



Anglian Learning

**Invitation to tender for the
provision of internal and
external audit services**

April 2020

Revision History

Date	Author	Version	Description of Change
23/02/2020	Charity Main	0.1	First Draft
01/03/2020	Charity Main	1.0	Second draft following discussion with Chair of Audit Committee
06/04/2020	Charity Main	1.1	Updated timescales and process to reflect Covid-19
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Consultation History

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Distribution History

Date	Version	Distributed to
03/03/2020	1.0	Audit Committee
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1. Introduction

Anglian Learning is inviting tenders for the provision of internal (Lot 1) and external audit services (Lot 2). Tenderers may tender for Lot 1, Lot 2 or both lots. However under the Financial Reporting Council Ethical Standard published in December 2019 the same tenderer may not accept appointment for both lots.

Lot 1 (internal audit) is being tendered in relation to the 2020/21, 2021/22 and 2022/23 academic years but with the requirement that

- Tenderers will commence audit planning work for the contract in June/July 2020.
- Tenderers will complete the reporting requirements in relation to the 2022/23 academic year in the period September to December 2023.

Lot 2 (external audit) is being tendered for audit and accounts preparation work for 3 accounting years 2019/20, 2020/21 and 2021/22. Again the requirement will be for the tenderer to complete all requirements in respect of the 2021/22 accounting period.

Tender timetable

Activity	Deadline/date
Tender issued	9 April 2020
Questions in relation to the tender	Midday, 24 April 2020
Tender submission (electronic documents)	Between 0900 and 1200 BST on 15 May 2020
Short-listed organisation presentations	w/c 1 June 2020
Audit Committee meeting to discuss recommendations	5 June 2020
Member meeting to approve appointment of auditors (external audit lot only)	11 June 2020

Tender process

Anglian Learning does not bind itself to the lowest tender and is not obliged to accept any of the tenders. Anglian Learning has the right to withdraw from this process at anytime.

Presentations to Anglian Learning

If short-listed, you will be required to make a presentation on your proposal to provide audit services in the week commencing 1 June 2020 using a video meeting platform such as Microsoft Teams or Google Meet. The presentation should be no longer than 20 minutes. Additional time will also be allocated to allow the evaluation panel the opportunity to ask questions.

Evaluation criteria

Tenders will be evaluated on overall quality and cost, using the specific requirements set out in this invitation to tender.

Other points to note:

- Anglian Learning will only evaluate tenders received by the time and date given for return of tenders.
- Anglian Learning will not consider any claim made by a service provider who has been awarded all or part of this contract for additional payment on the grounds of any purported inadequacy as to the information provided by Anglian Learning during the tender period or during negotiations. Therefore the tendering organisation should ensure that they ask Anglian Learning whatever questions required and ask Anglian Learning to provide whatever information they need in order to satisfy themselves that the tender and bid prices are sufficient.
- Anglian Learning shall provide no undertaking to accept all or any part of the tender and reserves the right to obtain its total requirements from one or more tenderers at the prices tendered or as otherwise agreed in negotiations. Further, notwithstanding that each tenderer is required to meet certain criteria (as detailed in this ITT) Anglian Learning may accept or reject, solely at its own discretion, any tender whether or not such tender meets the said criteria.
- Anglian Learning will notify each tenderer of the award, or non-award, of the contract.
- The successful tenderer(s) will be required to enter into a formal written agreement.
- Should a decision be taken to proceed with the services described in this ITT, the contract will commence at a date to be determined by Anglian Learning, but within 3 months of the tender submission deadline.
- Anglian Learning has the right to withdraw from this process at any time.

Anglian Learning looks forward to receiving your tender proposal.

2. Completing and returning the tender

If your organisation decides to make a tender, it must be done in accordance with this ITT document. Please ensure that this document is read carefully and that responses are made fully to the questions and/or issues raised; that all parts of the tender are completed and that all information requested is provided.

Anglian Learning believes that the information contained in this document is sufficient for the tenderer to submit a tender. If tendering organisations feel that the information is inadequate or insufficient or incorrect in any way or if you have any queries concerning this invitation to tender or require any further clarification please put your request in writing and send it by email to: Charity Main cmain@anglianlearning.org at any time up until midday on Friday 24 April. All queries and Anglian Learning responses will be put in writing and circulated to all those who have indicated they will be tendering for this contract.

The tender document shall be sent by email between 0900 and 1200hrs (BST) on Friday 15 May to tenders@anglianlearning.org

The message title should be Audit Tender Submission May 2020.

No tender will be opened before 1200 on 15 May. All information in tenders will be kept confidential and will only be shown to those persons who have a right to see it.

Late tenders will not be considered as part of the tender assessment. Incomplete tenders will not be considered.

Where a tenderer completes a bid for both internal and external audit services, but has a preference for which they are awarded they should include this in the covering email.

3. Information on Anglian Learning

3.1 General Context

Anglian Learning is a successful multi-academy trust currently comprised of 6 secondary and 7 primary schools in Cambridge, South Cambridgeshire, West Suffolk and North Essex educating over 6,500 pupils.

The Trust is currently in a significant phase of growth. Joyce Frankland Academy Newport joined the Trust on 1 January 2020. The Chilford Hundred Education Trust (CHET), which comprised a secondary school and 4 primaries, joined Anglian Learning on 1 April 2020.

We also continue to work closely with the Department for Education and Cambridgeshire County Council in the planning of a new primary school for the Marleigh development, located near Cambridge Airport.

You can read more about the Trust and our schools on our website at www.anglianlearning.org.

The Trust's latest audited financial statements are available for download from this site too.

The size of the Trust means that it qualifies for School Condition Allocation (SCA) capital funding. For the 2019/20 financial year (based on 7 schools) this grant was in the region of £1.3 million.

3.2 Financial Organisation of the Trust

The Trust has a generally de-centralised financial model. Secondary schools have a Finance Manager and supporting finance staff. They are responsible for financial processes for their schools and complete purchase ledger payment runs. Schools complete a monthly management accounts pack; primaries are supported by the central Trust team in this.

The Trust central finance team is relatively small (a Finance Director supported by a number of Trust Group Accountants). This team is responsible for external reporting (the external audit process and reporting to the ESFA) and compliance activities such as VAT, alongside strategic financial activities.

The Trust implemented a single database version of Sage 200 in March 2020. Scanned invoices are saved in the system.

Payroll is outsourced to Education Personnel Management (EPM), with schools responsible for payment input.

4. Internal Audit Services (Lot 1)

4.1 Internal Scrutiny in Anglian Learning

The Academies Financial Handbook (AFH) requires that all academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively.

The AFH outlines a number of options for delivery of internal scrutiny. The Trust has decided to buy-in an internal audit service.

The Trust's executive team is responsible for ensuring that there is an adequate system of internal control, and that it is maintained and complied with on a routine basis. The lead officer on maintaining the system of internal control is the Director of Finance. The Trust is required to prepare an Annual Governance Statement to review the effectiveness of the system of internal control, and this is signed by the Accounting Officer and the Chair of Trustees.

The Trust has an Audit Committee which meets at least 3 times a year to whom the Internal Auditor reports, alongside the Trust's executive team. The Audit Committee has responsibility for reviewing the effectiveness of the internal audit function. The Committee receives regular reports from the internal audit provider, and the senior internal auditor will attend Audit Committee meetings.

4.2 Information on the Internal Audit Service required

Anglian Learning has an out-sourced internal audit function and therefore the contractor will be required to ensure that there is an effective internal audit function in place. This should be done in conjunction with the Director of Finance, Audit Committee, and external audit.

If Anglian Learning is satisfied that its requirements can be met in terms of quality and at a reasonable cost a contract will be awarded in relation to three academic years (2020/21, 2021/22 and 2022/23), at which point the service will be reviewed.

The successful tenderer will be expected to start their audit planning work in the summer of 2020 and to conclude all reporting requirements in respect of the contract by 31 December 2023.

The requirements set out below are seen as minimum requirements and tender responses should set out in more detail proposals for meeting the internal audit service requirements.

Audit planning

The internal audit service is to be managed using two main planning documents; a rolling strategic audit plan and an annual audit plan.

Strategic audit plan

The contractor is required to prepare a rolling strategic audit plan each year. This should be provided to the Audit Committee for consideration.

In the first year of the contract the internal auditor should spend a period during June and July 2020 understanding the Trust's operations and assessing its arrangements for risk management to inform the first strategic audit plan to be considered by the Audit Committee.

The strategic audit plan should include elements such as

- Systems to be audited
- Strategy for delivering the audit, addressing risk and providing assurance
- Priority and frequency of each audit area in the plan
- Allocation of resources to deliver the plan, including the audit manager for delivery of the entire annual plan

Annual audit plan

The contractor is also required to prepare an annual audit plan. This is to accompany the strategic audit plan and is to be prepared to the same deadlines as the strategic audit plan – annually and in year one. The annual audit plan is to take year one of the strategic audit plan and set in more detail the areas to be audited in the year.

The annual audit plan is to include elements such as

- Risk assessment leading to areas to be audited
- Areas to be audited in the year – teams, processes, systems
- Days required to complete each audit
- Outline timetable for completion of audit plan
- Outline staff to be used in delivering the audit plan

Service delivery

As part of managing the delivery of the internal audit service the contractor is required to prepare terms of reference for each audit and a report to management on the conclusions from the audit.

Terms of reference

Terms of reference are to be prepared for each audit to be undertaken as part of the annual audit plan. The terms of reference are to include

- The background and objectives for the audit
- The scope of the audit, including systems and processes to be tested
- The audit manager and auditors to undertake the audit
- The audit timetable, including sign off of terms of reference, date of fieldwork, draft reports, responses from management, and final reports

Audit reports

The contractor is required to prepare a report at the end of each audit. The report should include

- Scope and objectives of the audit and confirmation that these have been addressed
- Summary of work completed on the audit
- Findings from the audit
- Level of assurance provided
- Recommendations
- Management response to recommendations
- Action plan, with lead officers and deadlines
- Timetable – report dates achieved against those agreed in the terms of reference

In addition the AFH requires a short annual summary report to the audit committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress. This must also be shared with the ESFA from the 2019/20 academic year.

In relation to 2019/20 the Trust will ask the internal auditor responsible for previous work to complete this summary.

Sign off and reporting to Anglian Learning

The reports from the audits are to be provided in draft and final versions to the Director of Finance. After final sign off the reports will go to the wider executive team and Audit Committee. The audit manager/engagement lead will be required to present audit reports to the Audit Committee at the next meeting.

There is also a requirement for audit reports to be made available to all Trustees.

5. Specific Tender Requirements – Internal Audit Services (Lot 1)

Tendering organisations should read this section very carefully as it includes specific details of Anglian Learning’s expectations regarding the services sought, including questions that need to be answered in all tender submissions.

Anglian Learning will make its decision based on the overall quality and cost of the services tendered.

5.1 Details of service to be provided

The tenderer is required to review the information provided in this tender document and set out how it would meet the Trust’s internal audit requirements.

The tenderer is specifically required to address the following points

- the process for implementing the new contract, including preparation of the rolling strategic plan and annual audit plan
- how it would work with all Anglian Learning teams;
- how it would look to deliver improvements in Anglian Learning’s systems and processes;

and

- how the audit plan would be delivered each year.

5.2 About your organisation

In responding to this section of the tender please be as concise as possible. Unless specifically asked for, if you are including supporting documents (e.g. company policies) please ensure that you reference specific sections that are relevant to this tender and/or the point you are trying to highlight.

Please provide summary details of your experience of providing internal audit services to multi-academy trusts. Provide all information that you deem to be relevant, including the following:

- Proposed Anglian Learning internal audit team – individual roles / job titles, relevant qualifications and experience, specific areas of expertise within the team;
- Details of clients to whom you provide similar services;
- The length of time your organisation has been providing these services;
- Your client servicing and support arrangements;
- Details of any relevant memberships e.g. ISO

5.3 Tender pricing

If Anglian Learning is satisfied that its requirements can be met a contract will be awarded to cover the internal audit activity in relation to the 2020/21, 2021/22 and 2022/23 academic years, including all audit planning and reporting which may fall

outside of the academic years themselves. Tenderers are asked to quote to provide an internal audit service to the Trust.

The tenderer is required to state the cost of providing a service based on 20 audit days per annum (inclusive of all activity including attendance at meetings). This should state the roles covered by this pricing, any one off costs in year one, and the responsibility for meeting any disbursements on the contract.

If the tenderer does not believe that an effective internal audit service can be provided in 20 audit days then they should clearly state why and quantify the additional cost per day above this level.

The tenderer is also required to state the daily rate for all roles that may be used for additional days on the contract and the expected deployment proportions of these days.

5.4 Tender evaluation

The tender proposal will be evaluated against the criteria set out above. The selection panel for the internal audit service will include the Director of Finance, Director of Secondary Education and members of the Audit Committee.

All tender proposals will be reviewed by the selection panel. The tender proposals will be scored and a short-list prepared of those to be invited to present their proposals to the selection panel.

The maximum score for quality and price criteria is outlined in the table below.

Criteria	Maximum Score	
<i>Service</i>		
Mobilisation plan	5	
Working with Anglian Learning Teams	5	
System Improvements	10	
Audit plan delivery including reporting	20	
		40
<i>Organisation Experience</i>		
Audit Team	10	
Multi-Academy Trust Experience	10	
		20
<i>Price</i>		
Contract Price	35	
Daily rate	5	
		40
Total		100

In respect of each pricing aspect, the tender with the lowest price will score the maximum marks available. All other tenders will then be scored on a percentage difference methods. So, for example if the lowest tender was a cost of £10,000 (this is not meant to be indicative) then this would score 35 marks. A tender priced at £12,000 would score $\frac{£10,000}{£12,000} \times 35 = 29.2$.

Scores will be allocated for each quality aspect as per the criteria below.

% of Max. Score	Criteria for awarding score
0	No response, or response shows an unacceptably poor level of understanding of the requirements, or completely fails to meet the required standard.
25%	Response shows an inadequate understanding of the requirements, or substantially fails to meet the required standard, or is inconsistent with other proposals in several significant respects.
50%	Proposal shows a satisfactory understanding of the requirements and meets the required standard in most material respects, but falls short of achieving the required standard in several respects or is inconsistent with other proposals in at least one significant respect.
75%	Proposal shows a satisfactory understanding of the requirements and is consistent with other proposals and meets the required standard in most material respects, but falls short of achieving the required standard in one material respect.
100%	Proposal shows a satisfactory understanding of the requirements, and is consistent with other proposals and fully meets the required standard in all material respects.

6. External Audit and Accountancy Support Services (Lot 2)

Anglian Learning wishes to tender for accounts preparation and external audit services in respect of the 2019/20, 2020/21 and 2021/22 accounting years.

6.1 External Audit Services

In respect of external audit services the Trust wishes to procure an annual audit plan which meets all legal and regulatory requirements, alongside those requirements outlined in the Academies Financial Handbook.

The external audit services will include:

- Financial Statements Audit including audit letter for submission to the Education and Skills Funding Agency (ESFA)
- Regularity Audit
- Audit of the Annual Accounts Return

The Trust will expect attendance of a senior member of the Tenderer's staff at appropriate Audit Committee meetings to present the audit plan and audit findings.

In addition to these core audit services relating to the audit of the financial statements and assurance provided to the ESFA the external auditor will also be required to provide the following services:

- Teachers' Pension Audit services. Currently these audits are on a 'per school' basis. The Trust has not yet determined whether it wishes to consolidate its operations for the purposes of these audits.
- Other audit certification (for example Annex G). The Trust currently requires some additional grant claim audit certification for example in relation to Trust Capacity Fund and teaching school grants.

6.2 Accountancy Support

In respect of accountancy support the Trust wishes to procure the following:

- Preparation of the financial statements
- Preparation of the Annual Accounts Return
- Preparation of the Corporation Tax return (if requested by HMRC). No return has been requested recently.

6.3 Information to be provided by the Trust

The Trust will provide transactional data and trial balance reports as the basis of the basis of for the preparation of the Financial Statements and Accounts Return and to assist the audit.

The Trust will also provide the necessary text to enable the drafting of the annual report and other requirements in the financial statements.

Although transactional processing is localised across the Trust, it will collate as much as possible centrally to minimise the travelling requirements between sites as part of the audit process. From 1 March 2020 copies of invoices are saved within the financial management system. All payroll reports and core funding statements are also available centrally.

6.4 Valued added services

The Trust will expect to have access to a range of 'value-added' services from the audit provider. These may include free updates and workshops and access to a helpline, alongside more specialist paid for advice, such as in relation to VAT.

7. Specific Tender Requirements – External Audit Services (Lot 2)

Tendering organisations should read this section very carefully as it includes specific details of Anglian Learning’s expectations regarding the services sought, including questions that need to be answered in all tender submissions.

Anglian Learning will make its decision based on the overall quality and cost of the services tendered.

7.1 Details of service to be provided

The tenderer is required to review the information provided in this tender document and set out how it would meet the Trust’s external audit service requirements.

The tenderer is specifically required to address the following points

- how it would deliver the accounts and audit process in relation to each financial year including the use of an interim audit and the proposed audit approach;
 - how it would tailor its audit approach to address the specific to the nature of the operations of Anglian Learning which are detailed in the financial statements and on the website of the Trust and those of its schools;
 - how it ensures that accounts meet regulatory requirements;
 - what reporting it would provide to the Trust (with examples);
- and
- what value-added services it would provide with a clear distinction between those which are provided ‘free’ as part of the core audit charges and which would incur an additional charge.

7.2 About your organisation

In responding to this section of the tender please be as concise as possible. Unless specifically asked for, if you are including supporting documents (e.g. company policies) please ensure that you reference specific sections that are relevant to this tender and/or the point you are trying to highlight.

Please provide summary details of your experience of providing external audit services to multi-academy trusts. Provide all information that you deem to be relevant, including the following:

- Proposed Anglian Learning external audit team – individual roles / job titles, relevant qualifications and experience, specific areas of expertise within the team;
- Details of clients to whom you provide similar services, including a quantification of the number of multi-academy trusts;
- The length of time your organisation has been providing these services;
- Your client servicing and support arrangements;
- Details of any relevant memberships e.g. ISO

7.3 Tender pricing

If Anglian Learning is satisfied that its requirements can be met a contract will be awarded to cover the 2019/20,2020/21 and 2021/22 accounting years, including all work which may fall outside of the academic years themselves. Tenderers are asked to quote to provide an external audit service to the Trust.

The tenderer is required to detail the costs of providing each of the services listed in 6.1 and 6.2. In respect of other grant certifications indicative rates should be given for certification of a grant just above the certification minimum. The responsibility for meeting any disbursements on the contract should be clear.

7.4 Tender evaluation

The tender proposal will be evaluated against the criteria set out above. The selection panel for external audit services will include the Director of Finance, Director of Secondary Education and members of the Audit Committee.

All tender proposals will be reviewed by the selection panel. The tender proposals will be scored and a short-list prepared of those to be invited to present their proposals to the selection panel.

The maximum score for quality and price criteria is outlined in the table below.

Criteria	Maximum Score	
<i>Service</i>		
Delivery and audit approach	10	
Understanding Anglian Learning specifically	10	
Ensuring accounts comply with regulations	5	
Audit Reporting	5	
Valued added services	10	
		40
<i>Organisation Experience</i>		
Audit Team	10	
Multi-Academy Trust Experience	10	
		20
<i>Price</i>		
Core Contract Price including audit, accounts and annual return preparation	30	
Teachers' Pension Audit (price per school)	5	
Indicative price for Annex G grant certification	5	
		40
Total		100

In respect of each pricing aspect, the tender with the lowest price will score the maximum marks available. All other tenders will then be scored on a percentage difference methods. So, for example if the lowest tender for core annual audit and accounts preparation was a cost of £20,000 (this is not meant to be indicative) then this would score 35 marks. A tender priced at £25,000 would score $\text{£}20,000/\text{£}25,000 \times 35 = 28$.

Scores will be allocated for each quality aspect as per the criteria below.

% of Max. Score	Criteria for awarding score
0	No response, or response shows an unacceptably poor level of understanding of the requirements, or completely fails to meet the required standard.
25%	Response shows an inadequate understanding of the requirements, or substantially fails to meet the required standard, or is inconsistent with other proposals in several significant respects.
50%	Proposal shows a satisfactory understanding of the requirements and meets the required standard in most material respects, but falls short of achieving the required standard in several respects or is inconsistent with other proposals in at least one significant respect.
75%	Proposal shows a satisfactory understanding of the requirements and is consistent with other proposals and meets the required standard in most material respects, but falls short of achieving the required standard in one material respect.
100%	Proposal shows a satisfactory understanding of the requirements, and is consistent with other proposals and fully meets the required standard in all material respects.

8. General Tender Information

8.1 Corporate actions

Tenderers should provide details on imminent take-overs, reorganisations, staff movements/rationalisation, planned changes to the core business, planned changes to the computer environment or its support and any other information which may impact the delivery of the services.

Failure to disclose such information, that is subsequently disclosed or discovered, and that would have significantly altered Anglian Learning's assessment of your tender could be considered grounds for termination of any agreement between Anglian Learning and the Contractor.

8.2 Preparation of Tender

It is the tendering organisation's responsibility to ensure they are fully informed and satisfied by their own observations and enquiries as to the nature, extent and scope of the work required if awarded the contract.

The tendering organisation shall be entirely responsible for any and all costs incurred in connection with the preparation and submission of the tender and of undertaking any meetings as part of the negotiations.

Anglian Learning requires all tendering organisations to ensure that they are in a position to perform their obligations under the agreement should they be awarded the contract.

8.3 Inducements to purchase and potential conflicts of interest

The contractor/tenderer shall not offer to Anglian Learning or its representatives as a variation of the conditions of the contract, or as an agreement collateral to it, any advantage other than a cash discount against the contract price.

The tendering organisation must disclose any potential conflict of interest as part of its tender, alongside how the organisation plans to mitigate these risks.

8.4 Standard terms and conditions

Tenderers should include their standard contract terms and conditions with their bid.

8.5 References

The tenderer should provide references for customers with requirements similar to those in each lot for which they submit a bid. The tenderer should provide the full name and address, nature of business, point of contact and telephone number and URL of at least two existing clients.

No attempt will be made by Anglian Learning to approach the referees provided without prior permission of the tenderer.

8.6 General Data Protection Regulation (GDPR)

Anglian Learning is required to comply with the requirements of the General Data Protection Regulation (GDPR). Those contracting with the Trust must also ensure that they adhere to the requirements of the legislation.

There is an expectation that auditors will be considered an independent data controller in respect of the services offered to the Trust. If your standard terms and conditions do not refer to your approach to GDPR please ensure that you address this as part of your tender submission.

8.7 Safeguarding

We are committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and we expect all staff and those who work with us to share this commitment.