

ACCOUNTANCY, EXTERNAL AUDIT, TAX AND OTHER RELATED SERVICES



Invitation to Tender – Suppliers’ clarification queries:

Updated 26 January 2018

1. The supplier seeks opportunities for “scoping” to truly understand the prospective client’s needs, key issues and future plans so we can tailor our response. Is it possible that you will offer interviews prior to 30 January?

Response: We will not be offering scoping interviews with Trustees or the Executive at any point.

2. Can you add any detail on the specific level of criteria vital for suppliers to demonstrate in supporting the strategy of NMRN (section 8.2)?

Response: The ITT requests a method statement on how you would support the National museum’s strategy as summarised in paragraph 8.2 i – ix. No additional detail will be provided.

3. We seek to attend regular meetings with client senior executive teams, finance and audit committees and trustee boards – do you have expectations on the regularity, content and level at which such meetings are included in the fixed price for the different lots?

Response: The successful appointment would be expected to attend one Main Board meeting, one NMRN Operation Board meeting and four Audit and Governance Committee meetings in a year in addition to sufficient regular meetings with the executive to deliver the services.

4. For non-listed clients the supplier is permitted to provide a range of services additional to the statutory audit subject to a detailed review for any potential conflicts of interest. Our experience is that we enhance our overall knowledge of clients so that we can provide a collaborative working relationship to ensure that clients benefit from our wide ranging sector and technical guidance and insight. Is it possible that upon reflection, that the appointed firm of auditors (lot 10.3 a) may also be appointed for lots b), c) d) and e) albeit section 10.2 states that the appointed auditors will not be awarded the other lots? We intend submitting our proposal for each of the lots a) to e) assuming that NMRN’s weighting in deciding which supplier to appoint is not impacted by such a comprehensive approach, please advise how this approach will be considered?

Response: The approach to appointment is as outlined in the ITT section 10.2 and this should be reflected in any response. Suppliers are invited to tender for one, more or all of the lots and the weighting will not be impacted by this.

5. Are there any significant risks, opportunities or challenges facing the NMRN, other than those in the public domain through its website or accounts, that we should consider in planning the scope of audit and other services as appropriate?

Response: No

6. How do those charged with governance and the senior executive team of NMRN, assess the current value and working relationship with its current advisers, what works well and what needs to be improved and what lessons have been learned from appointing them for the year to 31 March 2017 knowing that a formal retender was envisaged.

Response: The current arrangements the NMRN has in place for delivery of these services has no bearing on this tender process.

7. What does a successful working partnership with your external advisers look like to NMRN?

Response: This is outlined in the ITT.

8. The contract value is listed in the ITT as £80k and the contract duration is 4 years. How does this relate to the lot structure proposed?

Response: This has been amended in the notice to £500k (24 January 2018).

9. The contract value of £80k doesn't align with current audit fees (as disclosed in accounts of the subsidiary companies and charitable trusts, adjusted for those impacted by the 1 December 2016 consolidation of governance structure) over 4 years so how has the £80k been determined?

Response: This has been amended in the notice to £500k. The consolidated governance structure is expected to generate savings in the cost of all specified services.

10. Evaluation is 60% on price. Building a relationship with clients requires an investment of time and the benefits can be demonstrated in terms of value for money. In submitting a bid we would anticipate a level of resource being applied to building this relationship. How will you consider the value of the relationship v the price?

Response: this would be evaluated within the qualitative assessment (40%).

11. If we wish to bid for all lots do we have to respond to the tender questions individually for each lot?

Response: The tender is required to provide (paragraph 22.1):

- a) A single method statement of how you would work with us
- b) A single method statement of how you would support the National Museum's strategy
- c) A method statement for each lot on how you would meet the service specification requirements listed in paragraph 10
- d) A single tender statement as listed in paragraph 19

12. Would the NMRN be willing to sign up to supplier T&Cs at contract award? We have obligations to our regulators which stipulate certain terms that must be included within our T&Cs. If NMRN are not willing to sign up to supplier T&Cs will there be the opportunity to discuss amendments to the current T&Cs to reach a mutually agreeable set of terms at contract award?

Response: The NMRN is willing to consider the suppliers T&C's which should be presented with the tender documents. We note that there are requirements from regulators that must be included.

13. Has the NMRN identified a specific timetable to ensure that NMRN's desire for reporting deadline shortening with its chosen suppliers (s) is achieved?

Response: No specific timetable for reporting deadline shortening has been agreed.

14. Will a MS Word templates be made available for production of the accounts?

Response: A MS Word template can be provided.

15. Can you confirm the list of statutory accounts that the successful firm will be required to prepare?

Response:

- The National Museum of the Royal Navy
- NMRN Operations
- NMRN Trading
- Royal Marines Museum Trust
- Royal Navy Submarine Museum Trust
- Fleet Air Arm Museum Trust
- HMS Victory Preservation Company
- HMS Caroline Preservation Company
- Warrior Preservation Trust
- NMRN Hartlepool
- Foudroyant Trust (dormant accounts)
- HMS Trincomalee Trust
- HMS Victory Preservation Endowment Fund

Gross yearly income is not expected to exceed £25,000 for the following and they are likely to be dormant:

- Royal Marines Museum Trust
- Royal Navy Submarine Museum Trust
- Fleet Air Arm Museum Trust
- HMS Trincomalee Trust
- Foudroyant Trust

16. Will the accountants be required to prepare an audit file for the auditors?

Response: The successful accountants would be expected to provide an audit file and to assist in responding to the auditors' queries.

17. We presume that you do not require accounts to be filed for companies which are in the process of being struck off? For example, Warrior Trading?

Response: Accounts are required only for those listed in 15 above.

18. Will the geographical location of the supplier be scored as part of the tender review process?

Response: The geographical location will not be scored but we would expect it to be clear from the method statement how the contract would be serviced.

19. We note that the financial operations are controlled and managed from the Portsmouth team using PSF. Can you confirm therefore, that each of the companies adhere to the same systems and control procedures.

Response: Yes all companies adhere to the same systems and control procedures.

20. We note that the NAO provides an opinion on Regularity in respect of the income and expenditure recorded in the Financial Statements for the National Museum of the Royal Navy's (the parent company). Is a Regularity opinion required on the subsidiary company and trust accounts?

Response: An opinion on regularity is not required on the subsidiary company and trust accounts

21. Please confirm the maximum file size you are able to accept for submission of the electronic copy of the tender.

Response: There is no maximum file size but we would recommend splitting and submission over 10MB into separate .pdf files. We are happy to receive submissions over one or more emails, although this should be clearly noted in the emails.

22. Will the Auditors/ Accountants be provided with their own login for PS Financials?

Response: Yes the Auditors/ Accountants will be provided their own login.

23. Please confirm which version of the PSF software the NMRN is currently using.

Response: The NMRN is currently using version 6.0.0 of PSF.

24. Does the Audit and Governance Committee require that meetings cover all of the subsidiary companies and trusts as a group (for example the audit planning meeting and audit completion meeting)? Or would the Committee prefer individual meetings for each subsidiary/trust?

Response: The Audit and Governance Committee operates at Group level as the committee for all subsidiary companies and trusts, coordinating audit planning and completion across the Group. The successful appointment would be expected to attend one Main Board meeting, one NMRN Operation Board meeting and four Audit and Governance Committee meetings in a year.

25. Which companies are required to file a corporation tax return?

Response: NMRN Trading files a corporation tax return annually. The other companies file as and when HMRC request. For 2016/17 we also filed for the National Museum of the Royal Navy and NMRN Operations.

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