



University of the
Highlands and Islands
Argyll College

Oilthigh na Gàidhealtachd
agus nan Eilean
Colaiste Earra-Ghàidheil

A meeting of
Argyll College Audit Committee
to be held at 12.30 pm on Friday, 1st March 2019
at Lorne Street Centre, Lochgilphead PA31 8LU
Tel 01631 559560

A G E N D A

Item no		Status For:	Papers
19.1.1	Welcome		
19.1.2	Apologies and declarations of interest		
19.1.3	Minutes of joint meeting with F & GP held on 30th November 2018	To approve & sign	Attached
19.1.4	Presentation by Roger Sendall of UHI on Risk Register		
19.1.5	Matters arising (a) Update on Health & Safety issues at CERC (b) Update on funding for Helensburgh	To note To note	Oral Oral
19.1.6	AOCB (a) Draft tender for Internal Audit services Aug 2018 to Jul 2021 (b) Support for Audit Committee (c) Membership of Audit Committee	To approve To discuss To discuss	Attached
19.1.7	Date of next meeting: Friday, 24th May at Lorne St Centre, Lochgilphead.	To note	

**Minutes of the joint meeting of the
Audit and Finance & General Purpose committees
held at 11.00am pm on Friday, 30th November 2018
at the Lorne Street, Lochgilphead campus**

Present: John Colston (JC), Chair of Finance & General Purpose committee, Lesley McInnes (LI) Chair of Audit Committee, Ken Jones (KJ), Amber Crowley (AC), Gillian McCready (GMcC), Jim Findlay (JF), Martin Jones (MJ), Scott Matheson (SM) by VC.

Apologies: Andrew Campbell (AC)

In Attendance: Steve McNaught, Henderson Loggie, Louise Spencer, TIAA (by VC from item 18.4.4), Ailsa Close (AEC) Elaine Munro (EM)

No	Item	Action
18.4.1	<p>Welcome, Apologies & declarations of interest. Apologies were received from Andrew Campbell.</p> <p>JF declared his position as a local authority councillor.</p>	
18.4.2	<p>Minutes of previous meetings.</p> <p>(a) Audit Committee minute of 24th August 2018 Approved subject to the following amendment: 18.3.2 – confidential minute should refer to 18.2.7</p> <p>(b) Finance & General Purpose committee on 24th August 2018 Minutes approved</p> <p>Both sets of minutes to be signed by the respective chairs as an accurate record of the meetings.</p>	
18.4.3	<p>Matters arising.</p> <p>(a) Assigned status MJ updated the committee that assigned status is due to be consigned in early December and may bring additional operational responsibility elements.</p> <p>(b) DYW update Update on staffing changes within the project. DYW Strategy to be noted at next college board meeting.</p> <p>(c) NRPA update Support staff pay increases implemented, along with an additional day annual leave and reduction to 35 hour working week. Job evaluation to be carried out for all support roles – implementation details and pay implications still uncertain. College accepted onto the Scottish Teacher’s Pension Scheme (STPS) – cost implications of the employer contribution are significant (17.2% rising to 22.6% from 1st April 2019). EIS currently balloting members on cost of living increase.</p> <p>(d) Helensburgh student numbers Paper noted</p> <p>(e) Minutes of Helensburgh Project Group meeting</p>	AEC

	<p>Noted that no funding has yet been received from UHI for Helensburgh project.</p> <p>Suggestion that quarterly meetings with Faslane should be instigated to give clarity on Argyll College leading the UHI engagement.</p> <p>(f) Riverside, Lochgilphead The sale of the property is progressing through routine legal processes.</p> <p>(g) Nursery A&BC have seconded a nursery manger for a period of six months to cover the continued absence of the nursery manager. Inspection from Care Inspectorate imminent. The board recommended reflection on the measures taken to address the issues within the nursery.</p> <p>(h) Dunoon update MJ recommended careful consideration of the capital requirements of the college in Dunoon before progressing further. HIE have indicated they will provide funding towards an options appraisal that could be considered at a future board meeting. Committees requested a refresh of capital strategy to inform future college requirements.</p>	
18.4.4	<p>Audit report from Henderson Loggie. (At this point, the meeting was joined by Louise Spencer, TIAA internal auditors by VC)</p> <p>Presented by Steve McNaught, external auditor</p> <p>Key points:</p> <ul style="list-style-type: none"> • Unqualified opinion on accounts • Large surplus reported, not reflecting true figure and impacted by NRPA, and pension adjustment • No concerns recorded on control environment • Helensburgh – costs incurred in 17/18, UHI funding expected in 18/19, no income has been accrued in 17/18 • Nursery income – concern that new system does not appear to have been fully instigated, but reasons for this understood. Wil be seeking further information on nursery numbers to give reassurance that the income recorded is reasonable. • No immediate going concern issues. • Largest concern over the next few years remains NRPA <p>External audit report approved and recommended to the Board.</p>	
18.4.5	<p>Draft Annual Report and financial statements for year ended 31 July 2018</p> <p>Accounts approved and recommended to the board, subject to any further amendments.</p> <p>Board members requested to provide any additional comments or questions to AEC before Wed 5th Nov</p>	
18.4.6	<p>Managements accounts to 31 October 2018</p> <p>Showing surplus of £170k due to upfront funding of NRPA costs for support staff, which have yet to be paid to staff.</p>	

	<p>2018/19 annual projections indicating a break even position, with the caveat that any increase in teaching costs during the year would impact on this position.</p> <p>Noted that HE targets are unlikely to be met and that this will mean a reduction in Ram funding from that budgeted.</p> <p>Management accounts approved and recommended to the board.</p>	
18.4.7	<p>Internal Audit annual report 2017/18 The audit and F&GP committees had a private meeting with the internal auditors.</p>	
18.4.8	<p>Final Internal Audit Reports (TIAA):</p> <ul style="list-style-type: none"> i) Website administration ii) Internal Communication iii) Review of SITS iv) HR Administration <p>Audit reports were discussed and noted, with assurance given that the recommendations are being addressed by the appropriate staff.</p>	AEC/ EM
18.4.9	<p>Review of risk register. Deferred to next board meeting</p>	
18.4.10	<p>AOCB</p> <ul style="list-style-type: none"> - National Pay Bargaining - MJ has received an invite from SFC to discuss the college signing up to NRPA. - JF updated that once refurbishment has been completed Rothesay Pavilion will have space available that may be appropriate for additional college accommodation. - Board secretary recruitment – MJ updated the committees on current recruitment. 	
18.4.11	<p>Date of next meeting – To be agreed at Board meeting on 14 Dec 2018</p>	
18.4.12	<p>Signed by</p> <p>..... Date</p> <p>Chair of Finance & General Purpose Committee</p>	



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Mini Competition for

**Provision of Internal Audit Services
For Argyll College**

REF: CS-AC-12914

Project	Provision of Internal Audit Services
Publication of Mini Competition	2019
Issuer	Charyleen Emslie, Supply Chain Manager
Ref	CS-AC-12914
Bid return date	By 12.30pm 5 th April 2019

The following words and expressions used within this Mini Competition shall have the following meanings (to be interpreted in the singular or plural as context requires):

Term	Meaning
"Institution"	means Argyll College UHI Ltd
"online portal"	Means the Public Contracts Scotland (PCS) Portal
"Conditions of Tender"	means the Terms and Conditions set out in the Framework Agreement document relating to the submission of the Tender.
"Contract"	means the Contract to be entered into by the Institution (s) and the Contractor following any award under the procurement exercise.
"Contractor"	means the successful Tenderer who will be party to the Contract responsible for supplying the services
"Mini Competition"	means this Mini Competition document and all related documents published by the Institution and made available to Tenderers
"Regulations"	means The Public Contracts (Scotland) Regulations 2015
"Tender Response(s), or Mini Competition Response"	means a Tenderer's formal response to this Mini Competition
"Tenderers"	means the organisations responding to this Mini Competition

Dear Supplier,

**MINI COMPETITION FOR PROVISION OF INTERNAL AUDIT SERVICES
FRAMEWORK: PFB1028 LOT 2
REF: CS-AC-12914**

As a supplier under Framework PFB1028 AP Lot 2 for the Provision of Internal Audit Services you are invited by Argyll College to tender for the above all in terms of, and in accordance with, the Mini Competition of which this Letter forms part.

Your bid must be submitted in accordance with this Mini-Competition Letter attached Schedules and Annexes, all of which shall be deemed to form and to be read and to be construed as part of this Mini-Competition.

Bids must be submitted via The Public Contracts Scotland Quick Quote facility www.publiccontractsscotland.gov.uk by **12:30pm on 5th April 2019**. Correspondence connected with the bid that requires attention before the deadline should be submitted online via the Quick Quote facility.

It is the responsibility of all tenderers to ensure that their bid is submitted no later than the appointed time. Bids received after that time may not be considered.

Argyll College UHI is not bound to accept the lowest or any bid. Argyll College UHI reserves the right to cancel or suspend this procurement procedure at any time. Argyll College UHI may award this contract in part if deemed appropriate.

APUC Ltd is administering the process on behalf of Argyll College UHI. Contact details are as follows: Charyleen Emslie, APUC Ltd, Tel 07920889210, cemslie@apuc-scot.ac.uk.

Yours sincerely,

Charyleen Emslie
Supply Chain Manager
APUC Ltd

SCHEDULE 2

OVERVIEW OF REQUIREMENTS

1. General Overview

Argyll College UHI are looking to award a contract to a single supplier for the provision of Internal Audit Services.

2. General Scope of Goods & Associated Services:

The appointed Contractor shall:

- Provide the Services as described in Schedule 3 – Specification.

3. Period of Contract

This contract is for an initial period of 3 years with the option to extend for two further 12 month periods, subject to ongoing requirement, budget and contractor performance.

4. Procurement Timetable

Tender Issued	4th March 2019
Deadline for Supplier Questions	19 th March 2019
Deadline for Publication of Question Responses	26 th March 2019
Tender Return	5 th April 2019
Contract Award Date	1 st August 2019

SCHEDULE 3

STATEMENT OF REQUIREMENTS

1. Background

Argyll College UHI Ltd is a non-incorporated College which operates through the medium of a Company Limited by Guarantee holding Charitable Status.

The Board of Governors is aware of the need for effective internal financial control and acknowledges its responsibility for the systems operated by the College as an element of its duty to manage and conduct the College.

To this end, the College utilises an internal audit service contracted to external firms, the work of which concentrates on areas of key activities determined by an analysis of the areas of

greatest risk. Internal audit work is delivered in accordance with the annual internal audit plan approved by the Audit Committee. The internal auditors report to the Principal and to the Audit Committee and have direct access to the Chair of the Board of Governors and to the Audit Committee.

2. Control

The College has developed a committee structure which enables the Board of Governors to exercise its function at a strategic level whilst maintaining proper oversight of operational matters through monitoring and control systems.

3. Funding

The College's largest source of income comes from the Scottish Funding Council (SFC) currently through UHI (EO). In 2019-20 grants from the SFC through UHI will make up 82% of projected income. In addition, tuition fees are received from the Scottish Awards Agency for Scotland (SAAS) and there are commercial fees received from a number of sources. The College also has responsibility for administering student support funding received from the SFC, SAAS and the Educational Maintenance Allowance programme.

4. Budget Financial Year 2019-20

The budget for the financial year ending 31 July 2019 will be in the region of £6 million gross. Payroll costs accounts for approximately 70% of budgeted expenditure. The College will deliver approximately 6700 credits in 2019-20, and places for 220 HE students.

5. ONS Reclassification

Argyll College UHI Ltd has not been reclassified and does not therefore need to transfer any surpluses to an Arms-Length Charitable Foundation.

6. Terms of Reference

The Internal Audit Service is responsible for conducting an independent appraisal of all the College's activities, financial and otherwise, with the exception of the academic process. It should provide a service to the whole organisation, including the Board of Governors and all levels of management. It is not an extension of, nor a substitute for, good management. The Internal Audit Service is responsible for giving assurance to the College's Board of Governors and to the College Principal on the control arrangements as defined in the approved audit needs assessment. It also assists management by evaluating and reporting to them on the effectiveness of the controls for which they are responsible. It remains the duty of management, not the internal auditor, to operate an adequate system of internal control. It is for management to determine whether or not to accept audit recommendations and to recognise and accept the risks of not taking action.

7. Scope

- (i) All the College's activities, funded from whatever source, fall within the scope of the Internal Audit Service. The Internal Audit Service will consider the adequacy of arrangements for risk management, control and governance and for economy, efficiency and effectiveness. This will include all operations, resources, staff and services. It will assess whether management has taken the necessary steps to

achieve these objectives. The scope of internal audit work should cover all operational and management controls, including those at centre level, and should not be restricted to the audit of those systems and controls necessary to form an opinion on the financial statements. This does not imply that all systems will be subject to review, but that all will be included in the audit needs assessment and hence considered for review in the context of assessed risk. The audit needs assessment will therefore be prepared initially without regard to constraints such as the time and resources which may be available.

- (ii) The scope and detail of the terms of reference must be such that they enable the Head of the Internal Audit Service to provide the Board of Governors with the appropriate quality of assurance on the adequacy, reliability and effectiveness of the College's internal control system.
- (iii) The Head of Internal Audit Service must advise the Board of Governors of the risks to which it, and the College, may be exposed if the scope of the audit coverage is limited in any way. Where the Head of Internal Audit Service believes that any limitations are unacceptable, his or her views and opinion on the associated risks must be formally reported to the Chair of the Board of Governors, the Chair of the Audit Committee and the College Principal.
- (iv) It is not within the scope of the Internal Audit Service to question the appropriateness of policy decisions. However, the Internal Audit Service is required to examine the arrangements by which such decisions are made, monitored and reviewed and report on their impact if felt necessary.
- (v) The Internal Audit Service may also conduct any special reviews requested by the Board of Governors, Audit Committee or College Principal, provided such reviews do not compromise its objectivity, independence or achievement of the approved audit plan.

8. Responsibilities

- (i) The Head of the Internal Audit Service should give an annual opinion to the Audit Committee, on the adequacy and effectiveness of the College's arrangements for risk management, control and governance and economy, efficiency and effectiveness. This opinion will be based on the agreed audit strategy and on the areas reviewed in the year. He or she should also comment on other activities for which the Board of Governors is responsible, and to which the Internal Audit Service has access.
- (ii) To provide the required assurance the Internal Audit Service will undertake a programme of work over a cycle authorised by the Board of Governors on the advice of the Audit Committee, or directly by the Audit Committee under delegated authority. The work to be carried out by the internal auditor will be determined by an analysis of the areas of greatest risk and be defined within an internal audit plan. The programme will have the following objectives:-
 - a. To appraise the soundness, adequacy and application of the whole internal control system.
 - b. Evaluate those systems, identify inappropriate or inadequate controls, and recommend improvements in procedures or practices.

- c. Ascertain that those systems of control are laid down and operate to promote the most economic, efficient and effective use of resources.
- d. Draw attention to any apparent uneconomical or otherwise unsatisfactory result flowing from decisions, practices or policies.
- e. Liaise with external auditors.

9. Approach

- (i) The Internal Audit Service's work will be performed with due professional care, in accordance with appropriate professional auditing practice.
- (ii) In achieving its objectives, the Internal Audit Service should:
 - a. Identify all elements of control systems on which it is proposed to rely, and establish a review cycle.
 - b. Evaluate those systems, identify inappropriate or inadequate controls, and recommend improvements in procedures or practices.
 - c. Ascertain that those systems of control are laid down and operate to promote the most economic, efficient and effective use of resources.
 - d. Draw attention to any apparently uneconomical or otherwise unsatisfactory result flowing from decisions, practices or policies.
 - e. Liaise with external auditors.

10. Reporting

The internal auditors formally report to the Audit Committee and have direct access to the Chair of the Board of Governors and to the Audit Committee.

The Audit Committee is currently scheduled to meet four times during each financial year.

The Audit Committee will receive and approve the following reports from the internal auditors:

- an annual internal audit plan, setting out the intended scope of works for the year;
- reports on specific studies finalised since the last meeting;
- an annual internal audit report at the end of each year, reviewing the work over the period, recommendations made, progress in implementation of recommendations, and implications for future years' internal audit work;
- any other reports which the internal auditors, together with the Secretary to the Board of Governors and Chair of the Audit Committee, believe to be cognisant to the work of the Committee.

In carrying out strategic and operational audit planning, the internal auditors will liaise in the first instance with the Finance Director who has operational responsibility for the work of the

internal auditors and for implementing their recommendations, agreed through the Audit Committee. Internal Auditors will also be required to undertake regular liaison with the Finance Director to review the progress of specific studies and performance against the approved audit plan.

The Head of the Internal Audit Service should report to the Audit Committee any serious weaknesses in internal control systems, significant fraud, or major accounting or other control breakdown discovered during the normal course of audit work.

Internal audit should produce a draft report to the Finance Director of areas under audit normally within 20 days of the conclusion of each audit assignment. The draft report should set out the findings and recommendations arising and also an opinion on the adequacy and effectiveness of that part of the system of internal control reviewed.

All recommendations made in internal audit reports should be appropriately graded. The Finance Director should formulate, with the approval of the Audit Committee, criteria for grading recommendations.

The draft report should normally be discussed with College representatives and the factual accuracy and balance agreed with them prior to issue of the final report. College representatives should be required to respond to audit reports, normally within 30 days stating their proposed action with a time plan for implementing agreed recommendations and the person responsible for each action point. The Finance Director should assist in the timely completion of reports and appropriateness of responses in the context of overall planning and resource allocation.

The information must be incorporated in the final version of the report. Internal audit must follow up recommendations to ensure that appropriate remedial action has been or will be taken within an acceptable timeframe. The outcome of this follow up should be reported to the Audit Committee.

The Head of Internal Audit Service must produce an annual report on their activities. The report should be addressed to the Chair of the Audit Committee as part of the full Annual Audit Report for The Board of Governors and should be considered by the Audit Committee. The report should be for the College's accounting period and be submitted to the audit Committee when it is available, It is important that the Audit committee receives the IAS's report in time to give it due consideration before producing its annual report to the Board of Governors.

As a minimum, the report produced by the Head of Internal Audit Service should include:

- The Head of Internal Audit Service's opinion on the adequacy and effectiveness of the College's arrangements for risk management, control and governance and economy, efficiency and effectiveness. This opinion needs to be considered in a context in which audit coverage should be based which is the work undertaken as agreed in the Audit Needs Assessment. In arriving at an opinion, the Head of IAS should take into account findings and conclusions from the systems that have been audited during the year, as well as in previous years (including, as appropriate, opinions from previous auditors) and any known significant changes to the College's risk profile that are likely to impact on future audit coverage.
- The Head of Internal Audit Service's opinion on whether proper arrangements are in place to promote and secure value for money;
- An analysis of common or significant weaknesses arising;

- An executive summary of each Internal Audit Service report;
- A comparison of the Internal Audit Service's achieved performance during the year with that planned, placed in the context of the internal audit needs assessment and incorporating information regarding slippage/ reprioritisation of work during the year;
- Details of any major audit findings where management action appears to be desirable, but has not been taken, including that identified in previous years' Internal Audit Service reports, and which, therefore, needs to be brought to the Board of Governors attention;
- The extent of achievement of any objectives which may have been agreed for the internal audit service; and
- The operational plan for the year following the year in which the report is written, including narrative explanation of variances from strategic plan.

The Head of Internal Audit Service or agreed appropriate representative will be required to attend each Audit Committee meeting unless requested not to do so by the Chair of the Audit Committee.

11. Independence

Independence enables internal auditors to appraise the internal control system in the impartial and unbiased manner essential to the proper conduct of audits. Recognition of the independence of internal audit is fundamental to its effectiveness. For the individual auditor, independence is essentially an attitude of mind characterised by integrity and an objective approach to work.

The Head of Internal Audit Service should determine the Service's own priorities within a plan prepared after consultation with senior management and approved by the Board of Governors, on the recommendation of the Audit Committee.

In considering the work to be undertaken by the Internal Audit Service, the following key points must be considered:

- Internal auditors must avoid any official, professional and personal relationships or interests which might cause them to limit the extent, approach or nature of their audit.
- If the Internal Audit Service is called upon to carry out specific investigations, such reviews must not compromise its objectivity or independence and should not, if avoidable, compromise significantly the achievement of its audit plan.
- The Internal Audit Service, therefore, must be a separate function from the management of the College and should not have any management responsibilities other than for internal audit.
- To be effective, the Head of Internal Audit Service must have sufficient status and be seen to have the respect and support of the College's senior management as well as that of The Board of Governors.

12. Right of Access

The Internal Audit Service has rights of access to all of the college's records, information and assets which it considers necessary to fulfil its responsibilities. Rights of access to other bodies funded by the college should be set out in the conditions of funding. The Head of the Internal Audit Service has a right of direct access to the Chair of the Board of Governors, the Chair of the Audit Committee and the College. The Internal Audit Service will agree to comply with any requests from the external auditors for access to any information, files or working papers obtained or prepared during our audit work that they need to discharge their responsibilities.

13. Confidentiality

All information obtained during the course of any audit and all reports prepared shall be treated as confidential and remain the property of the college. Any such information or report shall not be divulged to any other party whatsoever without the express approval in writing of either the Principal or Board of Governors.

14. Internal Audit Standards

The internal audit service's work will be performed with due professional care, in accordance with appropriate professional auditing practice. It will have regard to Treasury and IIA standards. Internal auditors must also have regard to relevant advice provided by professional auditing and accountancy bodies, and any guidance produced by SFC. Reference should also be made to the relevant sections of the Government Internal Audit Manual, issued by HM Treasury for Guidance.

In achieving its objectives the internal audit service will develop and implement an audit strategy that assesses the institution's arrangements for risk management, control and governance and for achieving value for money

The Head of Internal Audit Service should implement measures to monitor the effectiveness of the service and compliance with standards. In addition, the Audit Committee will consider and approve the performance measures used by internal audit, and will also consider asking the external auditor to provide an independent assessment of internal audit's effectiveness.

15. Performance Audit

The Audit Committee will undertake an annual review of performance against objectives and plans and will undertake an objective review of the overall performance of internal audit and its compliance with relevant policies and standards.

Internal audit, as an integral part of the systems based approach, should evaluate the control arrangements established and operated by management to achieve the economic, efficient and effective use of resources.

Over the complete audit cycle, Internal Audit Service must provide a comprehensive appraisal of management's arrangements for achieving value for money.

16. Relationship with External Auditors

The internal auditor is required to liaise with the college's external auditors to enhance the level of service provided and avoid duplication of effort. The external auditors shall have access to the internal audit files.

17. Quality Standards

The successful tenderer is required to produce a high quality service to meet the requirements for Internal Audit Services of the College.

18. Contract Management

The successful tenderer shall have in place a team of professionally trained, adequately experienced staff under Senior Management Control.

There shall be a proper management structure in place as well as control methods with adequate staffing to ensure service requirements are met at all times.

The successful tenderer shall have in place appropriate performance and service delivery controls.

Management information shall be provided to the College on an annual basis providing level of staff, number of hours and cost.

The Internal Audit Services shall be carried out between the hours of 9am and 4.30pm. An out of hours service may be required from time to time.

19. Continuous Improvement

The successful tenderer shall ensure that continuous improvement measures are incorporated into the contract and that quality of the service is reviewed on an ongoing basis.

The College strives to ensure that it is getting value for money at all times. The successful tenderer shall ensure that procedures are in place to carry this out throughout the contract term.

20. Change of Internal Auditors

In the event of a change to the contractor providing the service or the arrangements for the provision of an internal audit service, relevant information will be passed to the head of the new audit service provider.

21. Variation in Fees

The fees applied to this agreement will be fixed for the duration of the contract. Following this initial 3 year period, the fees may vary up or down in accordance with the % increase/decrease

in RPI/CPI during the preceding twelve month period as shown in latest published indices at the time of the request. Variations must be agreed by the college.

22. Freedom of Information Act

Argyll College UHI Ltd undertakes to use reasonable endeavours to hold confidential any information provided in the proposal submitted, subject to the College's obligations under law, including the Freedom of Information Act 2000 and the Public Contracts Regulations 2006 as amended by the Public Contracts (Amendment) Regulations 2009.

If the tenderer considers that any of the information submitted in the proposal should not be disclosed because of its sensitivity, then this should be clearly stated in your response with your reason for considering it sensitive. The College will then consider the sensitivity statement before replying to any request received under the Freedom of Information Act 2000.

23. Equal Opportunities

The college is committed to equal opportunities and diversity and the successful applicant must comply with the college's aspirations.

SCHEDULE 4

TERMS AND CONDITIONS

The prevailing terms and conditions of Framework Agreement Reference PFB1028 AP.

SCHEDULE 5

TENDER EVALUATION

Award Criteria	Weighting
Technical	50%
Technical Questions	
1. Service Delivery Management	10%
2. Staffing & Resources	10%
Presentation Questions	
1. Service Delivery	15%
2. Value Added Services	5%
3. Quality Assurance & Continuous Improvement	10%
Commercial	50%
	100%

Technical Evaluation – 50%

Sub-Criteria division:

Responses will be assessed and scored (0-3) in line with the following scoring methodology:

Good	3	The response fully meets the requirement and demonstrates Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required to supply the goods / services. The response identifies factors that will offer potential added value, with evidence to support the response.
Acceptable	2	The response addresses most of the key points in detail OR the Tenderer has provided all the key points but lacks detail in answering the question fully. The response provides confidence that the supplier can supply the required equipment/service to the satisfactory level.
Minor Concerns	1	Satisfies the requirement with minor reservations. Considerable reservations of the Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required to supply the goods / services, with little or no evidence to support the response.
Major Concerns	0	The Tenderer has failed to address the question, submitted a nil response or any element of the response gives cause for major concern.

Commercial Evaluation – 50%

Total Cost for the Provision of Internal Audit Services. (LOWEST bid received/YOUR bid) x 50 (Total maximum potential score of 60)

Example provided for:

Bid A $(£10,000/£10,000) \times 50 = 50\%$

Bid B $(£10,000/£14,500) \times 50 = 34\%$

Bid C $(£10,000/£16,000) \times 50 = 31\%$

SCHEDULE 6

PRICING SCHEDULE

Please complete and return Appendix I – Pricing Schedule and upload to PCS as an excel document. Please do not upload any documents as a PDF and do not amend the format of the sheet.

Variation in the Charges

Charges and discounts will remain fixed for the first 3 years of the Contract.

Invoicing & Payment

The Contractor will be required to submit invoices monthly in arrears for work completed to the satisfaction of Argyll College in accordance with the Terms & Conditions. Value Added Tax, where applicable, shall be shown separately on all invoices as a strictly net extra charge. Each invoice shall be uniquely identified and shall specify the following minimum information:

Order number (where relevant)

Contract title & reference number

Deliverable details

Charges and total due including a deduction for any applicable discounts

Any travel and subsistence expenses claimed (where pre-agreed)
 Total value excluding VAT

Payment will be made to the Contractor within 30 days of receipt of a valid invoice

Tenderers must note that:

- The day rates/hourly rates/discounts/total cost is fixed for 36 months from the Commencement Date
- All Charges must be shown exclusive of VAT but be inclusive of materials, overheads and profit
- All day rates will be based on 7 hours and 30-minute working days, exclusive of lunch breaks.

SCHEDULE 7

TECHNICAL QUESTIONS

<p>Q1. Service Delivery Management</p> <ul style="list-style-type: none"> • Please provide a detailed implementation plan that will ensure the delivery of a high standard service from contract commencement of the contract. • Please provide 3 examples of audit reports that would be submitted to the Audit Committee. 	<p>10%</p>
<p>4Q1 Response:</p>	
<p>Q2. Staffing & Resources</p> <ul style="list-style-type: none"> • Please provide a maximum two-page CV of the service delivery team demonstrating their understanding and technical ability to effectively project manage the contract and meet the requirements under the Statement of Requirements. • Please provide a brief of how you manage business continuity should the service delivery team no longer be available. • Please provide details on any area of the requirement that will be sub-contracted out and the controls that are in place to monitor and manage any sub-Contractor (details should also be provided on the process and checks carried out when appointing any sub-Contractor). 	<p>10%</p>

Q2 Response:

PRESENTATION

30% of the Technical Evaluation will be awarded on a presentation to representatives from the Audit Committee on **xx xx xx 2019** at Argyll College UHI, **xx Campus**. Each tenderer must prepare a presentation based on the questions below. A copy of the presentation will be required to be provided post presentation.

Please contact cemsle@apuc-scot.ac.uk at your earliest convenience to book a suitable presentation slot. It is anticipated presentations should take a maximum of 1 hour.

Service Delivery	15%
Please discuss your approach and methodology to servicing this contract, answers should include but are not limited to;	
<ul style="list-style-type: none">• What sets you apart from other audit providers?• What experience and knowledge you provide specific to the structure and geography of the institution relating to the statement of requirement• Details of how the transition will be managed to take over the service provision from the incumbent service provider.• Details of how work will be managed, appropriately allocated, appropriately supervised and quality assured.• Details of how audit risk is assessed and proposed approach to preparation, review and issue of reports• Action to keep abreast of Scottish Funding Council policy.	
Value Added Services	5%
Please outline any added value services that your organisation would provide to the Institution as part of this Contract, which should be at no extra cost to the Institution. Answers should include as a minimum:	
<ul style="list-style-type: none">• The added value service(s) being offered• An overview of the benefits of the proposed added value services to the Institution, including how this can be quantified (e.g. costs savings, quality/other benefit)• How long any added value services offered would be open for acceptance of by the Inverness College UHI• Any conditions/exclusions attached to any of the added value services proposed	

Quality Assurance & Continuous Improvement	10%
<p>Please detail how your organisation would ensure expected quality standards are maintained throughout the duration of this Contract, and how your organisation will seek to continually improve the services delivered under this Contract.</p> <p>Answers should include:</p> <ul style="list-style-type: none"> • Any best practice, quality control measures, systems or processes that you would implement to ensure services are continually delivered to expected standards • Any review or continuous improvement measures that you would implement to ensure continuing quality and value for money throughout the contract <p>Where a sub-contractor (s) is used, you must demonstrate your answer in line with use of sub-contractor (s)</p>	

SCHEDULE 8

FORM OF TENDER

Provision of Internal Audit Services

REF: CS-AC-12914

Pursuant to the Mini Competition document issued by the Contracting Authority to the Tenderer, we the undersigned undertake that we have read the terms of the Mini Competition and agree to be bound by such terms and have submitted a Tender Response in accordance with the terms of the Mini Competition.

We *the* undersigned undertake as follows; to execute and deliver the specification of requirements, in accordance with the terms of the Contract and the Pricing Schedule submitted to the Contracting Authority as part of our Tender Response; and

1. confirm that we have not included any condition qualifying our Tender in any unauthorised manner or altered any aspect of the Mini Competition in any way; and
2. to confirm that our Tender Response shall remain open for acceptance by the Contracting Authority for a period of 90 Working Days from the date of this undertaking and we shall not withdraw this Tender during this period; and
3. to execute the Contract in the form contained within this tender and under these Terms and Conditions; and
4. understand that appointment to the Contract shall be valid upon acceptance and signature by both parties of the Contract. We confirm that our Tender Response

together with your acceptance thereof in writing shall constitute a binding Contract between us; and

5. understand that the award of the Contract will be based on establishing the Most Economically Advantageous Tender (MEAT) and the Contracting Authority is not bound to accept the lowest Tender Response or any Tender Response that fails to meet the stated mandatory requirements; and
6. we have submitted a bona fide Tender, intended to be competitive and we have not fixed or adjusted our price by or under or in accordance with any agreement or arrangement with any other Tenderer.
7. we have not and we undertake that we will not do at any time before the hour and date specified for the return of the Tender in the Mini Competition any of the following acts:
 - communicate to a person other than an appropriate member of the Contracting Authority our Price to be included in our Tender, except where the disclosure, in confidence, of such Price (or any component thereof) is necessary to obtain information/advice required for the preparation of the Tender; or
 - enter into any agreement or arrangement with (i) any other person resulting (whether directly or indirectly) in that person refraining from submitting a Tender or (ii) another Tenderer concerning any rates/fees submitted or to be submitted by that Tenderer in any Tender; or
 - offer to 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 Works any act or thing of the sort described above.
8. to confirm that we have not colluded, and will not collude, with any other potential or actual Tenderer in relation to the Contract, the Pricing Document and/or the Mini Competition in any way; and
9. having made relevant and comprehensive enquiries of our organisation and all the organisations referred to in our Tender and our professional advisers, at the date of this undertaking we are aware of no Conflicts of Interest (whether professional or commercial) nor, to the best of our knowledge, is there likely to be any Conflict of Interest, should the Tenderer and the organisations referred to in our Tender be appointed to perform the Contract; and
10. as soon as we become aware or ought to have become aware of any actual or potential Conflict of Interest which may impact on the Tenderer's performance of the Framework Agreement, we shall notify the Contracting Authority in writing.
11. we agree to bear all cost incurred by about the preparation and submission of this Tender and to bear any further costs incurred prior to the award of this Contract.
12. we confirm that all the information provided in this Tender Response is complete, true & accurate and I am authorised by relevant persons within this organisation to provide this information. We understand that failure to disclose information, or providing information which later proves to be false may result in our exclusion from this procurement process.

Signature:

--

Name:

--

Job Title:

--

Duly authorised to sign Tenders for and on behalf of:

Name of
Tenderer

--

Telephone
No

--

E-mail

--

Date

--

SCHEDULE

9

Freedom of Information

We would ask that Argyll College UHI withhold the following information from release under the Freedom of Information (Scotland) Act 2002/Environmental Information (Scotland) Regulations 2004 as appropriate:

Tender for: The Provision of Internal Audit Services

Reference: CS-AC-12914

Information <u>Not</u> to be Disclosed	Reason it should <u>not</u> be disclosed	Proposed Time the Restriction Should Apply For
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Signature:	
Name:	
Designation:	

Duly authorised to sign Tenders for and on behalf of:

Name of Tenderer	
Date	

Appendixes

- Appendix I – Pricing Schedule
- Appendix II – Annual Internal Audit Plan
- Appendix III – Strategic Planning Draft
- Appendix IV – Risk Register
- Appendix V – Statutory Accounts

CHECKLIST

Your completed tender should be uploaded to the PCS Quick Quote facility prior to the closing date detailed in the Procurement Timetable.
Please allow sufficient time to upload and submit your tender response.

All documents should be titled:

Company Name – Document Name

All documents should be uploaded as separate individual documents in the relevant format as detailed below and throughout this Mini Competition document.

The documents you are required to return are as follows;

Appendix I – Pricing Schedule – In Microsoft Excel format

Schedule 7 – Technical Questions – In Microsoft Word

Presentation – Power point (please note this is due 5th April as part of the tender)

Schedule 8 – Form of Tender – In Microsoft Word or PDF format

Schedule 9- Freedom of Information- In Microsoft Word or PDF format

Pricing Schedule

Appendix I

Amount to be budgeted?

Annual Internal Audit Plan

Appendix II

Areas to be audited?

Strategic Plan

Appendix III

Risk Register

Appendix IV

Statutory Accounts

Appendix V