A higher proportion of our older tenants and local residents will tell us that our services and neighbourhoods

	are age friendly.
Priorities for Investment	We will have delivered 750 new homes and will have firm plans in place to achieve our target of 1,000 homes over the 10 year period up to 2026.
Well Managed and Financially Strong	We will have generated surpluses which will have been used to deliver greater levels of community outputs.

In 2016/17 a group structure was set up to enable us to deliver this strategy comprising:

- Southway Housing Trust (Manchester) Limited, the Parent body of the Group - also referred to as the Trust;
- Southway Plus Limited, a commercial subsidiary which undertakes commercial projects including new build market rent and out-right sale projects. Plus commenced trading in July 2017;
- Southway DevCo Limited, a subsidiary which undertakes development contracts on behalf of other Group members, enabling VAT to be recovered on professional fees such as architects and surveyors. DevCo commenced trading in March 2017.



We have also registered a separate brand for the delivery of property development and commercial activities- **Gecko**. <http://www.geckohomes.co.uk/>

Further information on the history and future of Southway can be found on our website: www.southwayhousing.co.uk

Section 2 Services Required

We are a mature organisation with a good appreciation of risk. Our most recent IDA was carried out in March 2018 and we retained our G1 and V1 ratings with the Regulator commending our overall approach to Risk Management.

We are an innovative company that likes to get involved in new ventures and improve our existing ways of working. Our existing internal audit suppliers have supported Southway since transfer, and have provided an evolving service over the last 11 years. The three audit categories that Southway has typically utilised in recent years are as follows;

Audit	Expected Outcome
Core compliance	Should give Executive and Committee the assurance that controls are in place and any process weaknesses that need to be addressed.
Added value	Findings should assist with system implementation, citing sector, or wider best practice identifying efficiencies and improved ways of working as well as legal or regulatory compliance where appropriate
Specialist reviews	Should demonstrate particular expertise in the chosen service area and be able to provide plans that can be implemented so that Southway is compliant with legal and regulatory requirements

With this tender exercise we are excited to understand the different ways by which an internal audit service that addresses these areas cited above, having consideration for the particular circumstances of Southway as an organisation.

We would expect your submission to include:

- An indicative three year internal audit plan, including an approximate annual number of days that would be required to deliver the service.
- Actual examples of the change or innovation introduced as a result of your audit work. This should demonstrate an actual benefit to the organisation concerned (eg cost savings, more efficient ways of working etc)
- Examples of two actual (anonymised) internal audit reports, including one addressing a core audit area, such as payroll or core financial controls, plus an annual internal audit report.

- Relevant experience of your firm and the auditors who will carry out the fieldwork.
- Your approach to working with Southway officers. How would you build up a working relationship while maintaining professional judgement and rigour.
- Your relationship with Southway's Audit and Risk Committee. How will you best advise them on the overall assurance health of the organisation?

Section 3 Your Tender

To be considered for this contract, you must return the completed Form of Tender (Document 2), which should include the information to address our Price Criteria.

There is no mandatory limit on the size of submissions, but we would expect tenderers to provide the information concisely using plain English.

Please refrain from providing standard promotional brochures as they will not be given any attention during the assessment

Section 4 Assessment and Selection

Assessment of tenders will be based on the following criteria:

Quality	70%
Price	30%

The quality score will be calculated from how effectively submissions address the criterion set out in section 2 of this document.

We are a community based organisation that aspires to achieve value for money for all our contracts and services and tenderers should be mindful of this when submitting bids.

Please quote the day rate that you will use to deliver the service using the 2018/19 pre-VAT rate. Please then separately indicate the percentage rate (if any) above CPI that you would charge on each anniversary of the contract, assuming the contract will commence in April 2019 and run for three years.

Please note, for the avoidance of doubt, the actual programme for each year will be agreed in the preceding months

When you submit your tender please set out your indicative first year plan, making the pricing mechanism clear by including:

- The level of experience of the auditor carrying out the specific audit.
- The credentials, qualifications, or expertise the auditor has that to carry out work in the particular field
- The different day rates that each level of personnel will charge.
- Any variation in day rate for additional days that Southway may wish to commission outside of the plan.

It is understood that suppliers need to charge VAT at the prevailing rate.

The Selection Panel will comprise:

- Iain Leviston-Chair of the Audit and Risk Committee.
- Steve Jackson-Independent Audit and Risk Committee member
- Matthew Maouati-Head of Governance and Performance
- Catherine Phillips-Finance Manager-Capital
- David Squires-Head of Neighbourhoods

Section 5 Tender Submission and Selection Process

Your completed Form of Tender (Document 2) and supporting information should be submitted via email to tenders@southwayhousing.co.uk by 4pm on 13 December 2018.

If you have any questions about the tender specification or process, please submit these via email to the email address above.

Late tenders will not be considered and no tendering expenses will be reimbursed by Southway Housing Trust.

The selection of the successful bidder will take place in two stages. The firms that provide the highest scoring submissions will be invited to attend an interview at Southway's office during January 2019. Further details will be provided nearer the time.

All firms will be notified whether they have made the second stage of the selection process by the 21st December 2018.

It is anticipated that the firm selected for appointment will be notified by Friday 1st February 2019.