INVITATION TO TENDER FOR THE PROVISION OF:

External Quality Assessment of DH Internal Audit

Deadline: 10:30am, 11th January 2016

ITT Reference: 60123/6057

**PART B –** Tender Schedules

(To be returned by Tenderers)

1. Specification
2. **Background**

The Public Sector Internal Audit standards require that an External Quality Assessment (EQA) must be performed by an independent body once every five years. To facilitate a consistent level of review the Treasury have developed an Internal Audit Quality Assessment Framework (IAQAF) which sets out process and defined statements of good practice against which the assessment should be made.

A review of Health Group Internal Audit Service (HGIAS) as part of this EQA comprises:

* a review of the service that provides a shared audit service to the Authority and 14 of its Arms-Length Bodies ‘(ALBs) (does not include NHS England)
* The 14 ALBs are: include:

1. Public Health England (PHE)
2. Health Research Authority (HRA)
3. Health and Social Care Information Centre (HSCIC)
4. NHS Litigation Authority (NHS LA)
5. Medicines and Healthcare products Regulatory Agency MHRA
6. Care Quality Commission (CQC)
7. Monitor
8. Health Education England (HEE)
9. Human Fertilisation and Embryology Authority (HFEA)
10. Human Tissue Authority (HTA)
11. NHS Business Services Authority (NHS BSA)
12. National Institute for Health and Care Excellence (NICE)
13. NHS Trust Development Authority (NTDA)
14. NHS Blood & Transplant

* HGIAS operates a mixed economy model in relation to delivery of audit plans across all 15 areas;
* The mixed economy model uses 14 in-house (civil servants) staff plus staff from a co-source partner (PwC);
* The 14 in house staff comprise of 9 audit focused and 5 administration staff;
* The co-source partner provides resource at all levels from auditor to Head of Internal Audit (HIA) as per requirements and to agreed budgets;
* The Chief Internal Auditor (CIA) who oversees and monitors the group services is a DH civil servant. Internal audit staff comprise of Senior Auditors, as well as Heads and Deputy Heads of Internal Audit;
* In the 2015/16 audit year a total of approximately 226 audit reviews have been agreed across the Health Group;
* Audit Reviews are primarily undertaken in London and Leeds but some may also undertaken in a number of different areas including Porton Down, Manchester, Taunton, Bristol, Exeter, Fylde coast, Watford. The audit trail of documentation (electronic working papers relating to the end to end delivery of the audit review) is however available centrally in Leeds or London;
* HIAs for the ALBs report to the CIA.
* All HIAs agree their individual audit plans with their business areas and attend appropriate audit committee meetings to report against progress etc;
* Regular HIA meetings are held with the CIA; and
* The EQA review will include work undertaken by both the in house team and the co-source provider.

1. **Summary of requirements**

The Tenderer is required to perform a review of the internal audit service in accordance with the Internal Audit Quality Assessment Framework (IAQAF). It is envisaged that this would be carried out by:

* interviews with key internal audit stakeholders (*suggested interview list to be detailed*);
* meetings with the Chief Internal Auditor, members of the in-house and co-source provider internal audit teams as well as HIAs as required;
* possibility of an electronic questionnaire to be sent to a wide range of 'customers' (as set out in the IAQAF)
* a review of key documentation to understand the current processes to include audit plan, Charter, Audit Committee reports, internal audit reports and a sample of working paper files[*sample size to be defined or to be a question for the potential providers*]. This should also include an overview of the process used by HGIAS to ensure that actions are dealt with on a timely basis;
* evaluation of the internal audit function against the IAQAF including consideration of best practice and the Institute of Internal Audit Standards and code of ethics as appropriate;
* presentation of key findings and recommendations to (*recipient to be defined*); and
* a completed written IAQAF assessment including recommendations.

1. **Authority Responsibilities**

The Authority will make available all requested documentation/system access and ensure personnel make themselves available with sufficient/agreed notice.

A representative will be appointed to act as contract manager and day to day liaison to aid the delivery to agreed timescales.

1. Contractor Responsibilities

The Contractor shall:

### Appoint a contract manager to oversee the work and liaise with / report as DH requires to DH’s contract manager;

### Ensure any key control issues are raised to the contract manager as soon as possible.

### Provide a weekly update to contract manager of progress to date;

### Ensure documentary evidence is available to support findings; and

### Provide, on a monthly basis, updates on costs.

1. Contract Management and Monitoring

The Authority will use the following performance indicators to measure success of the contract:

### Work Commences on 1st February 2016;

### All key areas of the IAQAF are considered and commented on with the final report;

### Review is undertaken in line with professional audit standards;

### Major issues of control/governance/risk have been highlighted on an on-going basis throughout the programme of work;

### Verbal feedback on findings provided by 7th March 2016

### A draft report for DH comments is received by 15th March 2016

### A final report is issued by 28th March 2016

The Authority would expect the Contractor to attend meetings on site in Leeds or by telephone/video conference as agreed to review progress and discuss the service, as required by the contract manager.

1. Timetable

The Project will be completed by 31st March 2016.

### Final payment will be conditional on the achievement of a final report outlining achievement against IAQAF requirements by 28th March 2016.

1. Skills and Knowledge Transfer

In order to ensure that skills and knowledge gained by the work are retained by the DH for the longer term, it is expected that the feedback and the final report will provide robust recommendations and highlight any relevant lessons learned for the future.

1. Further Information

The provider is required to perform a review of the internal audit service in accordance with the Internal Audit Quality Assessment Framework (IAQAF).

The IAQAF is the HM Treasury’s recommended approach to carrying out internal and external quality assessments. It has been designed to help evidence effective internal auditing in line with the Public Sector Internal Audit Standards, with a focus on outcomes that help meet public service delivery commitments.

The approach has been aligned to the Chartered Institute of Internal Auditors’ professional guidance: Quality Assurance and Improvement Programmes. If the standards are followed appropriately, this should enable internal auditors to state that their work is “conducted in conformance with the International Standards for the Professional Practice of Internal Auditing”.

Payment for the work undertaken will be paid in arrears and on delivery of the full requirement.

1. Tenderer Response
2. Organisation details
3. Tenderer name

Please confirm the name of the Tenderer\*:

|  |  |
| --- | --- |
| Tenderer Name: |  |

* Full name of organisation tendering (or of organisation acting as the lead contact where a consortium bid is being submitted)

1. Contact details\*

Tenderers must provide contact details for this tender.

|  |  |
| --- | --- |
| Contact Name\* |  |
| Telephone number |  |
| Email address: |  |
| Address: |  |

* Contact is the person responsible for any queries relating to this proposal

1. Organisational status

Please confirm whether (or not) the Tenderer is a Small & Medium Enterprise[[1]](#footnote-1) (**SME**).

|  |  |
| --- | --- |
| The Tenderer is an SME (Yes / No) |  |

1. Solution Proposal
2. Overview

Tenderers must provide a concise summary highlighting the key aspects of the proposal.

(This response is not evaluated and should be used to contextualise the Tenderer’s response.)

| Response (maximum 250 words) |
| --- |
|  |

1. Previous Experience

Describe your organisation’s experience in dealing with this type of requirement. Include two case studies of similar engagements.

| Response |
| --- |
|  |

1. Method statement

Describe (with specific reference to the elements of the requirements and the outcomes expected) how it is intended to deliver the requirements of the specification.

| Response |
| --- |
|  |

1. Leadership and Resource Plan

Provide a complete resource plan, including leadership of the resources, for the delivery of the Specification including details of the team involved, what these individuals will be doing and why these individuals are suitable for this requirement. (CVs to be included in the response)

| Response |
| --- |
|  |

1. Exit Strategy & Skills Transfer

Describe the processes and deliverables of the exit phase of the service and how skills will be retained within the Authority.

| Response |
| --- |
|  |

1. Pricing Schedule
2. General Instructions
   1. The rates contained within the Pricing Schedule are, unless otherwise expressly agreed between the parties, firm.
   2. The rates entered shall be deemed to include complete provision for full compliance with the requirements of the Contract.
   3. The rates exclude VAT.
   4. The rates entered in the Pricing Schedule shall include all travel and subsistence costs.
   5. The Authority will only make payment for overnight stays that have been authorised beforehand in writing by the Authority's Representative.
   6. Any extra expenses other than travel and subsistence must be priced separately in the Pricing Schedule. The Authority will only pay for expenses claimed that are included in this pricing schedule and are deemed to be reasonable for delivery of the requirement.
   7. Expenses will only be approved if supported by original receipts. The Authority will only pay for expenses claimed that are in line with the Authority’s guidelines for expenses. Original receipts will need to be provided.
   8. Tenderers must include in the pricing schedules any discounts or any reduced pricing they are proposing to offer to the Authority in delivery of this requirement.

|  |  |  |  |
| --- | --- | --- | --- |
| **DESCRIPTION OF SERVICE** | | | **FIRM PRICE** |
| Management & staff and respective man-days: | | | |
| Name & Position | Cost per day | No of days |  |
| (a) | £ |  | £ |
| (b) | £ |  | £ |
| (c) | £ |  | £ |
| (d) | £ |  | £ |
| (e) | £ |  | £ |
| Sub-total/total consultancy cost | | | £ |
| Any other costs (please describe what these costs are) | | | £ |
|  | | | £ |
| **Total Contract Price (Evaluation Price)** | | | £ |

1. Contract Monitoring
2. General Instructions
   1. Tenderers must provide all the information requested in the following section as part of their tender proposal. Supporting documents may be submitted but must be clearly referenced back to the appropriate section.
3. Representatives
   1. Name of Authority's Representative(s): Jeremy Nolan, Deputy Head of Internal Audit
   2. Name of Contractor's Representative(s): [Tenderer to complete]
4. Deliverables
   1. List of deliverables, outputs and reports Contractor is to supply:

### A completed written assessment stating findings and recommendations in accordance with the Internal Audit Quality Assessment Framework.

### A presentation of the key findings and recommendations

* 1. Period(s) over which each deliverable, output and report is to be supplied:

### Start work on 1st February 2016

### Verbal Feedback on 7th March 2016

### Draft Report 15th March 2016

### Final Report issued 28th March 2016

* 1. Information requirements:

### The Authority will make available all requested documentation/system access.

### Major issues of control/governance/risk have been highlighted on an on-going basis throughout the programme of work.

### A Report on the findings of the Audit both in draft and final format

1. Meetings
   1. Frequency of contract management meetings: Weekly meetings as specified
   2. Location of contract management meetings: These may be by telephone or video conference as agreed, or held in person in Leeds.
   3. Checking performance against anticipated plan: To be discussed weekly with Jeremy Nolan
2. Remedies
   1. Remedies for below par performance: Discussions over poor performance will be measured against HMT’s IAQAF and agreement on way forward will be based on ensuring the supplier is able to reach these standards.
3. Confidential & Commercially Sensitive Information
4. General
   1. All the information that the Authority supplies as part of this Contract may be regarded as Confidential Information as defined in Condition 1 (Definitions) of Section Three – Conditions of Contract.
   2. The Contractor considers that the type of information listed in paragraph 2.1 below is Confidential Information.
   3. The Contractor considers that the type of information listed in paragraph 2.2 below is Commercially Sensitive Information.
5. Types of Information that the Contractor Considers to be Confidential
   1. Type 1: Confidential information:

|  |  |  |
| --- | --- | --- |
| Information considered confidential | Reason for FoIA exemption  (Include paragraph reference) | Period exemption is sought (Months) |
|  |  |  |
|  |  |  |

* 1. Type 2: Commercially sensitive information:

|  |  |  |
| --- | --- | --- |
| Information considered commercially sensitive | Reason for FoIA exemption  (Include paragraph reference) | Period exemption is sought (Months) |
|  |  |  |
|  |  |  |

1. Administrative Instructions
2. Authorisation
   1. The person shown below person shall act as the Authority's Representative on all matters relating to the Contract:

|  |  |
| --- | --- |
| Name | **To be confirmed at Contract Award** |
| Contact Details | **To be confirmed at Contract Award** |

* 1. The Authority’s Representative may authorise other officers to act on their behalf.

1. Notices
   1. Any notice the Contractor wishes to send the Authority shall be sent in writing to the Authority's Representative at the address shown in paragraph 1.1 above.
   2. Any notice the Authority wishes to send the Contractor shall be sent in writing to the Contractor's Representative at the address shown in paragraph 4.2 below.
2. Address for Invoices
   1. It is preferred that invoices are sent electronically to:

[MB-PaymentQueries@dh.gsi.gov.uk](mailto:MB-PaymentQueries@dh.gsi.gov.uk)

* 1. Alternatively invoices can be sent to the Authority addressed to:

Department of Health

Accounts Payable

Room 530

Richmond House

79 Whitehall

London

SW1A 2NS

* 1. Invoices must not be sent to the Authority's Representative.

1. Correspondence
   1. All correspondence to the Authority except that for or relating to invoices shall be sent to the following address:

Jeremy Nolan, HGIAS, Room 1N16, Quarry House, Quarry Hill, LEEDS LS2 7UE

* 1. All correspondence to the Contractor shall be sent to the following address:

**Tenderer to provide Address**

[**INSERT ADDRESS**]

**Schedule Five: Appendix A: Variation to Contract**

**(FOR INFORMATION ONLY – NOT FOR COMPLETION AT TENDER STAGE)**

|  |  |
| --- | --- |
| Contract Title: |  |

|  |  |
| --- | --- |
| For the Provision of: |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Contract Ref: |  | Variation No: |  | Date: |  |

BETWEEN:

The Secretary of State for Health (hereinafter called the Department) and [INSERT NAME OF CONTRACTOR] (hereinafter called the Contractor) having his main or registered office at [DN:INSERT ADDRESS]:

The Contract is varied as follows:

(DN:INSERT DETAILS OF VARIATION)

Words and expressions in this Variation shall have the meanings given to them in the Contract.

The Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

SIGNED:

|  |  |  |  |
| --- | --- | --- | --- |
| For: The AUTHORITY |  | For the Contractor |  |
| By |  | By |  |
| Full name |  | Full name |  |
| Grade / Pay Band |  | Title |  |
| Date |  | Date |  |

**Schedule Five: Appendix B: Novation Agreement**

**(FOR INFORMATION ONLY – NOT FOR COMPLETION AT TENDER STAGE)**

THIS DEED (THIS AGREEMENT is made on the [dd] day of [month & year] BETWEEN

(1) THE SECRETARY OF STATE FOR HEALTH (the **Secretary of State**) whose principal place of business is at Richmond House, 79 Whitehall, London, SW1A 2NS,

(2) THE [CONTRACTOR] of [address]

(3) THE [NEW PARTY] of [address]

WHEREAS

(A) This Agreement is supplemental to an agreement dated [dd Month Year] between the Secretary of State and the Contractor (the **Contract**) under which the Contractor agreed to provide services to the Secretary of State.

(B) The Secretary of State has authorised the New Party to replace the Secretary of State as the contracting Department under the Contract on the terms of this Agreement and the Contractor is willing to accept the New Party in place of the Secretary of State on those terms.

IT IS HEREBY AGREED AS FOLLOWS:

1. Subject to the following Clauses of this Agreement –

a) The Contract shall continue in full force and effect as if the New Party were named as a party to the Contract in place of the Secretary of State for Health.

b) All rights, obligations and liabilities arising under the Contract from the date of this Agreement shall be rights, obligations and liabilities between the New Party and the Contractor.

c) Any existing rights, obligations or liabilities of the Secretary of State relating to the performance of the Contract up to the date of this Agreement shall pass to the New Party and shall be enforceable between the Contractor and the New Party in place of the Secretary of State.

2. The rights, obligations and liabilities of the Contract shall be exercisable and enforceable as the rights of the New Party under this Agreement.

3. This Agreement shall be governed by and interpreted in accordance with English law and shall be subject to the jurisdiction of the courts of England.

Signed by ....................................for and on behalf of the

Secretary of State for Health in the presence of:

Signed by ....................................for and on behalf of the

Contractor in the presence of:

Signed by ....................................for and on behalf of the

New Party in the presence of:

**Schedule Five: Appendix C: Sub-Contractors**

All suppliers to the Department of Health are asked to provide details of all sub-contractors that will be used to perform the contract.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name & Address of Sub-Contractor | | Service performed for Contractor | Provide details of staff numbers[[2]](#footnote-2) | Provide latest year’s turnover |
| Name: |  |  |  |  |
| Address: |  |
| Name: |  |  |  |  |
| Address: |  |
| Name: |  |  |  |  |
| Address: |  |

1. Form of Tender

Declaration

**PROPOSAL FOR THE PROVISION OF [INSERT NAME OF TENDER]**

Having examined the proposed Contract comprising of:

1. Part A – Section Two, (Conditions of Contract);
2. Part B – Schedules One, One (a), Two and Six (mandatory); and
3. Part B – Schedules Three to Five inclusive (as amended).

As enclosed in the ITT response dated (**INSERT DATE**). We do hereby tender against the requirements, and terms and conditions of the proposed Contract.

We undertake to keep the tender open for acceptance by the Authority for a period of ninety (90) days from the deadline for receipt of tenders.

We declare that this is a bona fide tender, intended to be genuinely competitive, and that we have not fixed or adjusted the amount of the tender by, or under, or in accordance with, any agreement or arrangement with any other person. We further declare that we have not done, and we undertake that we will not do, any of the following acts prior to award of this Contract:

1. Collude with any third party to fix the price of any number of tenders for this Contract;
2. Offer, pay, or agree to pay any sum of money or consideration directly or indirectly to any person for doing, having done, or promising to be done, any act or thing of the sort described herein and above.

Unless and until the Tenderer and the Authority have executed a formal agreement, the Authority's acceptance of this tender with all its enclosures shall not constitute a binding contract between us. We understand that you are not bound to accept the lowest price, or any, tender.

Name of person duly authorised to sign tenders:

Date: ..........................................

Name: ..........................................

in the capacity of: ................................................................

duly authorised to sign tenders for and on behalf of:

............................................................................

By completing this Declaration and submitting your tender you have agreed that the statements in this Form of Tender are correct.

1. To be considered an SME, an organisation must have a headcount less than 250 Annual Work Units (anyone that has worked full-time within the enterprise, or on its behalf, during the reference year counts as one unit. Part-time staff, seasonal workers and those who did not work the full year are treated as fractions of one unit) **AND** a turnover less than €50 million **OR** annual balance sheet of €48 million. [↑](#footnote-ref-1)
2. This is the average annual numbers of both staff and managerial staff employed over the last trading year [↑](#footnote-ref-2)