**Auditor specification for the Bure LIFE EU LIFE+ funded project**

**for the period September 2015 – June 2023**

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Company name

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**1**. **Introduction**

1. **Background to Natural England**

Natural England (NE) is the government’s advisor on the natural environment. We provide practical advice, grounded in science, on how best to safeguard England’s natural wealth for the benefit of everyone.

Our remit is to ensure sustainable stewardship of the land and sea so that people and nature can thrive. It is our responsibility to see that England’s rich natural environment can adapt and survive intact for future generations to enjoy.

Natural England is leading the eight-year Bure LIFE project (<https://hovetongreatbroad.org.uk/>) with support from the European Union’s LIFE+ Nature & Biodiversity programme and the UK (EU LIFE) National Heritage Lottery Fund. (NHLF)

**b) Background to BureLIFE Project**

The project is being delivered over the period September 2015 – June 2023 and is led by Natural England (as coordinating beneficiary). A grant agreement with the European Commission outlines the activities and deliverables the project will develop. The project is also partially funded by the UK National Heritage Lottery Fund. The project’s original objectives are:

1. Improve the ecological condition of the Naturally Eutrophic lakes with Magnopotamion or Hydrocharition feature (H3150) within Hoveton Great Broad and Hudson’s Bay, moving them into ‘Unfavourable Recovering’ condition by 2020 (thus contributing to Biodiversity 2020 targets). This will involve:
2. Sediment removal from both water-bodies
3. Biomanipulation of both lakes to achieve clear-water conditions, leading to an aquatic macrophytedominated state.
4. Beneficial re-use of sediment to create new areas of fen vegetation corresponding to the previous extent of marginal lake edge habitats, including Calcareous fens with Cladium mariscus habitat (H7210\*) and to help restore eroded river banks.
5. Monitor the recovery process and disseminate best practice guidance associated with the restoration techniques to managers of similar habitats both within the SAC and elsewhere in the UK and Europe.
6. Raise awareness of anthropogenic impacts, improve physical and intellectual access and increase appreciation of biodiversity amongst local communities, visitors, land managers and range of other target audiences

In January 2023, we applied to funders for a change in grant condition to remove objective 1b, as this was no longer feasible, and replace it with an objective to open up two silted up dykes in Hoveton Great Broad and Hudsons Bay to increase flushing of the broad with River water to promote and sustain natural recovery following the success of the sediment removal works.

The site is located in Norfolk in the East of England.

The total project expenditure is projected to be €5,004,346; 60% funded by the European Commission. A pre-financing payment of 40% has been made and a further 40% payment at project mid term with the final payment being made at end of the project, on receipt of the Final Financial Statement and Audit Report.

Natural England (the coordinating beneficiary) is responsible for reporting the technical and financial progress of the project to the Commission. All financial reporting needs to be provided using the Commission’s [statement of expenditure template](http://ec.europa.eu/environment/life/toolkit/pmtools/life2014_2020/financial_statement.htm) and appropriate supporting documentation for all expenditure need to be retained. Natural England is responsible for recording their own expenditure using the template. This includes information on staff costs (using a calculation that looks at each individual’s annual salary, annual working hours and hours spent on the project) as well as travel and subsistence claims, equipment and consumable purchases and payment of external assistance invoices.

The supporting documentation for the project includes, for example:

| **Supporting documentation** | **How and where held** |
| --- | --- |
| ~600 Rail tickets and other travel and subsistence receipts and documentation | These are held in hard copy in Natural England’s Norwich Office or stored electronically (if received electronically) on Sharepoint (NEs method of storing documents). |
| Approximately ~ 600 Receipts relating to low value equipment and consumable purchases | These are held in hard copy in Natural England’s Norwich Office or in electronic format stored appropriately on Sharepoint. |
| ~ 600 invoices ranging widely in value, up to £200,000 | Original hard copies are held in Natural England’s Norwich Office. Also available electronically. |
| Tender and contract documents for approximately ~50 contracts | Available electronically. |
| In excess of 570 signed timesheets and 100 monthly time recording (ORION) reports. | Natural England timesheets – original hard copies held in Natural England’s Norwich Office, but can be made available electronically.  Time recording reports – signed hard copies held in Natural England’s Norwich Office. Also available electronically (unsigned). |
| Payroll data for approximately 40 staff. | Natural England payroll data –  SSCL issue ‘Logica’ payroll reports to NE External Funding (EF) Finance Business Partner(FBP) Elle Padfield who uses this, alongside a GL05 SOP report, to create a Gross Salary report for project staff. This is held electronically. Payslips and other supporting raw data evidence can be requested from NE EF FBP Elle Padfield. |

A full list of the documentation that needs to be inspected as part of the audit is included in the Commission’s audit guidance/template (see section 2 for further information and a link to the guidance).

**2. Requirement**

A requirement of the funding from the European Commission is to appoint an Auditor for the project. The auditor will undertake a Financial Audit of the project before the end of the project, 30 June 2023. The audit will cover the expenditure of the project for the period September 2015 to June 2023. The audit report will be submitted to the European Commission, along with the project’s final report and statement of expenditure and income, at the end of September 2023.

The purpose of the audit is to provide the European Commission with an independent opinion on the accuracy of the project’s statement of expenditure and income in accordance with the Article I.9 and Article II.27 of the [Grant Agreement](https://cinea.ec.europa.eu/system/files/2021-03/Model%20grant%20agreement%202020.pdf), the provisions of the European Union Financial Regulation, the national legislation and accounting rules and in relation to the forecast for the project. The audit will cover the use of funds from all sources of financing.

The checks are to be carried out on the basis of the supporting documents relating to the project. It does not include checking the accounts of the public body (Natural England) themselves.

The audit needs to be undertaken in accordance with the Commission’s audit methodology and presented in the Commission’s audit report template. These are both provided in the LIFE Independent Audit Report template available on the [LIFE website](http://ec.europa.eu/environment/life/toolkit/pmtools/life2014_2020/tor_financial_statement.htm). **This website must be checked to ensure the most recent template/guidance is used before commencing work.**

The audit report is only considered complete if the auditor in their conclusion of the audit report clearly states whether or not the Financial Report is in compliance with the Common Provisions, the national legislation and accounting rules.

**Location of work**

The work can be carried out remotely or at the NE office at Norwich

Project files and records that support the statement of expenditure are held in the Natural England offices at Natural England, Dragonfly House, Norwich, NR3 1UB or can be shared and stored electronically via access to a SharePoint site.

The CGI payroll system, formerly Logica payroll system, is maintained and managed by SSCL and is used to make salary payments to Natural England staff. SSCL provide a reporting toolwhich can be used by Natural England’s finance team to report salary payments. This reporting tool is available through Elle Padfield the NE External Funding Finance Business Partner.

Original payslips are held by SSCL (Shared Services Connected Ltd) who manage the payroll for Natural England. However, these documents can be requested in advance of the audit if required.

**Previous experience and timescales**

The Auditor appointed should:

* Have experience of auditing European Union financed projects, ideally EU LIFE funded projects.
* Be able to schedule the audit and submission to the timescale prescribed and in the report format required by EU LIFE (see section 4).

**3. Scope**

The purpose of the audit is to provide the European Commission with an independent opinion on the accuracy of the final statement of expenditure and income of the BureLIFE project. This needs to be undertaken in accordance with the Common Provisions, the provisions of the European Union Financial Regulation, the national legislation and accounting rules and in relation to the forecast for the project. The audit will cover the use of funds from all sources of financing. It does not include checking the accounts of the public body (Natural England) themselves.

1. **Outputs and Management**

Please note this work is scheduled for the May/June 2023/24.

* w/c 24 April - short prelimary tele-call meeting
* w/c 2 May 2023 – Inception Meeting, Norwich – to discuss schedule of works, any updates or changes/amendments to the LIFE audit guidance, provision of information etc. prior to commencing the audit of the project.
* W/C 8th May 2023 auditor to provide Project Officer the sample of evidence required (and in what format).
* w/c 30 May 2023 – majority of project information available for audit (hard copies in Norwich.
* w/c 5 June 2023 – all project information available for audit including hard copies in Norwich.
* w/c 26 June 2023 - signed, final audit report submitted using the European Commission’s latest audit report template. The final audit should be sent electronically to the Project Officer and three copies should be provided, bound and printed~~.~~

The above timetable may be subject to change and any changes will be notified as soon as they are known.

**Contract Management**

The contact is Chris Terry, Natural England, Dragonfly House, Norwich, NR3 1UB – Tel: 07500 854356

Managing performance is important, the contractor is expected to maintain regular contact with the project officer in particular meeting the key milestones outlined above.

1. **Methodology**

The audit methodology is outlined in the Commission’s LIFE Independent Audit guidelines (the LIFE website should be checked for the latest version). See [Model terms of reference for the certificate on the financial statements](http://ec.europa.eu/environment/life/toolkit/pmtools/life2014_2020/tor_financial_statement.htm) for complete methodology.

The Auditor designs and carries out his/her work in accordance with the objective and scope of this engagement and the procedures to be performed as specified below.

Verification of the implementation of the project on the basis of an examination of the coherence between the Grant Agreement (and any supplementary agreements) and the project documents. The actions carried out and the declared expenditure will be compared with the actions set out in the Grant Agreement and the provisional budget.

Verification of the eligibility of the declared costs based on the following criteria:

The costs:

* are identifiable and verifiable
* have been provided for in the provisional budget of the project or have been authorised through an amendment to the grant agreement
* are directly linked to, and necessary for carrying out the project
* are reasonable and cost-effective ([[1]](#footnote-1))
* have been incurred during the lifetime of the project
* have been recorded in the beneficiaries’ accounts or tax documents
* have been paid (with the exception of the invoice from the independent auditor)
* are in accordance with the Common Provisions for the LIFE+ Programme.

VAT amounts:

* are supported by a statement from the competent national authority or by a recent VAT statement.

***Verification of the declaration of all project income***

The audit will focus on:

interest on pre-financing payments

all sources of co-financing

other income (sale of products, services and publications, etc.).

For public organisations only :

if the co-financing and the salaries of civil servants/long term staff complies with the common provisions

***Verification of the origin of the participants’ financing***

* Verification that the project does not benefit either directly or indirectly from support from the Structural Funds or other Community financial.

Please demonstrate the methodology you would use to provide this service and the amount of time required for each task, highlighting

1. **Experience**

Provide details of previous experience your company and the staff to be assigned to the contract have of auditing similar projects, including whether you have specific experience of auditing EU LIFE funded projects. Please provide CVs for all staff.

**b) Quality Control**

Explain in full the nature of the requirement and details of quality control procedures that will be used to ensure contract objectives and deliverables are met.

1. **Sustainability**

As a delivery partner, the successful contractor is expected to pursue sustainability and reduce their carbon footprint where possible in all their operations, thereby ensuring Natural England is not contracting with a supplier whose operational outputs run contrary to Natural Englands objectives. The successful contractor will need to assess any environmental impacts that may arise as a result of the work they are undertaking. All contractors will be assessed on their responses and how effectively they will reduce their emissions, ensure efficient energy use and use of raw materials and minimisation of their waste. We expect all contractors to also consider how they will minimise their transport, promote green travel plans and use cleaner transport fuels. The successful contractor is likely to be able to provide a copy of their environmental policy and any environmental accreditation schemes such as ISO 14001 or EMAS which they have been awarded or are working towards.

1. **Evaluation**

**Contract Award Criteria**

The information received in your tender submission will be evaluated against the following contract award criteria and weightings:

The quality scores shal be split as follows:

Commercial 50%

Methodology 18%

Experience 18%

Project/Contract Management 12%

Sustainability 2%

The award of contract will be made to one supplier on the basis of the most economically advantageous option. The decision will be based on the contract award criteria detailed in this document.

Scoring Criteria is as follows, definition for which are in the following table.

Methodology – Minimum score criteria – 70

Experience – Minimum score criteria – 70

Contract Management – Minimum score criteria – 70

Sustainability – Minimum score criteria – 50

|  |  |
| --- | --- |
| **Scoring - Quality Criteria** | |
| **Rating of Response** | **Score** |
| Very Good or Fully Compliant Submission:  meeting all requirements and is fully explained in comprehensive detail. | 90 - 100 |
| Good or Fully Compliant Submission:  meeting all the requirements and is explained in reasonable detail. | 70 – 80 |
| Satisfactory or Compliant Submission:  meeting the essential requirements and is explained in adequate detail. | 50 – 60 |
| Weak or Partially Compliant (Minor issues) Submission:  falls short of requirements in some areas and is poorly explained. | 20 – 40 |
| Unacceptable or Non Compliant (Major issues) Submission:  fails to meet requirements and is not explained. | 10 – 20 |

1. **Pricing Schedule**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Task** | **Staff costs** | | | | **Travel and Subsistence (£)** | **Any other costs (£)** | **Price (exc Vat) (£)** |
| **Grade** | **Day rate** | **No. Days** | **Total Cost** |
| **Initial call** |  |  |  |  |  |  |  |
| **Inception meeting** |  |  |  |  |  |  |  |
| **Sample Testing** |  |  |  |  |  |  |  |
| **Site visit if required** |  |  |  |  |  |  |  |
| **Production of signed off report** |  |  |  |  |  |  |  |
| **Any other costs** |  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |  |
| **VAT** |  |  |  |  |  |  |  |
| **Total Cost** |  |  |  |  |  |  |  |

1. **Quote/Tender & Contract Timescales**

Invitation to Tender issued: w/c 13 March 2023

Clarification queries deadline: 17.00hrs 22 March 2023

Invitation to Tenders return deadline: 17.00hrs 31 March 2023

Evaluation: 14 April 2023

Contract award and decline: w/c 17 April 2023

Contract start: 24 April 2023

Contract completion deadline: 30 June 2023

1. **Contact Details**

**Project Officer** – for matters relating to the day to day running of this project.

Chris Terry – Project Manager

Natural England

Dragonfly House

Norwich

NR3 1UB

Tel: 07500 854356

Email: [Chris.Terry@naturalengland.org.uk](mailto:Chris.Terry@naturalengland.org.uk)

**Procurement Officer** – for all contractual matters.

Chris Terry – Project Manager

Natural England

Dragonfly House

Norwich

NR3 1UB

Tel: 07500 854356

Email: [Chris.Terry@naturalengland.org.uk](mailto:Chris.Terry@naturalengland.org.uk)

1. To be assessed in particular on the basis of the tendering and selection procedures for suppliers or service providers. [↑](#footnote-ref-1)