

**United Kingdom-Cardiff: Financial auditing services**

OJ S 114/2014 17/06/2014

Contract notice

Services

Directive 2004/18/EC

**Section I: Contracting authority**

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**I.1. Name and addresses**

Official name: Wales Audit Office  
Postal address: 24 Cathedral Road  
Town: Cardiff  
Postal code: CF11 9LJ  
Country: United Kingdom  
For the attention of: Laurie Davies  
E-mail: [tenders@wao.gov.uk](mailto:tenders@wao.gov.uk)  
Telephone: +44 2920320511

**Internet address(es):**

General address of the contracting authority: [www.wao.gov.uk](http://www.wao.gov.uk)  
Address of the buyer profile: [http://www.sell2wales.gov.uk/search/Search\\_AuthProfile.aspx?ID=AA0519](http://www.sell2wales.gov.uk/search/Search_AuthProfile.aspx?ID=AA0519)

**Additional information can be obtained from:**

the abovementioned address

**Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained from:**

the abovementioned address

**Tenders or requests to participate must be submitted:** the abovementioned address**I.2. Type of the contracting authority**

Body governed by public law

**I.3. Main activity**

Other: Audit Services

**I.4. Contract award on behalf of other contracting authorities**

The contracting authority is purchasing on behalf of other contracting authorities: no

**Section II: Object of the contract**

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**II.1. Description****II.1.1. Title attributed to the contract by the contracting authority**

Provision of Financial Audit and Related Services.

**II.1.2. Type of contract and place of performance or delivery**

Services

Service category No 9: Accounting, auditing and bookkeeping services

Main site or place of performance: Throughout Wales.

NUTS code UKL Wales

**II.1.3. Information about a framework agreement or a dynamic purchasing system**

The notice involves a public contract

#### **II.1.4. Information about framework agreement**

#### **II.1.5. Short description of the contract or purchase(s)**

The Wales Audit Office is looking for three to five providers to be appointed for contracts for the supply of financial audit and related services to support the Auditor General for Wales.

The contracts will be split into three Lots covering the whole of Wales.

Lot 1- single provider, predominantly covering North and West Wales.

Lot 2 - single provider, predominantly covering South and Mid Wales.

Lot 3 - two to three providers, covering the whole of Wales.

Lots 1 and 2 include a mix of audits for a number of public sector organisations as determined by the Auditor General (which may include a mix of Unitary Authorities, Local Government Pension Funds, Fire Authorities, Central Government, Welsh Government sponsored bodies and National Health Service (NHS) bodies) to include financial audit and grants certification but with scope to cover the whole of Wales at the Authority's and the Auditor General's discretion.

Lot 3 includes a mix of community and town council audits across Wales.

All Lots also include an element of work across a range of other related services as required.

Note: To register your interest in this notice and obtain any additional information please visit the Sell2Wales Web Site at [http://www.sell2wales.gov.uk/Search/Search\\_Switch.aspx?ID=10514](http://www.sell2wales.gov.uk/Search/Search_Switch.aspx?ID=10514)

The buyer has indicated that it will accept electronic responses to this notice via the Postbox facility. A user guide is available at [http://www.sell2wales.gov.uk/sitehelp/help\\_guides.aspx](http://www.sell2wales.gov.uk/sitehelp/help_guides.aspx)

Suppliers are advised to allow adequate time for uploading documents and to dispatch the electronic response well in advance of the closing time to avoid any last minute problems.

#### **II.1.6. CPV code(s)**

79212100 Financial auditing services, 79200000 Accounting, auditing and fiscal services, 79210000 Accounting and auditing services

#### **II.1.7. Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: yes

#### **II.1.8. Lots**

This contract is divided into lots: yes

Tenders may be submitted for all lots

#### **II.1.9. Information about variants**

Variants will be accepted: no

### **II.2. Scope of the procurement**

#### **II.2.1. Total quantity or scope**

The contracts cover a range of audits across Wales covering a number of sectors and audited body types. There are around 750 audited bodies included within the contracts.

#### **II.2.2. Information about options**

Options: yes

Description of options: An option to extend contracts on an annual basis for up to 2 additional years.

Provisional timetable for recourse to these options:

in months: 32 (from the award of the contract)

### **II.2.3. Information about renewals**

This contract is subject to renewal: yes

Number of possible renewals: 2

### **II.3. Duration of the contract or time limit for completion**

Start 1.4.2015. Completion 31.3.2018

Information about lots

Lot No: 1

Lot title: North and West Wales financial audit and related services

#### **1) Short description**

Single provider Lot undertaking financial audit and related services predominantly covering North and West Wales. Work includes a mix of audits for a number of public sector organisations as determined by the Auditor General (which may include a mix of Unitary Authorities, Local Government Pension Funds, Fire authorities, Central Government, Welsh Government sponsored bodies and NHS bodies) to include financial audit and grants certification but with scope to cover the whole of Wales at the Authority's discretion.

#### **2) CPV code(s)**

79212100 Financial auditing services, 79200000 Accounting, auditing and fiscal services, 79210000 Accounting and auditing services

#### **3) Quantity or scope**

The Lot covers financial audit and related services predominantly in North and West Wales as the primary service (with an estimated 6 audits which may include pension and associated grants work). Other services will be on an as required basis.

#### **4) Indication about different time frame or duration**

Start 1.4.2015. Completion 31.3.2018

#### **5) Additional information about lots**

Lot 1 will provide backup services to Lot 2.

The estimated Wales Audit Office fees applicable to this lot is in the region of 1 million GBP per annum based on current fee scales.

Lot No: 2

Lot title: South and Mid Wales financial audit and related services

#### **1) Short description**

Single provider Lot undertaking financial audit and related services predominantly covering South and Mid Wales. Work includes a mix of audits for a number of public sector organisations as determined by the Auditor General (which may include a mix of Unitary Authorities, Local Government Pension Funds, Fire authorities, Central Government, Welsh Government sponsored bodies and NHS bodies) to include financial audit and grants certification but with scope to cover the whole of Wales at the Authority's discretion.

#### **2) CPV code(s)**

79200000 Accounting, auditing and fiscal services, 79212100 Financial auditing services, 79210000 Accounting and auditing services

#### **3) Quantity or scope**

The Lot covers financial audit and related services predominantly in South and Mid Wales as

the primary service (with an estimated 8 audits which may include pension and associated grants work). Other services will be on an as required basis.

**4) Indication about different time frame or duration**

Start 1.4.2015. Completion 31.3.2018

**5) Additional information about lots**

Lot 2 will provide backup services for Lot 1.

The estimated Wales Audit Office fees applicable to this Lot is in the region of 1 million GBP per annum based on current fee scales.

Lot No: 3

Lot title: Community and Town Council financial audit and related services

**1) Short description**

Lot 3 will have two to three suppliers and includes a mix of community and town council audits across the whole of Wales. Work includes undertaking financial audit of accounts and considering the adequacy of internal controls for community and town councils and other small bodies as applicable, and a small amount of grant certification work.

**2) CPV code(s)**

79212100 Financial auditing services, 79200000 Accounting, auditing and fiscal services, 79210000 Accounting and auditing services

**3) Quantity or scope**

The Lot will be split evenly (as much as possible) between the suppliers, taking account of both number of audits and their fees. There is an estimated 740 small audited bodies in total. The lot will also include other related services on an as required basis.

**4) Indication about different time frame or duration**

Start 1.4.2015. Completion 31.3.2018

**5) Additional information about lots**

Suppliers within this lot will provide backup for each other.

The estimated Wales Audit Office fees applicable to this lot is in the region of 190,000 GBP per annum in total across all audits based on current fee scales.

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**Section III: Legal, economic, financial and technical information**

**III.1. Conditions related to the contract**

**III.1.1. Deposits and guarantees required**

**III.1.2. Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them**

**III.1.3. Legal form to be taken by the group of economic operators to whom the contract is to be awarded**

**III.1.4. Contract performance conditions**

The performance of the contract is subject to particular conditions: yes

Description of particular conditions: The Auditor General for Wales has prepared a Code of Audit Practice which prescribes the way in which auditors are to carry out the Auditor General's functions, and embodies what appears to the Auditor General to be best professional practice. Providers will be required to agree to and follow the Auditor General's

Code and related guidance, and will be required to co-operate with his systems for quality monitoring and controls.

### **III.2. Conditions for participation**

#### **III.2.1. Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers**

List and brief description of conditions: (1) All candidates will be required to produce a certificate or declaration demonstrating that they are not bankrupt or the subject of an administration order, are not being wound-up, have not granted a trust deed, are not the subject of a petition presented for sequestration of their estate, have not had a receiver, manager or administrator appointed and are not otherwise apparently insolvent.

(2) All candidates will be required to produce a certificate or declaration demonstrating that the candidate, their directors, or any other person who has powers of representation, decision or control of the candidate has not been convicted of conspiracy, corruption, bribery, or money laundering. Failure to provide such a declaration will result in the candidate being declared ineligible and they will not be selected to participate in this procurement process.

(3) All candidates will be required to produce a certificate or declaration demonstrating that they have not been convicted of a criminal offence relating to the conduct of their business or profession.

(4) All candidates will be required to produce a certificate or declaration demonstrating that they have not committed an act of grave misconduct in the course of their business or profession.

(5) All candidates must comply with the requirements of the State in which they are established, regarding registration on the professional or trade register.

(6) Any candidate found to be guilty of serious misrepresentation in providing any information required, may be declared ineligible and not selected to continue with this procurement process.

(7) All candidates will have to demonstrate that they are licensed, or a member of the relevant organisation, in the State where they are established, when the law of that State prohibits the provision of the services, described in this notice, by a person who is not so licensed or who is not a member of the relevant organisation.

(8) All candidates will be required to produce a certificate or declaration demonstrating that they have fulfilled obligations relating to the payment of social security contributions under the law of any part of the United Kingdom or of the relevant State in which the candidate is established

(9) All candidates will be required to produce a certificate or declaration demonstrating that they have fulfilled obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the relevant State in which the economic operator is established.

All candidates must be eligible, being a company auditor 'firm' under Part 42 of the Companies Act 2006.

#### **III.2.2. Economic and financial ability**

List and brief description of conditions: (1) All candidates will be required to provide evidence of relevant professional risk indemnity insurance.

(2) All candidates will be required to provide a statement, covering the 3 previous financial years including the overall turnover of the candidate and the turnover in respect of the activities which are of a similar type to the subject matter of this notice.

(3) All candidates will be required to provide statements of accounts or extracts from those accounts relating to their business.

Statement of total turnover for the last two trading years and an analysis of the income

attributable to audit fees and/or audit and advisory work for public sector clients in each of the last three financial years. The Authority reserves the right to request a copy of the full report and audited accounts for the last three financial years. The Authority may also obtain a financial risk assessment report.

Minimum level(s) of standards possibly required: The supplier must be in a sound financial position to participate in a procurement of this size.

The supplier's fee income must be sufficient to enable it to comply with Ethical Standard 4 of the United Kingdom Auditing Practices Board, which effectively prohibits auditors from accepting auditing engagements if the fee income earned from the client concerned is expected to exceed 15 per cent of total fee income (and requires an independent external review of all audit work where the fees from one client are expected to amount to more than 10 per cent of total fee income).

### **III.2.3. Technical and professional ability**

List and brief description of conditions:

- (1) A statement of the candidate's average annual number of staff and managerial staff over the previous 3 years;
- (2) Details of the educational and professional qualifications of their managerial staff; and those of the person(s) who would be responsible for providing the services or carrying out the work or works under the contract;
- (3) All candidates will be required to provide certification drawn up by an independent body attesting the compliance of the economic operator with quality assurance standards based on the relevant European standards.
- (4) Certificates drawn up by official quality control institutes or agencies of recognised competence attesting the conformity of products clearly identified by references to specifications or standards.
- (5) A statement of the principal goods sold or services provided by the supplier or the services provider in the past 3 years, detailing the dates on which the goods were sold or the services provided; the consideration received; the identity of the person to whom the goods were sold or the services were provided;
- (6) A statement of the candidate's technical facilities; measures for ensuring quality; and their study and research facilities;
- (7) An indication of the proportion of the contract which the services provider intends possibly to subcontract.
- (8) A statement of the tools, plant or technical equipment available to the service provider or contractor for carrying out the contract.

Recognised accreditation and/or conformance to relevant quality assurance international standard(s) e.g. ISQC1, ISO9001 or equivalents.

Conformance to International Auditing Standards.

### **III.2.4. Information about reserved contracts**

#### **III.3. Conditions specific to services contracts**

##### **III.3.1. Information about a particular profession**

Execution of the service is reserved to a particular profession: yes

Reference to the relevant law, regulation or administrative provision: Accountancy and financial audit - The supplier (if a firm, the relevant partner(s)) must be qualified to audit public sector bodies being a company auditor under Part 42 of the Companies Act 2006.

##### **III.3.2. Information about staff responsible for the performance of the contract**

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract: yes

## **Section IV: Procedure**

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### **IV.1. Type of procedure**

#### **IV.1.1. Type of procedure**

Restricted

#### **IV.1.2. Information about the limits on the number of candidates to be invited**

Envisaged minimum number 10: and Maximum number 13

Objective criteria for choosing the limited number of candidates: The Authority considers that a minimum of 10 and maximum of 13 operators will be sufficiently wide to enable meaningful competition to assess the most economically advantageous tenders and to allow for contingency if bidders withdraw mid-process.

#### **IV.1.3. Information about reduction of the number of solutions or tenders during negotiation or dialogue**

### **IV.2. Award criteria**

#### **IV.2.1. Award criteria**

The most economically advantageous tender in terms of Price is not the only award criterion and all criteria are stated only in the procurement documents

#### **IV.2.2. Information about electronic auction**

An electronic auction will be used: no

### **IV.3. Administrative information**

#### **IV.3.1. File reference number attributed by the contracting authority**

10514

#### **IV.3.2. Previous publication concerning this procedure**

#### **IV.3.3. Conditions for obtaining specifications and additional documents or descriptive document**

#### **IV.3.4. Time limit for receipt of tenders or requests to participate**

24.7.2014 - 14:00

#### **IV.3.5. Estimated date of dispatch of invitations to tender or to participate to selected candidates**

9.9.2014

#### **IV.3.6. Languages in which tenders or requests to participate may be submitted**

English.

#### **IV.3.7. Minimum time frame during which the tenderer must maintain the tender**

#### **IV.3.8. Conditions for opening of tenders**

## **Section VI: Complementary information**

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**VI.1. Information about recurrence**

**VI.2. Information about European Union funds**

**VI.3. Additional information**

(WA Ref:10514)

**VI.4. Procedures for review**

**VI.4.1. Review body**

**VI.4.2. Review procedure**

**VI.4.3. Service from which information about the review procedure may be obtained**

**VI.5. Date of dispatch of this notice**

12.6.2014