

Invitation to Tender

Legal Services Board

Tender for the Internal Audit Services

Deadline for receipt of tenders: 12:00 on 2 October 2023

Objective

1. The Legal Services Board (LSB) is looking to appoint a suitably qualified third party to undertake internal audit services. As a public body, we are required to have a service as part of our overall governance arrangements and – as a very small organisation - we do not have in-house audit capability. We are looking for a supplier who can work in partnership with LSB managers to deliver the core audit brief to a high standard. The current provider is Crowe LLP. A service provider is expected to be appointed effective from the 1 April 2024.
2. This document contains details of how to submit a bid, the nature of the contract and the timelines that the successful bidder will need to work to.
3. Please contact Ethan Fleming, Corporate Governance Manager, tenders@legalservicesboard.org.uk, if you have any questions or require any clarification. Enquiries received after the deadline for questions may not be answered. A summary of the questions received and LSB's response will be published on Contracts Finder.

Background

4. The Legal Services Board is the independent body responsible for overseeing the regulation of lawyers in England and Wales. In all our work, we seek to promote the eight regulatory objectives set out in the Legal Services Act 2007. We share our regulatory objectives with the 'approved regulators' of the legal profession, each of which have direct responsibility for the day-to-day regulation of the different types of lawyers.
5. Our [strategy for the legal services sector](#) outlines our vision to reshape legal services to better meet society's needs.

6. The LSB is an arm's length body of the Ministry of Justice, funded by a levy on the legal sector. Details on the Board and LSB's governance, including terms of reference for committees and governance policies are available on the LSB [website](#).
7. The LSB has a small office in central London, near Tottenham Court Road. Since the pandemic, the LSB has been operating on a hybrid basis.

Specification of services required (this will form part of the Contract)

8. The primary responsibility for maintaining risk, control and governance arrangements rests with the Chief Executive, as Accounting Officer, who is responsible for ensuring that adequate systems of internal control are in place. The work of Internal Audit supports the discharge of these duties and is one source of assurance to the Accounting Officer in signing the Governance Statement required annually by HM Treasury. The successful bidder will provide an internal audit service to the LSB to support our governance arrangements and risk management processes. This will enable an independent and objective opinion to be given on the adequacy and effectiveness of our system of risk management, control and governance.
9. LSB will require independent assurance about:
 - corporate governance;
 - risk management;
 - performance, operations and delivery;
 - key financial and operational controls;
 - IT ;
 - human resources;
 - management information and information security;
 - fraud, error and whistleblowing policies;
 - project and programme management; and
 - change management.
10. The provider will draft and agree with the LSB an internal audit strategy for the period of the contract. The strategy will be broken into an annual plan each year. The successful bidder will provide an internal audit service in accordance with the annual internal audit plan for the financial years 2024/25, 2025/26 and 2026/27. At the end of each year the provider will prepare a written annual report and opinion and present it to the LSB's Audit and Risk Assurance Committee (ARAC).
11. Additionally, the provider will be required to attend and to present reports at the LSB's ARAC meetings (currently virtual). These meetings usually take place in March, May and October of each year. Attendance may be required

at other ARAC meetings if business requires. The Audit Director/Partner will be required to attend, accompanied by the Audit Manager. The Audit Director/Partner will act as LSB's Head of Internal Audit and accordingly their time commitment must reflect the responsibilities of this role and be responsive to the requirements of the Accounting Officer and ARAC.

12. The Comptroller and Auditor General is required to audit, certify and report on the LSB's annual report and accounts in accordance with the Legal Services Act 2007. The provider will be required to liaise with the National Audit Office (NAO) audit team or their sub contracted representatives, and, where so requested, to provide input to the external audit for assurance purposes.

13. The provider will undertake internal audit reviews each year, as set out in the internal audit plan and agreed with the LSB. The plan will allow the Head of Internal Audit to manage the provision of internal audit resources to meet the following objectives:

- The provision to the Accounting Officer, of an overall opinion each year on the organisation's risk management control and governance, to support the preparation of the Governance Statement;
- Audit of the organisation's risk management, control and governance through periodic audit plans in a way which affords suitable priority to the organisation's objectives and risks;
- Improvement of the organisation's risk management, control and governance by providing line management with recommendations arising from audit work;
- The identification of audit resources required to deliver an audit service which meets the Public Sector Internal Audit Standards; and
- Effective co-operation with external auditors.

15. The internal audit plan for 2023/24 provides for a total of c15days audit work. Internal audit reviews being carried out in the year are:

- Business Continuity Planning
- Third party IT provision
- Assurance on the LSB's statutory remit
- Equality, Diversity and Inclusion at the LSB

16. Reviews were undertaken in the following areas in the years prior may be found in Annex D.

14. The LSB is subject to the Freedom of Information Act and is committed to operating in transparent way. Although internal audit reports are not published consideration should be given as to if a request under the Freedom of Information Act was received.

Contract term

15. A provisional decision on a preferred supplier is expected by early November subject to decisions by ARAC and the Board at their respective November meetings.
16. The contract is expected to commence on the 1 April 2024 and continue for three years until the 31 March 2027 with the option to extend it for two further years. Attendance would be expected at LSB's ARAC meetings in March and May 2024 (virtual) for 'handover' purposes.

Budget

17. The LSB is a public body and so receives funding for each financial year to 31 March.
18. There is a budget ceiling of £18,000 per annum including VAT. Bids above this for may still be considered but the score for Price will be adjusted to reflect this. Bids should clearly indicate if they include VAT or not.
19. A breakdown of costs should be provided for each year of the contract including where appropriate the different costs of different staff members.

Compliance

All bidders are expected to confirm they comply with the following legislation/standards and to provide proof upon request:

- Equality Act 2010
- General Data Protection Regulations and the Data Protection Act 2018
- If you have worked with one of the approved regulators that the LSB regulates or the Office for Legal Complaints / Legal Ombudsman within the last twelve months or are currently working with them, how this will impact your independence and what mechanisms will be put into place to manage any real or perceived conflicts and to maintain confidentiality.

Timeline

Procurement

<i>ITT Issued</i>	<i>04/09/2023</i>
<i>Deadline For Questions</i>	<i>17:00 - 12/09/2023</i>
<i>Deadline for Submissions</i>	<i>12:00 - 02/10/2023</i>
<i>Shortlisted Supplier Presentations</i>	<i>Week beginning 23/10/2023</i>
<i>Provisional Decision Made on Appointment and Communicated</i>	<i>Week beginning 6/11/2023</i>
<i>Chosen Supplier Commences</i>	<i>01/04/2024</i>

Tender evaluation

Tenders will be evaluated according to the following criteria:

Evaluation	Criteria	Weight
Qualitative	Method statement	50%
Commercial	Price	40%
Social Value	EDI Form	10%

A qualitative assessment will be made by reviewing the method statements provided by the tenderer and applying the scoring guide below:

Score	Acceptability	Description
0	Unacceptable	Information is omitted/ no details provided
1	Poor	Evaluator is not confident that the tenderer understands the contract requirements and/or will be able to satisfactorily meet the criterion requirements.
2	Fair	The Evaluator has some reservations that the applicant understands the contract requirements and/or will be able to satisfactorily meet the criterion requirements.
3	Satisfactory	The Evaluator is reasonably confident that the applicant understands the contract requirements and/or will be able to satisfactorily complete the contract requirements covered by this criterion to a reasonable standard.
4	Good	The Evaluator is confident that the applicant understands the contract requirements and/or will be able to satisfactorily complete the contract requirements covered by this criterion to a high standard.
5	Excellent	The Evaluator is completely confident that the applicant will provide a comprehensive managed service to a very high standard.

Submitting a Tender

A tender is required which should include method statements, but not be limited to:

- A description of how you would work with us, the key people that will work the LSB and their background, experiences and skills.
- A description of how you will meet the service specification requirements listed in paragraph 15 onwards above.
- A fully costed proposal with fixed and variable costs.
- A completed supplier questionnaire form (annex A).
- A completed EDI form (annex B).
- A completed non-collusive tendering certificate (annex C).

Failure to provide any of the above details may lead to bids being disregarded with no further evaluation. Electronic completion and signing of the forms is acceptable.

All tender submissions should be submitted by **12:00 on 02 October 2023** to tenders@legalservicesboard.org.uk . Submissions submitted to other addresses or beyond this time will not be accepted.

Your tender is to remain open for acceptance for 90 calendar days from the date of submission.

No qualifications are to be made to your tender. Any tender queries are to be raised before tender submission.

LSB does not bind itself to accept the lowest tender.

We reserve the right not to award a contract. There is no guarantee of any business as a result of this further competition, and we will not be held accountable for any costs to the bidder as a result of this exercise. We will consider bids from consortia on the basis that we may contract with the lead partner only, who we will hold solely responsible for successful delivery of the project.

Annex A - Supplier Questionnaire

To be completed and returned with tender

Name of organisation	
Address for correspondence	
Contact name and position	
Telephone number	
Email address	
Website address	
Address of registered office	
Company Number	
Names and job titles of key points of contact for delivery of the service	
Name of Bank and contact details for bank (financial references may be sought)	
Please attach most recent audited accounts with an explanation of any significant changes since the last year end	
Please provide contact details for two reference organisations	

Annex B – Equality Diversity and Inclusion Questionnaire

LSB - Supplier equality and diversity assessment form

This form will be used to assess your commitment to equality and diversity. Please answer the following questions, providing any necessary documentation.

1. Organisation size

What is the total number of employees/contractors/partners in your organisation?

2. Equality and diversity policy

Does your organisation have an equality and diversity policy, statement or strategy?

YES / NO

If YES, please provide a copy.

If NO, are you intending to implement something in the near future, and if so, when?

3. Bullying and harassment policy

Does your organisation have a policy/procedure to handle issues relating to bullying and/or harassment?

YES / NO

If YES, please provide a copy.

If NO, are you intending to implement something in the near future, and if so, when?

4. Equality and diversity training

Does your organisation provide equality and diversity training?

YES, and it's mandatory / YES, and its optional / NO

If YES, please provide an outline or description of the training, its regularity, and the percentage of your organisation that has completed the training.

If NO, are you intending to implement something in the near future, and if so, when?

Annex C – Non-Collusive Tendering Certificate

Contract for the provision of Internal Audit services to the Legal Services Board

Non-collusive tendering certificate

We certify that this is a bona fide tender, 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 also certify that we have not done and we undertake that we will not do at any time before the hour and date specified for the return of this tender any of the following acts:-

- (a) communicate to a person other than the person calling for those tenders the amount or approximate amount of the proposed tender, except where the disclosure, in confidence, of the approximate amount of the tender was necessary to obtain insurance premium quotations required for the preparation of the tender;
- (b) enter into any agreement or arrangement with any other person that he shall refrain from tendering or as to the amount of any tender to be submitted;
- (c) offer or pay or give or agree to pay or give any sum of money or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other tender or proposed tender for the said work any act or thing of the sort described above.

In this certificate, the word "person" includes any persons and any body unincorporate; and "any agreement or arrangement" includes any such transaction, formal or informal, and whether legally binding or not.

Dated this day of year

Signature

In the capacity of (e.g. director, secretary etc.)

(capitals)

**Duly authorised to sign
tenders for and on behalf
of**

Postal address

Telephone no

Email address:

Annex D – Previous Internal Audits

2022/23

- Practicing Certificate Fees
- Recruitment and Retention
- Regulator EDI
- Transparency

2021/22

- Communications
- Procurement
- Business Planning
- Payroll

2020/21

- Statutory Decisions
- IT Controls
- Remote Working Fraud Risk
- Regulatory Performance

2019/20

- Practicing Certificate Fee Review and Approval
- Office of Legal Complaints
- Performance Management
- Managing Public Money

2018/19

- Financial systems
- IT Transformation
- Office Move
- Data Management

2017/18

- Staff retention
- Assurance mapping
- Strategic planning

2016/17

- Financial systems
- Risk management
- Overseeing regulators

2015/16

- Business continuity
- Research procurement

2014/15

- Payroll
- Approval of Practice Certificate Fees

2013/14

- Core financial systems
- Governance and risk management

2012/13

- Research Procurement
- Human Resources
- Statutory Decision making