

# **Invitation to Tender**

## **Audit Services**

Issued 01/12/17 V1.0

Audit Services.....	1
1.0 Introduction to Leeds Federated .....	3
2.0 Background Information .....	4
3.0 Timescale.....	4
4.0 Brief .....	4
5.0 Performance reviews .....	5
6.0 Evaluation of Tender Submissions .....	5
7.0 Terms of Appointment .....	7
8.0 Terms and Conditions .....	8
9.0 Submitting your Tender Proposal .....	10
10.0 Supporting Documentation Checklist .....	11
11.0 Quality .....	11
12.0 Pricing Matrix .....	12
12.1 Internal Audit .....	12
12.2 External Audit.....	13
13.0 Form of Tender.....	14
14.0 Certificate of Non-Collusion.....	15
Tender Return Label .....	17
Appendix A – Lot 1 Internal Audit.....	18
Appendix B – Lot 2 External Audit .....	21

## 1.0 Introduction to Leeds Federated

Leeds Federated Housing Association (The Association) is a registered social landlord formed in 1974 for the benefit of the community. The Association has a central office in Leeds.

The Association employs approximately 120 staff and provides just under 4,000 homes in Leeds, Harrogate and Wakefield Districts.

The approximate housing portfolio breakdown is:

3200	general needs properties
210	supported housing properties
260	sheltered properties
210	shared ownership properties
85	non-social properties

Our vision statement describes what the Association is aiming to achieve over the medium to long term:

### **Building Futures Together**

The vision statement reflects our aim to grow through *building* more homes. It is our intention to enable our customers to consider their *future* knowing they have a place they can call home. The Association will work *together* with staff, customers and other stakeholders in making our vision a reality.

The three goals of the Association are as follows:

**1. Sustain**

We will provide good quality homes that people want to live in and provide value for money services, delivering quality at an affordable cost. We will maintain a healthy business in terms of its finances, expertise and governance.

**2. Innovate**

We will make the best use of technology to improve the efficiency and effectiveness of services and find ways to work smarter. We will adapt to change in our business and operating environment to remain competitive.

**3. Grow**

We will expand our delivery of good quality homes and identify new business opportunities to enhance Leeds Federated's viability. We will grow our capacity, skills and influence to support the business.

## 2.0 Background Information

This document sets out the Association's requirements for the provision of Audit Services and provides information about the Association and the key criteria for this contract. Importantly, it also contains the specific requirements that tenderers are to respond to, as well as setting out the evaluation criteria and scoring system that the Association will be using to apply to responses.

The tender documents include:

- This invitation to tender
- Certificate of Non Collusion
- Form of Tender

Any queries should be placed in writing (e.g. email) and directed to Joanne Harrison, Procurement & Contracts Coordinator, email: joanne.harrison@lfha.co.uk. **The latest date for the receipt of queries is midday 11/12/17.** Queries should clearly identify the Lot to which it refers.

A full list of any queries raised by a tenderer during the tender stage will be created and disseminated to all tenderers at the same time (if and when they occur) via an update to the Contracts Finder notice.

## 3.0 Timescale

Circulate Invitation to Tender	1st December 2017
Deadline for submission of clarifications	Midday 11th December 2017
Submission of tenders	Midday 18th December 2017
Evaluation of tenders / shortlist for presentations	18 – 21st December 2017
Notification to shortlisted Tenderers	By 4pm 21st December 2017
Interviews / Presentations	10th January 2018
Internal Board approvals	31st January 2018
Notice of Award	By 9th February 2018

Dates are correct at time of publishing the Invitation to Tender and may be subject to change

## 4.0 Brief

- 4.1 The Association is issuing this tender for Internal Audit and External Audit services at the same time. In line with good practice, Leeds Federated Housing will award the two contracts to different organisations. Tenderers may submit prices against either or both Lots and may be interviewed for both Lots, but will only be appointed to one. The decision on which Lot a particular successful tenderer is appointed to will be solely the Association's.
- 4.2 The Association is seeking to procure the services of suitably experienced and qualified organisations to provide internal and external audit services for a four year period. Internal Audit starting 1 April 2018 and covering the 18/19, 19/20, 20/21 and 21/22 financial years, External Audit commencing with their appointment at the Association's AGM in 2018 (usually September) and the auditing of accounts for the financial year 2018 / 2019, up to and including 21/22.
- 4.3 Full detail for the requirements of each Lot can be found at the relevant Appendix.

#### 4.4 Rates

The Association is looking to have in place **Pre-Agreed Rates** for all items provided under the agreement for the duration of the contract term. Please indicate post year 1 whether your prices would be held or which inflator would be used.

Tenderers are referred to the Form of Tender within this Invitation to Tender to provide details of their prices. Tenderers should submit entirely separate proposals for each Lot, if submitting a proposal against both Lots.

- 4.5 Following the evaluation of Tenders received, the Association will shortlist (maximum of 5) tenderers, who will be invited to present further information to a panel of evaluators.

### 5.0 Performance reviews

- 5.1 Internal Audit – the Association will report to each Audit and Risk Committee against the days used in comparison to the budgeted days, on the timeliness of reports – both the Association and the Audit firm, how the visit has gone from a management perspective and at the end of the year on the percentage split of staff grade used in comparison to the tender document. The Audit Firm will have the opportunity for a closed session with the Audit and Risk Committee at the March Committee at which the end of year control statement is produced and at any other such time as is required.
- 5.2 External Audit –the Association will report post the end of the each Audit to the subsequent Audit and Risk Committee on how the audit has gone from a management perspective and on the timeliness of reports. The External Audit firm will be asked to comment on the percentage split of staff grade used in comparison to the tender document. The Audit Firm will have the opportunity for a closed session with the Audit and Risk Committee at the July Committee at which the audit management report is produced and at any other such time as is required.

### 6.0 Evaluation of Tender Submissions

- 6.1 The Association reserves the right to exclude a Tender from evaluation if it does not conform to the tender requirements or does not demonstrate sufficient capability to perform the required work.
- 6.2 Award will be based on the most suitable solution and most economically advantageous tender received, where Price tendered accounts for 40% of the overall score and Quality accounting for 60%.
- 6.3 The Quality score will be split into 50% for the written responses to the Quality Questions and 10% for information provided and the quality of the presentation at the shortlisted interview stage.

6.4 The scoring mechanism is as follows:

**i. Pricing: (40% of the overall score)**

This sets out the pricing information required by the Association for evaluation and appointment of the successful Partner(s).

A price score shall be calculated for each tender by reference to the lowest tender, which is given a points score of 100. One point shall be deducted from each of the other tenders for each percentage point above the lowest in accordance with the following formula:

$$\text{Maximum Available Price Score (100)} \times \frac{\text{Lowest Price received}}{\text{Tenderer's Price}}$$

A maximum price ratio score of 40% shall be given to the lowest price. The price ratio score shall then be calculated for each other tender according to the points achieved as a proportion of 100.

Tenderers shall note that tenders considered to be priced very low shall be scrutinised to ensure that this is not as a result of a failure to understand the requirements of the Contract. The Association shall have the right to disregard any tender that it considers to be abnormally low.

**ii. Quality Questions (50% of the overall score)**

This measures the responses to the Quality Questions set and will be scored in accordance with the table below:

Evaluation of answer	Marks
Nil response (no answer provided)	0
Completely fails to meet required standard or does not provide a proposal	1
Proposal significantly fails to meet the standards required, contains significant shortcomings and/or is inconsistent with other proposals	2
Proposal falls short of achieving expected standard in a number of identifiable respects	3
Proposal meets the required standard in most material respects, but is lacking or inconsistent in others	4
Proposal meets the required standard in all material respects	5

The responses to the questions should be strictly restricted to the page count identified. Responses will only be evaluated up to the specified page count per question. Text that exceeds the specified page count will be discounted. All tender responses must be submitted as a read-only MS Word document with 'Arial' Font, size 11.

Supporting information may be submitted as appendices, but will not be scored.

The highest scoring Tenderer for **Quality Questions** will be awarded the full 50% available. The remaining Tenderers will be awarded a percentage score based on the following calculation.

$$\text{Maximum Available Quality Question Score (50)} \times \frac{\text{Tenderer's Total Score out of 50}}{\text{Highest Score awarded out of 50}}$$

iii. **Quality - Presentation (10% of the overall score)**

This measures the quality of the presentation and answers given during the interview and will be scored in accordance with the table below:

<b>Evaluation of answer</b>	<b>Marks</b>
Fails to meet required standard	1
Meets the required standard in all material respects	3
Exceeds the required standard with evidence of added value	5

The highest scoring Tenderer for **Quality Presentation** will be awarded the full 10% available. The remaining Tenderers will be awarded a percentage score based on the following calculation.

$$\text{Maximum Available Quality Question Score (15)} \times \frac{\text{Tenderer's Total Score out of 15}}{\text{Highest Score awarded out of 15}}$$

- iv. The adjusted percentage scores for Quality/Price will be added together to give an overall percentage score.

## 7.0 Terms of Appointment

- 7.1 The contract will be awarded on the basis of the most economically advantageous tender, and Tenders will be evaluated on the offer price and on the Tenderer's experience and capability.
- 7.2 Appointment will be on the basis of a 4 year contract. **Tenderers are requested to include with their response a copy of their proposed Terms and Conditions for the contract**, for review and mutual agreement. Where there is a conflict between the Terms & Conditions provided and this tender / the Tenderer's response, the ITT and response will take precedence. The Terms & Conditions submitted shall include a proposed invoice schedule.
- 7.3 The Association reserves the right to award a contract for all or any part of the work specified in this invitation to tender, or not to award a contract.
- 7.4 The Association may award a task or series of tasks to the awarded Partner, another Partner or retain the task and carry it out itself.
- 7.5 The tenderer acknowledges and agrees that the Association shall have no liability whatsoever (whether under Agreement, statute, tort or otherwise) in respect of any consequential or indirect loss or any actual or expected loss of profit, loss of revenue, loss of goodwill or loss of opportunity in the event that the Association reduces or reallocates any amount of works awarded to the Partner.

## 8.0 Terms and Conditions

8.1 The Association reserves the right to award a contract for all or any part of the work specified in this Invitation to Tender, or not to award a contract. The Association also reserves the right to award the contract to more than one Tenderer.

8.2 The successful Tenderer will be required to sign and abide by a contractual agreement. Payment terms are 30 days from receipt of invoice with payment by BACS.

8.3 Any variations to the fee due to fundamental changes in the nature of the project shall be by negotiation between the parties.

8.4 Data Protection

(i) The appointed Firm will:-

1. Duly observe their obligations under the Data Protection Act 1998 and associated Regulations to ensure full compliance with the law relating to personal information.
2. In this clause references to Personal Data are to be interpreted as defined in the Data Protection Act 1998 ("DPA") and related case law. The Firm shall comply with all relevant provisions of the DPA and do nothing which causes, or may cause, The Association to be in breach of its obligations under the DPA. In particular, to the extent that the Firm acts as a Data Processor in respect of any Personal Data pursuant to this Agreement, the Firm shall only process such Personal Data as is necessary to enable it to fulfil its obligations under the contract and only in accordance with instructions from the Association. The parties hereby agree that the Association shall be the Data Controller in respect of such Personal Data.
3. From its introduction in May 2018, any reference to the DPA shall also refer to the General Data Protection Regulation (GDPR).

(ii) The Firm shall:

1. Implement technical and organisational measures in place to protect any personal data it is processing on The Association's behalf against any unauthorised or unlawful processing and against any accidental loss, destruction, damage, alteration or disclosure and undertakes to maintain such measures during the course of this Contract. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful Processing, accidental loss, destruction or damage to the Personal Data which is to be protected.
2. Take all reasonable steps to ensure the reliability of its staff having access to any such Personal Data.
3. Monitor and maintain the integrity of all Personal Data in full accordance with the Data Protection Principles.
4. Obtain prior written consent from the Association in order to transfer the Personal Data to any sub-contractors or affiliates to fulfil their obligations under this Contract. This is subject to the confidentiality issues as set out in this document.
5. Ensure that all employees of the Firm who reasonably require access to the Personal Data are informed of the strict confidential nature of the Personal Data; and

6. Ensure that no employees of the Firm publish, disclose, or divulge (whether directly or indirectly) any of the Personal Data to any third party unless directed in writing to do so by The Association.
7. Notify The Association within 5 (five) working days if it receives any complaint, enquiry or request from any person whatsoever relating to The Association's obligations under the DPA.
8. At its sole cost, promptly to provide The Association with full cooperation and assistance in relation to any complaint, enquiry, or request made to the Partner which shall include, but shall not be limited to:
  - (i) Providing to The Association full and complete details of the complaint, enquiry or request;
  - (ii) Complying with a data access request and within the relevant timescales as set out in the Data Protection Legislation and in accordance with The Association's instructions;
  - (iii) Providing to the Association any and all Personal Data it is in possession of in relation to tenants/ residents and shall do so within the timescales required by The Association and notified to the Firm; and
  - (iv) Providing to The Association any and all relevant information requested by the Association.
9. Upon reasonable notice, allow the Association access to any premises owned or controlled by the Firm to enable the Association to inspect and audit its procedures and shall, upon the Association's request from time to time, prepare a report for the Association in respect of the technical and organisational measures it has in place to protect the Personal Data.
10. Warrant that it has submitted, pursuant to section 18(1) of the DPA, a notification to the Information Commissioner (as defined by the FOIA) and shall keep that notification correct, complete and up to date.
11. Not transfer any Personal Data (whether in whole or in part) to any country outside of the European Economic Area unless authorised in writing to do so by the Association and, where the Association authorises such transfer, the Partner shall fully comply with:
  - (i) The obligations of the Data Controller under the Eighth Data Protection Principle set out in Schedule 1 of the DPA by the provision of an adequate and appropriate level of protection in respect of any Personal Data which is transferred in accordance with this and;
  - (ii) Any reasonable instructions notified to the Partner by the Association.
12. Upon the termination of this Agreement for whatever reason, unless notified otherwise by the Association or required by the law, immediately cease any and all processing of the Personal Data on the Association's behalf, and destroy or provide to the Association with a copy of all such Personal Data on suitable media.
13. Upon receipt of any request from the Association to do so, promptly amend, transfer, or delete the Personal Data (whether in whole or in part). Upon deletion of the Association's data, the Firm will not be able to provide any reports or other benefits relating to any deleted data.

14. When required to collect any Personal Data on behalf of the Association, ensure that the Firm provides to the Data Subjects, from whom the Personal Data is collected, with a fair processing notice in a form to be agreed by the Partner.
15. Comply with all reasonable requests or directions by the Association to enable The Association to verify and / or procure that the Partner is in full compliance with its obligations under this contract.

## 9.0 Submitting your Tender Proposal

- 9.1 Tenderers should submit **entirely separate** proposals for each Lot, if submitting a proposal against both Lots.
- 9.2 All tenderers are deemed to have made sufficient allowances for all proposed pricing requirements including contingencies where required. Contingencies or other like allowances are to be clearly indicated on the Tender submission.
- 9.3 The tenderer must acquaint and satisfy themselves with all conditions likely to affect the execution of any of the Services.
- 9.4 The Association will not be liable for any expenses incurred by the tenderer in the preparation of its Tender.
- 9.5 Tenderers shall note that generic method statements and those of a general nature which refer to information within company profiles, brochures or other promotional and/or marketing literature will not be acceptable.
- 9.6 The tenderer shall complete the Form of Tender in respect of this contract.
- 9.7 The tenderer shall comply with the Non Collusion Statement in respect of this contract and date and sign the Statement accordingly.
- 9.8 Tenderers **must** submit a **hard copy** of their response to the Association.
- 9.9 Tenderers must **not** submit their response to this invitation to tender electronically. A soft copy of the response on CD or memory stick must be included with the hard copy. Any email / electronic submissions will be disregarded / deleted.
- 9.10 Tenderers must use the Return Label Provided and ensure that they deliver their tenders on time.
- 9.11 Proposals must be received by midday 18<sup>th</sup> December 2017 by post to Joanne Harrison – you must use the Tender return label on page 17 of this ITT. There must be no other markings anywhere on the envelope whatsoever. If you are using a courier or other method that requires external identification, you should enclose your submission in another envelope bearing the tender return label within the external packaging. Please enclose a hard copy that is signed, and a soft copy on CD / USB stick.
- 9.12 Failure to comply with these requirements may invalidate your tender.

## 10.0 Supporting Documentation Checklist

10.1 Please ensure that you check carefully and include with your response to this Tender:

- (i) Completed Form of Tender (Section 13)
- (ii) Completed Pricing Matrix
- (iii) Response to Quality Questions
- (iv) Signed Certificate of Non Collusion (Section 14)
- (v) Copies of Insurances
- (vi) Soft copy of the tender
- (vii) Terms & Conditions

## 11.0 Quality

11.1 Quality Questions

- (i) Refer to specific Lot Appendix/es
- (ii) **Maximum marks available for Quality Questions= 50**
- (iii) Included with the tender response you are asked to provide the following items. Please note that these are for information purposes only and will not be scored by the Association, although the references will be obtained to give assurance / confidence in the tender responses.
  - (a) Company details: Company Background, services provided and location of audit team.
  - (b) The Tenderer will supply the Association with full details of indemnity levels held, with a copy of the certificate
  - (c) Who you propose will attend the Audit and Risk Committee meetings.
  - (d) Details of other clients that you work with
  - (e) Referees: minimum of 2 referees.
  - (f) Contact details for follow up communication regarding your tender

11.2 Presentation / Interview Stage

- (i) Shortlisted Tenderers will be invited to present to the Association's evaluation panel
- (ii) Refer to specific Lot Appendix/es for details on what will be expected at this stage.

## 12.0 Pricing Matrix

### 12.1 Internal Audit

Internal Audit Services – Year 1				
Staff	Number of Days	Price per Day (excluding VAT)	Total Cost (excluding VAT)	% Time
Partner				
Manager				
Assistant Manager				
Senior Auditor				
Auditor				
<b>Total</b>				
Blended Day Rate				
IT Audit Rate				

All rates to be exclusive of VAT. Your fee is to include all travelling, subsistence, incidental costs and accommodation expenditure

The above prices are: (please X in relevant box)		
A	Fixed for the contract duration or;	
B	Subject to an inflation factor for years 2 - 4	
	If 'B', please indicate the inflation factor that shall be applied	

12.2 External Audit

External Audit Services			
Item	Detail	Price - LFHA/ group (excluding VAT)	Price – LFPS (excluding VAT)
1	Audit of the financial statements	£	£
2	iXBRL filing	£	£
	<b>TOTAL</b>		

All rates to be exclusive of VAT. Your fee is to include all travelling, subsistence, incidental costs and accommodation expenditure

Itemise the services which are included in Item 1 above.

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If additional services were required, please specify the rates below:

External Audit Services			
Item	Detail	Price - LFHA/ group (excluding VAT)	Price – LFPS (excluding VAT)
1	Blended hourly rate for additional services - VAT	£	£
2	Blended hourly rate for additional services - TAX	£	£
3	Blended hourly rate for additional services - PAYE	£	£
4	Blended hourly rate for additional services – OTHER (specify)	£	£
	Blended hourly rate for additional services - OTHER (specify)	£	£
	Blended hourly rate for additional services - OTHER (specify)	£	£

The above prices are: (please X in relevant box)		
A	Fixed for the contract duration or;	
B	Subject to an inflation factor for years 2 - 4	
	If 'B', please indicate the inflation factor that shall be applied	

### 13.0 Form of Tender

Leeds Federated Housing Association Ltd  
Arthington House  
30 Westfield Road  
Leeds  
LS3 1DE

**TENDER FOR: AUDIT SERVICES – INTERNAL / EXTERNAL (delete as applicable)**

I / We understand that:

- (a) This Tender shall be returned in an envelope with the label provided attached to the front so as to reach this office not later than midday 18<sup>th</sup> December 2017
- (b) The lowest or any Tender will not necessarily be accepted by Leeds Federated Housing Association Ltd, and no allowance or payment will be made for making any Tender.
- (c) We have examined and agree to the Specification, have submitted only one bid and agree to the contract terms.
- (d) We understand that it is our responsibility to ensure that the contract documents have been completed correctly.
- (e) The Tender Price must stand for period of 13 weeks from the date of submission of the Tender.

**PRICE**

I/We, having read the Conditions of Contract and Specification delivered to me/us and having examined the information referred to therein, do hereby offer to execute and complete in accordance with the Conditions of Contract the whole of the Works described for the sum as identified in the enclosed Pricing Matrix

I/We agree that should obvious errors in pricing or errors in arithmetic be discovered before acceptance of this offer in the pricing submitted by me/us, these errors will be corrected in accordance with Alternative 1 contained in Section 6 of the 'Code of Procedure for Single Stage Selective Tendering 1989'

Company Name: \_\_\_\_\_

Employee Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Address of Tenderer: \_\_\_\_\_

\_\_\_\_\_

Telephone No: \_\_\_\_\_

Email Address: \_\_\_\_\_

## 14.0 Certificate of Non-Collusion

The essence of tendering is that Leeds Federated Housing Association Ltd shall receive bona fide competitive tenders from all organisations tendering. In recognition of this principle, I/we certify that this is a bona fide Tender, intended to be competitive, and that I/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. I/We also certify that I/we have not done and I/we undertake that I/we will not do at any time before the return date for this Tender any of the following acts:-

1. Communicate to a person other than the person calling for these tenders, the amount, or approximate amount of the proposed Tender;
2. 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;
3. Offer or pay or give or agree to pay or give any sum or 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 work any act or things of the sort described above.

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

### CONFLICT OF INTEREST STATEMENT

Leeds Federated Housing Association Ltd must ensure that it does not contravene Schedule 1, Part 1 of the Housing Act 1996, i.e. Leeds Federated Housing Association Ltd may not make a payment or grant a benefit to a Committee or Board Member, Officer or Employee of the Client save and except in certain specified circumstances. Leeds Federated Housing Association Ltd therefore requires Tenderers to answer the following questions:

1. Has any Director, Partner or Associate been an employee of Leeds Federated Housing Association Ltd within the last five years?

YES/NO (if yes please give details)

2. Please state if any Director, Partner or Associate has a relative(s) who is an employee of Leeds Federated Housing Association Ltd at a senior level or is a Board, Committee, or Panel Member of the Association.

3. Please state if any Directors, Partners or Associates of your firm have any involvement in other firms who provide or have provided services to Leeds Federated Housing Association Ltd.

YES/NO (if yes please give details)

1. Is any Director, Partner or Associate an existing tenant or leaseholder of Leeds Federated Housing Association Ltd?

YES/NO (if yes please give details)

**Note:** A relative is defined as a person's spouse, parent, grandparent, child, grandchild (including illegitimate children and grandchildren) brother and sister. Technically the term relative does not include any relationship that is not by blood, marriage, civil partnership or co-habitation; however, if considered close the same criteria should apply

Signature : \_\_\_\_\_

On Behalf of:  
(Full Name of Tenderer) \_\_\_\_\_

Address (In the case of a Limited Liability Company the registered office):

Date: \_\_\_\_\_

## Tender Return Label

# TENDER – DO NOT OPEN

Tender Title: **Audit Services – INTERNAL / EXTERNAL (delete as appropriate)**

Return Date: 18<sup>th</sup> December 2017

Deadline for Return: 12.00 Midday

Leeds Fed contact: Joanne Harrison

To: **Joanne Harrison**  
Leeds Federated Housing Association  
Arthington House  
30 Westfield Road  
Leeds  
LS3 1DE

This label **MUST** be used to submit your tender

There must be **no other identifying markings** anywhere on the envelope whatsoever

LEEDS FED USE ONLY

**Date received:**

**Time Received:**

**Initials:**

**It is Leeds Federated policy not to consider LATE tender submissions**

## Appendix A – Lot 1 Internal Audit

### 1.0 Timetable

Key Stages	Dates
Notice of Award	By 9th February 2018
Attendance at Association's Audit and Risk Committee – present Audit needs assessment and 3 year workplan	7 March 2018
Contract start – Internal Audit	1 April 2018
1st Audit Year – 18/19	2 or 3 VISITS, 3 Audit and Risk Committees
2 <sup>nd</sup> Audit Year – 19/20	2 or 3 VISITS, 3 Audit and Risk Committees
3 <sup>rd</sup> Audit Year – 20/21	2 or 3 VISITS, 3 Audit and Risk Committees
4 <sup>th</sup> Audit Year – 21/22	2 or 3 VISITS, 3 Audit and Risk Committees
Contract Expiry	31/03/22

### 2.0 Requirement

- 2.1 The Association wishes to appoint an organisation to carry out Internal Audit Services from 1 April 2018 for a four year period.
- 2.2 For the purpose of this tender, the Association is looking for a service that will cover around 50 days per year to include fieldwork and Senior Management review / audit plan preparation. Any additional days will be at a blended rate. The volume of days in any year will depend on an audit needs assessment.
- 2.3 A priority for the Association is that the Internal Audit provider must add value to the Association and the organisation appointed will be expected to establish effective working relationships with the Audit & Risk Committee and Senior Managers.
- 2.4 The organisation appointed will be expected to work on a pro-active basis with the Association in order to ensure the effective delivery of the service
- 2.5 The successful firm will be required to provide an initial audit needs assessment and proposed four year plan to the March 2018 Audit and Risk Committee and thereafter an updated audit plan for each subsequent year to be taken to the March Committee.
- 2.6 In any year the proposed programme will need to be completed such that it can be reported to the year end March Audit and Risk Committee of that year in the form of a year-end summary control report.
- 2.7 Attendance at 2 further Audit and Risk Committees during the year in addition to the March Committee will be required.

- 2.8 Please note that Audit and Risk Committee meetings and Board meetings commence between 4pm and 6pm.

### **3.0 Quality Questions**

- 3.1 Detail the reporting, monitoring and liaison arrangements you will have in place during the contract.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.2 Provide details of:
- (i) Your team, including a named leader
  - (ii) The management structure that will be in place
  - (iii) Qualifications, competence and relevant experience of the people to be employed on the Audit Team and how long they have been with your organisation
  - (iv) The proposed percentage split of time between different grades of staff
  - (v) How you ensure that your staff are up to date with any regulatory / legislation changes.
- Max score = 5. Maximum pages = 2 sides of A4 plus org chart*
- 3.3 The Association is looking for stability of resource during the contract term (4 years), detail your approach to minimising the risk of instability, e.g. staff changes or the loss of key staff. What guarantees can you give about the skill levels of staff who will undertake the audit testing?  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.4 Provide details of your approach to specialisms e.g. IT, Health and Safety – when you use internal staff and if / when you employ the services of a 3<sup>rd</sup> party.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.5 Describe your approach to Internal Audit, to include how you put scopes together.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.6 Provide a copy of your internal audit report and describe your scoring methodology and a draft timetable for delivery post an audit visit.  
*Max score = 5. Maximum pages = 1 side of A4 plus copy of audit report*
- 3.7 Describe how you “internally” performance manage your Internal Audit visits.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.8 How will you add value to the Association?  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.9 Describe how you keep clients up to date on regulatory / legislation changes etc.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.10 Please report on ‘Where are the risks for RP’s over the next 5 years’  
*Max score = 5. Maximum pages = 1 side of A4*

#### **4.0 Presentation (Shortlisted Tenderers):**

- 4.1 Approach to internal audit planning and reporting
- 4.2 Detail who will be attending meetings
- 4.3 Expand on added value

#### **Shortlisted Tenderers will be assessed on:**

Quality of presentation & presentation style

Clarification of tender document

Quality and relevant experience of staff who will be on the audit

Knowledge of RSL sector (incl. ref. to threats, VFM, other RSL clients etc.)

## Appendix B – Lot 2 External Audit

### 1.0 Timetable

Key Stages	Dates
Notice of Award	By 9th February 2018
Association's Annual General Meeting – formal appointment of External Auditor	6 <sup>th</sup> September 2018 (Date TBC)
Attendance at Association's Audit Committee – present workplan	March 2019 (date TBC)
Contract start – External Audit	1 April 2019
1st Audit - 18/19 accounts	May 2019
2 <sup>nd</sup> Audit – 19/20 accounts	May 2020
3 <sup>rd</sup> Audit – 20/21 accounts	May 2021
4 <sup>th</sup> Audit Year - 21/22 accounts	May 2022
Contract Expiry	Association's AGM – September 2022

### 2.0 Requirement

- 2.1 The Association wishes to appoint an organisation to carry out its External Audit services from 1 April 2019 for a four year period; commencing with the auditing of accounts for the financial year 2018 / 2019. The Association needs to have an auditor appointed for the 2018/19 year such that at the AGM when the 2017/18 accounts are received, an auditor is appointed for 2018/19.
- 2.2 The Association requires the chosen Supplier to provide the following services:
- (i) To audit the annual financial statements of the group which incorporates the Association which is a registered provider and its development company subsidiary which is a limited company.
  - (ii) To provide tax compliance services (i.e. related to assistance with corporate tax returns) and iXBRL filing related to the audit of the statements of the group.
  - (iii) To confirm that the statements have been properly prepared in accordance with the applicable law / Accounting standards as pertinent at the date of the audit.
  - (iv) To provide a report and auditors' opinion on the annual financial statements in accordance with the applicable Auditing Standards at the date of the audit.
  - (v) To provide an assessment based on trends in the financial statements to present / talk to the Audit and Risk Committee when the report on financial statements is taken.

- 2.3 A priority for the Association is that the External Audit provider must add value to the Association and the organisation appointed will be expected to establish effective working relationships with the Audit and Risk Committee and Senior Managers.
- 2.4 The organisation appointed will be expected to work on a pro-active basis with the Association in order to ensure the effective delivery of the service
- 2.5 Your quoted fee proposals should include provision for:
- (i) In any year, attendance by the External Audit Partner or Manager at the March Audit and Risk Committee to present the Audit Plan/ Strategy for that year [dates will be provided in advance].
  - (ii) Attendance by the External Audit Partner at July (to be confirmed) Audit and Risk Committee of the same year to present the external audit findings report (or such other document).
  - (iii) Submission of such written reports as may be necessary including the preparation of any reports to the Audit and Risk Committee and Board.

### **3.0 Quality Questions**

- 3.1 Detail the reporting, monitoring and liaison arrangements you will have in place during the contract.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.2 Provide details of:
- (i) Your team, including a named leader
  - (ii) The management structure that will be in place
  - (iii) Qualifications, competence and relevant experience of the people to be employed on the Audit Team and how long they have been with your organisation
  - (iv) The proposed percentage split of time between different grades of staff
  - (v) How you ensure that your staff are up to date with any regulatory / legislation changes.
- Max score = 5. Maximum pages = 2 sides of A4 plus org chart*
- 3.3 The Association is looking for stability of resource during the contract term (4 years), detail your approach to minimising the risk of instability, e.g. staff changes or the loss of key staff. What guarantees can you give about the skill levels of staff who will undertake the audit testing?  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.4 Detail your external audit approach and provide an indicative timetable  
*Max score = 5. Maximum pages = 1 side of A4 plus timetable*
- 3.5 Please explain your firm's experience of similar engagements in the social housing sector  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.6 Provide details of how you measure your performance  
*Max score = 5. Maximum pages = 1 side of A4*

- 3.7 Provide a copy of your key issues memorandum to Audit Committee  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.8 How will you add value to the Association?  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.9 Please report on 'Where are the risks for RP's over the next 5 years'.  
*Max score = 5. Maximum pages = 1 side of A4*
- 3.10 Describe how you keep clients up to date on regulatory/ legislation changes etc.  
*Max score = 5. Maximum pages = 1 side of A4*

**4.0 Presentation (Shortlisted Tenderers):**

- 4.1 Approach to External Audit planning and reporting
- 4.2 Detail who will be attending meetings
- 4.3 Expand on added value

**Shortlisted Tenderers will be assessed on:**

Quality of presentation & presentation style

Clarification of tender document

Quality and relevant experience of staff who will be on the audit

Knowledge of RSL sector (incl. ref. to threats, VFM, other RSL clients etc.)