



To: Joint Audit Committee

From: Interim Chief Finance Officer

Date: 11 December 2014

INTERNAL AUDIT CONTRACT

1. Purpose

1.1 The purpose of this paper is to update the Joint Audit Committee on the Internal Audit Joint Contract tendering process.

2. Recommendation

2.1 To note the contents of the report

3. Background

3.1 Under current arrangements Bedfordshire, Hertfordshire and Cambridgeshire Constabularies/Police and Crime Commissioners have their own separate internal audit contracts which are due to expire. Bedfordshire and Cambridgeshire internal audit is conducted with Baker Tilly, with Bedfordshire expiring on 31st March 2015 and Cambridgeshire expiring on 26th January 2015 (but has been extended until the 31st March 2015). Hertfordshire internal audit is currently undertaken by Shared Internal Audit Service (SIAS), which is part of Hertfordshire County Council. This is due to expire in March 2015.

3.2 With Collaboration between Bedfordshire, Cambridgeshire and Hertfordshire Constabularies ("The Constabularies") and Police and Crime Commissioners ("The PCCs") proceeding at pace, the Chief Finance Officers of the respective Constabularies/PCCs are of a view that it represents a good opportunity to seek Joint Procurement and Contract for internal audit services from 1st April 2015. This should

enable a more consistent approach to internal audits of functions/processes and the streamlining of audits to be adopted, through either those services that are to be collaborated, those services which are similar in nature (adopt similar processes), enabling one audit to be conducted instead of 3 separate audits and greater learning across the organisations which reduces duplication. A joint audit contract will also allow for greater consistency to be applied across individual audits of the Constabularies/PCCs, which allows meaningful comparisons to be made to enhance service provision.

4. Approach adopted and timelines

4.1 A national framework agreement (consultancy one) was adopted as the procurement route. This enabled up to 10 suppliers to tender for the service.

4.2 The Timelines that were adopted are as follows:

- 27/10/14 - Tender documents issued
- 17/11/14 – Deadline for the Tenders to respond.
- 18/11/14 – Evaluation of Tenders
- 25/11/14 – Supplier Presentations
- Provisionally w/c 8/12 – Notification of intention to award contract
- Provisionally w/c 22/12 – Contract Award
- 01/04/15 – Commencement of Service (although there will be an expectation of migration work before this date).

4.3 A number of suppliers submitted tenders for the provision of internal audit services from 1st April 2015 by the deadline, there were no submissions after the deadline.

4.4 The evaluation team assessed the tenders on the criteria, which was issued to the tenderers. The Team consisted of the Chief Finance Officers for Cambridgeshire PCC and Hertfordshire Constabulary respectively and the Chief Executive of Bedfordshire PCC. These were supported and advised by the Contracts Manager from the Procurement Unit.

4.5 The scoring was split 60% quality and 40% pricing. The areas covered within the quality section relate to Compliance (including Reporting/Audit Plans/Undertaking Audits), Technical (Staffing/Training/Experience/Audit Methodology) and Commercial (Insurance/Vetting/Data Protection/Added Value Services).

- 4.6 The Evaluation team invited short listed suppliers to provide a presentation of their proposals. The presentation panel consisted the members of the evaluation team (within para 4.4) and a representative from each of Bedfordshire, Cambridgeshire and Hertfordshire audit committees. The suppliers gave a 45 minute presentation and answered questions from the panel in relation to the tender and presentation for a further 45 minutes.

5. Next Steps

- 5.1 The suppliers who submitted tenders will be notified of the outcome of the tender and will be provided feedback from the Contracts Manager who has been supporting and guiding the process. There will be a 10 day alcatel period for suppliers to provide any responses. The contract will be awarded to the successful supplier after this period.
- 5.3 A report will be presented to the Business Co-Ordination Board on 17 December 2014 to gain approval from the Police and Crime Commissioner for the award of the contract.
- 5.2 The successful supplier will be expected to commence the implementation period January/February 2015.

6. Recommendation

- 6.1 To note the contents of the report