

SPECIFICATION FOR THE PROVISION OF AN INTERNAL AUDIT SERVICE

Statutory Basis

The Peak District National Park Authority (the “Authority”), alongside its partner English Park Authorities, is funded by the Department of Environment, Food & Rural Affairs (Defra), whilst its governance regime is based upon that of a Local Authority.

The Accounts & Audit Regulations Regulations 2015 require an Authority:-

To undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Proper practices in relation to internal control are regarded as those contained within the Public Sector Internal Audit Standards (PSIAS).

The Authority is seeking a suitably qualified, capable and experienced provider to supply internal audit services.

The start date of the appointment will be 1st April 2019 and will be for a term of 3 years with the option, at the Authority’s discretion, to extend the term for a further 2 years.

Requirements of an Internal Audit service

The Authority requires:-

- (1) an initial risk assessment and agreement of a rolling audit programme which will cover a minimum of three years from April 2019 and will be reviewed annually.
- (2) an annual audit opinion that risk management processes, control systems, accounting records and governance processes are in place and operating properly, and an opinion on the control environment.
- (3) Sufficient evidenced work to support audit conclusions, with presentation of appropriate reports
- (4) working in partnership with management, to improve the control environment and add value by assisting the organisation in achieving its objectives.
- (5) Compliance with the PSIAS.
- (6) Coverage of ICT provisions, security and controls
- (7) Investigation and reporting of fraud allegations
- (8) Additional ad-hoc requirements (if agreed mutually) delivered in-year through an agreed day rate.
- (9) Managers and principal staff to be allocated to the Authority’s work have appropriate technical and professional qualifications and experience, especially with organisations similar in size and character to the Authority.

SUBMISSION REQUIREMENTS

Technical, professional, capability and quality requirements

Tenderers must demonstrate evidence as to how the Requirements in headings 1 – 9 above are to be provided and are collectively known as the “Quality Criteria”.

Price Proposal Requirements

Tenderers must state the proposed total annual cost of the service, with the cost broken down into an assessment of the number and seniority mix of auditor days and corresponding rates which are considered necessary, as a minimum, to meet the requirement above.

Tender Response

The Authority is not prescribing the format of tender response, however respondents should ensure that their proposal is sufficient for a decision to be made, which will use the criteria above, with items 1 – 9 comprising 72% of the total score value (the 'Quality Criteria') and the proposed cost of the service comprising 28% (see Evaluation of Tenders below)

References

Tenderers must supply the names and addresses and customer contact details of at least 2 references who are able to give evidence as to the Tenderer's experience, professional and technical ability and past performance. Referees may be from either the public or private sector but must be relevant to the Requirement. Contracts services should have been performed during the past three years.

Please ensure that the named customer contact is prepared to provide written evidence to confirm the accuracy of the information provided. Customer references should be factual.

EVALUATION OF TENDERS

Scoring will be carried out on the following basis:

Criteria	Weighting	Evaluation
Quality Criteria 1-9	72% (8% for each Quality Criteria)	1.6 (for each Quality Criteria) x total mark (see table below)
Price	28%	28 x (lowest tender price) ÷ (tender X's price)

Quality Criteria responses will each be marked against the following scoring methodology:

0	The tenderer has given no response which is capable of meaningful assessment
1	There are major weaknesses or gaps in the information provided
2	The response is sketchy with little or no detail given of how the tenderer will meet the criteria
3	The proposal has addressed the majority of our requirements but lacks some clarity or detail in how the requirements will be achieved
4	The proposal has addressed, in some detail, all or the majority of our requirements
5	The tenderer demonstrates an exceptional understanding of the requirements

Tenderers' scores for Quality Criteria and Price will be added together to produce an overall score.

Abnormally low tenders, incomplete tenders and tenders which do not include required references will be rejected.

The highest initial scoring tender will be invited to an interview on a date and time to be advised, at the Authority's headquarters in Bakewell, with the panel comprising 3 officers (Director, CFO and Monitoring Officer) and 2 Members (Chair and Vice-Chair of the Audit Resources and Performance Committee). The discussion will explore the quality criteria above in more detail in conversation and (if needed) seek clarification of any matters arising from the tender. If satisfactory it is hoped to proceed to a contract award by the end of February 2019.

BACKGROUND INFORMATION

We believe that the Authority's website (www.peakdistrict.gov.uk) contains sufficient background information on our organisation. In particular, we would recommend brief overview of

In the meetings section of our Audit Resources & Performance Committee reports:-

- Corporate Risk Register (May meeting)
- The Outturn report (May meeting)
- Annual Governance Statement (June meeting)

Under publications section, Key Policy documents:-

- Performance & Business Plan

Under publications section, Operational policies:-

- The Code of Corporate Governance
- The Anti-Fraud & Corruption Policy
- The Statement of Accounts

In the committee meetings section, the Authority February Meeting:-

- Budget report

Also available on the Authority's website is the transparency information as to contracts and annual spend.

In addition, contained within the Audit Resources & Performance Committee agenda, Minutes and reports, are all the other matters appropriate to the Audit & Resources Performance Committee, including where publically available previous internal and external audit reports.

Physical Make-up of Authority assets and operations

Although the Authority is relatively small, it does have a diverse asset base and operations which may not be evident from the above information. The following is an attempt to highlight the principal elements:-

- There are approximately 208 Full Time Equivalent staff working for the Authority; with a headcount of approximately 108 full time & 94 part time staff, 61 fixed term staff, with a casual staff pool of about 250 (these used seasonally / infrequently).
- The majority are based at the Headquarters building, Aldern House, in Bakewell.
- There are approximately 25 small field buildings within the National Park some with field staff / workshops / storage areas.
- There are 49 small car parks within the National Park area, of which 20 have pay and display machines, and 18 toilet blocks
- There are three sites which operate an in-house cycle hire operation (turnover in total c £300,000 p.a.)
- There are 5 visitor centres – Bakewell, Castleton, Edale, Derwent, Parsley Hay – offering information services and also selling products through an EPOS system linked to the accounting system at Aldern House (turnover c. £440,000 p.a.) Stock levels are in the region of £226,000.
- The Authority owns and maintains 32 miles of old railway lines (High Peak & Tissington Trail; Monsal Trail) including the structures along route (viaducts / bridges / embankments) which now operate as recreation footpaths / cycleways.
- We manage approximately 70 owned and leased small woodland areas within the Park
- The Authority owns extensive landholdings, with the largest being four estates – North Lees (522 ha), the Roaches (395ha), Eastern Moors (2,549 ha) and the Warslow Moors Estate (1,922 ha). The Warslow Moors Estate comprises 13 tenanted farms and 15 houses with most of the land subject to agricultural tenancies, and is managed in-house. The North Lees Estate has an agricultural tenancy and a 16th century hall, together with a campsite run by the Authority, and is also managed in-house. In 2010 the Eastern Moors estate was leased to the RSPB/National Trust and is not directly managed by the Authority; similarly the Roaches estate is leased to the Staffordshire Wildlife Trust and is not directly managed by the Authority.
- The Authority operates an infrastructure as a service delivery model delivering the core ICT infrastructure (servers and storage). Networking is also generally managed through service contracts. A mixed economy model exists for management of the remaining components

(applications and end user equipment) with some management through a small in-house team and some management through product vendors.

- The vehicle fleet comprises approximately 35 vehicles, all of which are owned.
- There are at any one time a number of grant aided projects where the Authority acts as the accountable body for the grant aid. In 2017-18 this grant income totalled £4.2m (detailed in Note 27 of the Authority's accounts page 41). The largest group of projects are managed by a "Moors for the Future Team" as a programme, working together with a number of project partners, including the Environment Agency, Natural England, and the Water Authorities. Contracts are a mix of grant aid and contractor relationships. The partnership does not have a separate legal status and the Authority acts as the accountable body. Expenditure and income for this programme is in the region of £3m-£4m per annum.
- The accounting system is Advanced Exchequer and is operated in-house. The Finance team process approximately 1,800 debtor invoices and 8,350 creditor invoices p.a. There are about 1,000 payroll transactions monthly.
- Retail sites operate an EPOS system from Kamarin Computers linked to the Exchequer system.