Specification

## Internal Audit Services

# About UKAD

UK Anti-Doping is the Arm’s Length Body (ALB) responsible for tackling doping in sports and prosecuting violations of the World Anti-Doping Code (the Code). The organisation was launched in 2009 ahead of the London 2012 Olympic and Paralympic Games and is currently located on the civil estate in Fleetbank House, London, although changes in location are currently being planned.

UK Anti-Doping is responsible for the implementation and management of the UK’s Anti-Doping Policy, as well as ensuring the UK is compliant with the UNESCO convention, and the Code, for educating and informing athletes and athlete support personnel, and carrying out anti-doping tests across a number of funded and professional sporting bodies to determine and prosecute anti-doping rule violations.

# Background

Internal Audit primarily provides an independent and objective opinion to UK Anti-Doping’s Audit and Risk Committee and the Accounting Officer about governance, risk management and compliance by measuring and evaluating the effectiveness of these areas in ensuring the organisation achieves its agreed objectives.

Internal audit also assists managers by evaluating and reporting on the elements of the internal control system for which they are responsible and by making recommendations for improvement in line with industry best practice where possible.

UK Anti-Doping seeks to appoint a suitable independent and experienced Internal Audit provider to assure the Audit and Risk Committee and Accounting Officer on the efficiency, economy and effectiveness of policies, practices and controls at UK Anti-Doping. This Contract will be for an initial three-year term with an option to extend one year at a time up to a maximum of three years (3 + 1 + 1 + 1).

# Organisational status of internal audit

Internal Audit reports to the Audit and Risk Committee and Accounting Officer and will help to promote and ensure:

* An independent view of internal policies, procedures and controls;
* A broad audit coverage across all operational areas;
* A consistency & profile for internal audit reports; and
* The implementation of audit recommendations

UKAD is certified to international standards ISO9001 for Quality Management and ISO27001 for Information Security Management and is required to conduct our own specialist auditing to assure our compliance with this. The Internal Audit programme would support and supplement these internally conducted reviews.

# Contract requirements

UKAD requires an Internal Audit service provider which understands both a public sector organisation and the specialist sporting environment within which we operate.

The successful tenderer will be required to provide the following scope of services in accordance with relevant UK Institute of Internal Auditors Standards and Guidance and HM Treasury Government Internal Audit Standards:

* A detailed Internal Audit plan & strategy which reflects UKAD’s risks and priorities
* Internal Audit services as agreed with Audit and Risk Committee and the Accounting Officer in order to provide assurance on the adequacy and effectiveness of internal controls, particularly in relation to the Statement of Internal Control in the Statutory Accounts
* An annual Internal Audit report and progress updates at each Audit and Risk Committee meeting
* Assurance of the effective operation of controls to prevent fraud
* The undertaking of other such work as the Audit and Risk Committee may authorise. This will constitute an addition to the scope of services above as included in the pricing schedule under the specific projects heading

We will evaluate tenderers on their technical competence and audit approach looking particularly for their use of a risk-based focus, audit methodology, communication and administrative frameworks, economics and corporate governance. Evidence of where value can be added to the services provided will be favourably considered.

# Content of tender

Respondents should address the following areas, which will be considered using the weighting indicated, and provide evidential examples wherever possible:

## Technical Competency 30%

* Evidence of competency to undertake the internal audit function in a public sector body. This should relate to both the experience of the firm overall and key individual members of the audit team
* Ability to call on specialist auditing skills and relevant level security cleared personnel as required by the audit programme e.g. intelligence, IT, value for money and fraud prevention, procurement, human resources, information security, etc.
* Details of key staff to be engaged in the audit programme, including brief CVs and details of seniority
* Details of ongoing staff training and development including succession planning
* Details of the qualification levels of staff conducting field work. Whilst it is appreciated that training and development of new auditors requires that trainees will sometimes be used, we would like to ensure that this is not the default position

## Audit Approach 15%

* Brief description of your overall approach to internal audit including a proposal for the maximum number of days per annum to meet Internal Audit requirement.
* Extent of your reliance on a risk-based approach
* What is your understanding of the main issues driving ALBs and UKAD?
* What is your analysis of the major risks facing UK Anti-Doping and how would you configure your audit programme to address these, including an indication of time allocation?

## Audit Methodology 15%

* Describe your approach to audit assignments
* How would you achieve a balance between work on risk management and substantive testing
* Procedures for ensuring confidentiality of files and information relating to the audits undertaken;
* Proposals for reporting effectively the outcomes of Internal Audit work back to UK Anti-Doping
* Procedures for involving UK Anti-Doping in any staff change regarding the team allocated to UK Anti-Doping.
* How would you collaborate with our external auditors, the NAO?

## Economics 20%

* A comprehensive budget for the 3-year appointment, showing the service activities proposed, with charge-out rates and budgeted hours, including relevant assumptions. Preference will be given to tenders which show ingenuity in plans to conduct the work.

## Corporate Governance 20%

* Scope of support for Audit and Risk Committee and Management including tangible proposals to add value.
* Method for effective reporting to the Audit and Risk Committee and Management of UK Anti-Doping

# Description and extent of work

## Performance of audit assignments

* Assignments are to be performed in accordance with the Respondent’s procedures for Internal Audit work, as described in the tender proposal, unless specifically agreed otherwise
* All procedures and working papers must be made available on request within one working day, to UK Anti-Doping.

## Timing of assignments

* The Audit and Risk Committee shall approve the Annual Internal audit plan before implementation. The performance of each assignment that is not in the audit plan shall be agreed to by the Audit and Risk Committee by not later than one month before work is due to commence.

## Quality assurance reviews of the work

* The Successful Bidder shall ensure that all work conforms to relevant UK Institute of Internal Auditors – UK and Ireland Standards and Guidance and HM Treasury Government Internal Audit Standards.

## Independence and objectivity of Audit Staff

* In carrying out the work, the Successful Bidder must ensure that its staff maintains objectivity by remaining independent of the activities they audit.

## Monitoring progress of assignments

* The Successful Bidder shall meet with the Audit and Risk Committee to report on progress of the Work.

## Report of audit results

* The report(s) on findings and recommendations arising from audit work should be sent to the Senior Manager responsible within 21 days of completion of fieldwork for their review and comment. The Senior Manager will either respond to the Internal Auditor within 14 days to agree actions & implementation dates or arrange a meeting to discuss within that time. If the findings have not been addressed these shall then be incorporated into the relevant report.

## Fraud and irregularities

* In planning and conducting its work, the Successful Bidder should seek to identify serious irregularities, which might result in possible fraud; any such irregularities must be reported immediately to the Director of Finance, Chief Operating Officer and Chief Executive of UK Anti-Doping as well as the Audit and Risk Committee without disclosing these to any other members of the staff.

## Liaison with incumbent contractor

* In the event of a change from the incumbent contractor, tendering internal auditors should specify what ‘on-site’ and other assistance/support will be provided during the changeover period to ensure that the implementation of change can be managed as efficiently, expeditiously and economically as possible.
* Any new appointee, if necessary, will be required to co-operate with the incumbent internal auditors to ensure a smooth and cost-effective transition, and run-down of existing work, where appropriate.
* During the final year of the contract, notice will be served about inviting tenders for a new contract.  If the then current contractor does not retain the appointment, the incumbent will be expected to co-operate fully with any new contractor and to maintain relevant services for a reasonable period based on charges applied during the final year of the then current contract.

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