**Independent Financial Audit of EU LIFE funded Project - LIFE Recreation ReMEDIES (LIFE18 NAT/UK00039)**

Procurement reference: NEJH130524IFALFP

**Responses to clarification Questions**

1. **We should be grateful that if you would confirm that you do not necessarily seek tenders from auditors that are *registered to conduct statutory financial statements audits* (i.e. the auditor holds RI status)**

**In our experience, for grant claims audits, beneficiary bodies do not necessarily need to appoint “statutory” auditors. They can for example appoint internal auditors or external companies that, other than statutory financial statements audits, work on all audits (internal audits, grant claims audits, and agreed upon procedures audits). As long as they have the skills and capabilities (the EU refers for example to independent and competent Public Officers), they are permitted to carry out grant claims audits and reviews of financial statements that support these claims, under specified agreed upon procedures ToRs.**

As you state Natural England can appoint its own internal auditors to carry out this audit. However, as an organisation, we always appoint external auditors to audit our LIFE projects. We therefore follow our relevant procurement rules to advertise, evaluate and appoint someone external.

As stated in section 2.1.3 Requirement of the Request for Quotation (which can be found on [Contracts Finder](https://www.contractsfinder.service.gov.uk/Notice/581d8a41-1163-4127-9f45-c8768fed3f46)):

*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 above).*

It is also important to check that you can meet the requirements set out in section 1.9 of the [Terms of Reference for the Certificate on the Financial Statements LIFE Action grants (Call 2017/2018) – Scope of Work – Compulsory Report format and procedures to be performed.](https://cinea.ec.europa.eu/document/download/77526dde-ecec-4870-916a-cea96b54c822_en?filename=LifeTermeReferenceCertificate2017-2018_update06032023.doc)

1. **Can we submit our responses using our own document template?**

Yes, you can use your own template. Please ensure you complete and return all the documentation listed in section 2.3.4 (Information to be returned) in the Request for Quotation.

1. **Do you know at this stage approximately how much/what % of NE’s expenditure will be consolidated into the beneficiary financial statement that is the subject of this audit?**

100% of Natural England’s expenditure will be included on its beneficiary statement. The same is true for Ocean Conservation Trust.

1. **Are all transactions/financial records accounted for on NE’s financial ledger or OCT’s financial systems?**

All Natural England’s transactions are on its own financial ledger. All OCT’s financial transactions are on its own financial ledger.

1. **Have there been any internal audits on NE’s financial systems in the past 2-3 years? If so what have been the outcomes of these audits?**

Our internal auditors, the Government Internal Audit Agency (GIAA), carry out internal audits throughout the year.

1. **Have there been any financial audits conducted during the projects life? If so, what were the outcomes of these audits.**

Standard financial compliance checks have been undertaken by the LIFE Monitoring team throughout the project.

1. **Is the Financial audit to cover the life of the project, i.e. July 2019 to 31 Oct 2024?**

Yes. The financial statements for both Natural England and Ocean Conservation Trust cover expenditure from 15 July 2019 to 31 October 2024.

1. **By 31st October 2024, will all the necessary transactions have been processed on the systems? Typically, organisations take circa 3 months post end of project to prepare the final financial report.**

All the necessary transactions will be on the financial statements. All the transactions will be in the system, but not all the payments might have been processed by the end of October for expenditure incurred that month. The payment dates will be added to the financial statements as soon as these are available.

1. **Following on from the above point, the timing of the review/ audit, Nov 2024 to mid Jan 2025, coincides with Christmas and New Year, which in our experience hinders work delivery due to lack of staff availability during this period.**

**Has this been factored into the timeline?**

LIFE requires us to submit the:

* Final Report,
* financial statements, and the
* certificate on the financial statements prepared by an independent auditor (subject of this contract).

within three months after the completion of the delivery of the project which finishes on 31 October 2024. We realise this is tight, particularly with the Christmas / New Year period and Natural England being closed Wednesday 25 December to Wednesday 01 January.

We have highlighted this to LIFE, and they are amenable to a possible slight extension if it proves too challenging to meet this deadline. However, we must make every endeavour to try and meet it.

At the contract inception meeting we will review the timescales and continue to monitor (and amend them if required) throughout the contract.

**If so, how will NE ensure we have access to key staff during this period and not hinder delivery against the proposed timetable?**

There is more than one person who will be available to answer questions relating to this contract. We will manage our leave to ensure there is always someone available except for Wednesday 25 December to Wednesday 01 January when Natural England will be closed.

1. **Will we have access to records held by SSCL?**

Yes.

1. **Do you have a budget in mind for this audit?**

The Contracts Finder notice for this contract states:

**Value of contract**

£5,000 to £12,000

1. **Have working papers/evidence in support of the financial statement been compiled in accordance with/informed by the Grant Agreement ToR for the Certificate on the Financial Statements?**

Yes. Natural England has produced guidance for its staff and partners based upon the Terms of Reference for the Certificate on the Financial Statements LIFE Action grants to ensure we collect the appropriate supporting documentation. This guidance is also informed by our experience of numerous LIFE audits.

**Additional questions and responses (circulated 06 June 2024)**

**13.** **The gov.uk website states that the value of contract is between £5,000 to £12,000. Could you confirm whether the range of contract price guide is inclusive or excluding VAT.**

These figures are excluding VAT.

**14. I have completed a similar process, is it OK to use that template for this tender? It asked very similar questions to this one.**

Yes, you can use your own template but please make sure you answer each technical question outlined in section 2.3.1 Evaluation criteria. Please also ensure you complete and return all the documentation listed in section 2.3.4 (Information to be returned) in the Request for Quotation.

**15. The Commercial Responses Template – does this have to be broken down by task?**

Yes please. We appreciate though that the tasks might overlap, run into each other etc. and/or you feel there might be additional tasks. Please feel free to insert additional task lines if required. If you would like to provide a narrative about what you have or have not included in a task etc please feel free to add this below the table.

**16. Do you need references?**

References are not required. Please, however, ensure you provide a list of examples of previous EU funded project audits that you have undertaken, as requested om Q1.1 (pp.18-19) in Section 2.3.1 Evaluation criteria.

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| **Expertise and experience** | Detailed Evaluation Criteria |
| Q1.1 Who will be involved in the project and what relevant experience, skills and knowledge do they bring?  Responses should not exceed 3 sides of A4, and use Arial font, size 11. In addition, please include **CVs**.  Please outline:   * the team's past contributions that best evidence their ability to carry out the proposed project. * examples of previous EU funded project audits | Your response should demonstrate the organisation and team has:  1. Experience of auditing European Union financed projects, ideally EU LIFE funded.  2. Relevant experience of undertaking similar work to a high standard. |