

***“Offering our community more than a home”***

**INTERNAL AUDIT SERVICES  
INVITATION TO TENDER**

**Tenders must be received at the Association’s offices no later than 12 noon on Wednesday, 27 May at 12 noon.**

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Appendix 1 Declaration of Interest Statement

## Links to key documents

Annual Report and Performance Report 2018/19	<a href="https://www.clydebank-ha.org.uk/cha-downloads/performance-information/">https://www.clydebank-ha.org.uk/cha-downloads/performance-information/</a>
Assurance Statement October 2019	<a href="https://www.clydebank-ha.org.uk/cha-downloads/assurance-statements/">https://www.clydebank-ha.org.uk/cha-downloads/assurance-statements/</a>
2019-2024 Business Plan Summary	<a href="https://www.clydebank-ha.org.uk/about-us/how-we-make-decisions/cha-business-plan/">https://www.clydebank-ha.org.uk/about-us/how-we-make-decisions/cha-business-plan/</a>
Annual Audited Financial Accounts to 31 March 2019	<a href="https://www.clydebank-ha.org.uk/cha-downloads/cha-annual-accounts/">https://www.clydebank-ha.org.uk/cha-downloads/cha-annual-accounts/</a>
Staff Structure	<a href="https://clydebank-ha.org.uk/about-us/who-we-are-what-we-do/staff/">https://clydebank-ha.org.uk/about-us/who-we-are-what-we-do/staff/</a>

Further information can be found on our website: [www.clydebank-ha.org.uk](http://www.clydebank-ha.org.uk)

## **SECTION A**

### **Background (Extract from 2019/20 Business Plan)**

Clydebank Housing Association (formerly Central & East Clydebank Housing Association, up to June 1989) was established by local residents in 1984 and working in partnership with the Housing Corporation (latterly Communities Scotland then Scottish Homes) and with the Local Authority, set out to improve housing and regenerate the central and east areas of the town. The Association was registered with the Housing Corporation in January 1985 and reached 35 years of achievements in 2020.

We are a community based “not for profit” organisation and a registered Scottish Charity (Charity no SC033962). We are committed to community control. Our policy is to encourage tenants and other customers to become members of the Management Committee and to take an active part in the running of the Association.

CHA is registered with the Financial Services Authority, a Registered Society registered under the Co-operative and Community Benefit Societies Act 2014 (registered number 2191 RS) and the Housing (Scotland) Act 2010. This means that it cannot distribute any profits and all surpluses are set aside for future major repairs. It is also registered with the Scottish Housing Regulator No. HAL86 and as a result, CHA is subject to supervision and inspection by this agency. The Association is a registered property factor under the provisions of the Property Factors (Scotland) Act 2011, Registration No PF00023.

In the earlier years, our development work concentrated on the modernisation of the Tenements in the town centre. When this work was finished, we embarked on a programme of new building to provide more new houses and flats for rent and for shared ownership. We aim to be able to provide a mix of homes in a variety of sizes and types, both to cope with current housing need and to allow for transfers from one type of housing to another as needs change, as children are born, grow up and leave home, or as older residents find they need adaptations to allow them to remain in their homes for longer.

In 1999, we acquired over 750 houses in Clydebank from the previous landlord, Scottish Homes, increasing our stock to over 1100 houses and flats, catering for all types of people including the elderly, disabled people and those with special needs.

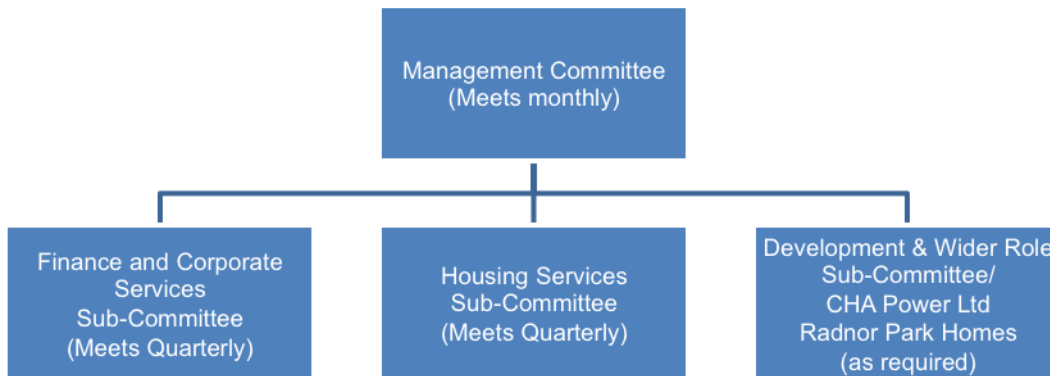
As at 31 March 2020, our housing stock totalled 1,168 units including 40 Shared Ownership units. In terms of size, we are currently the largest of eight, community based Housing Associations in West Dunbartonshire and we employ 36 members of staff (FTE 32) including 33 permanent (FTE 30) and 3 temporary members of staff (FTE 2), 3 caretakers who service our multi-story flats at Radnor Park, 4 members of staff who service our wider role project at Centre81 and 1 office cleaner.

As we grow, diversify and offer an increasing number of wider role activities, our role as an employer becomes more significant. We are committed to [equal opportunities](#), are a “disability confident committed employer” and our track record in staff training and development earned us “[Investor in People Gold](#)” again in 2018 and “Investor in Young People Gold” status for the first time in April 2015. Clydebank Housing Association was first accredited by Investors in People in October 1996 and has now maintained commitment to the standard longer than any other Scottish Housing Association. Our re-assessment to IYP accreditation is due in 2020.

Since the beginning of the recession up to and including the end of 2015, our focus had shifted away from new-build development and closer to the maintenance and improvement of our existing stock, ensuring that all properties were SHQS compliant in advance of the 2015 deadline. During the same period, we continued to expand the range of our ‘wider role’ activities. Our wider role is where we aim to improve the social, economic and environmental circumstances of the community in which we operate. This strategy allowed us to ensure that our tenants continue to enjoy good quality homes and services and are protected from large rent increases during years of austerity.

However, since early 2016, our development function has once again come to the fore with our 44 unit affordable housing project completed at Graham Avenue in 2018, a further 37 units at Queens Quay and a potential development at the former St. Cuthbert’s site in Linnvale to build 24 units in the pipeline. The Management Committee remains committed to growing our stock base and therefore we continue to liaise with our West Dunbartonshire and Scottish Government colleagues to secure grant funding for other development proposals. Additionally, as well as continuing to ensure ongoing SHQS compliance, we are now working towards the 2020 deadline for the new Energy Efficiency Standard for Scottish Housing (ESSH2) compliance.

The Management Committee usually meets on a monthly basis (except July) on the last Tuesday evening of the month. The Association’s activities can be broadly categorised into four main functions and these are reflected in the following 3 sub-committees constituted at present: -



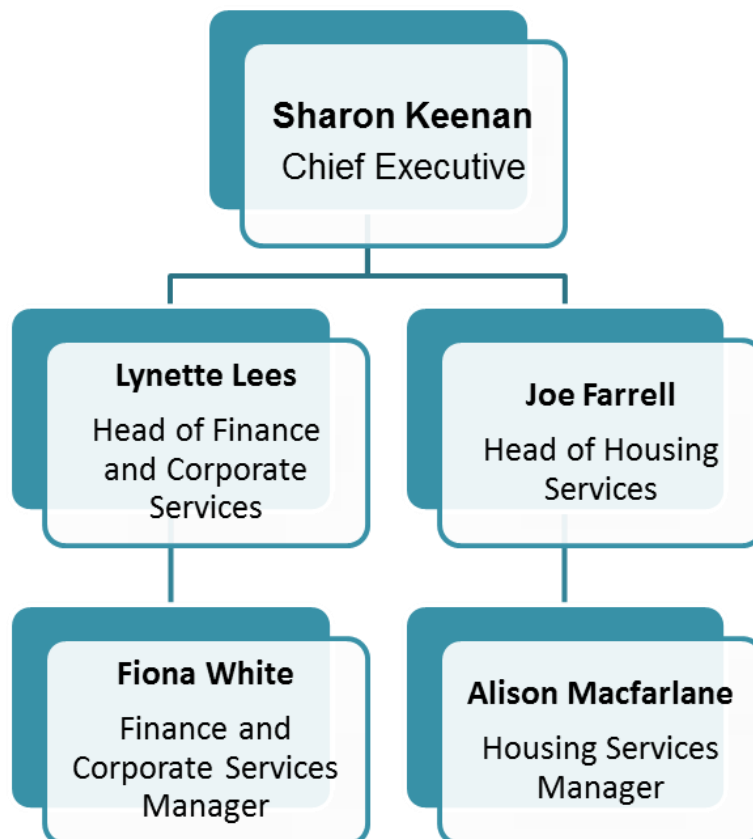
CHA Power is a fully owned subsidiary of Clydebank Housing Association, the Directors of which are made up of 3 members of CHA’s Management Committee. Radnor Park Homes is a dormant subsidiary.

Our office bearers are: -

- **Kimberley Tennant, Chairperson** has served on the committee for 4 years. A staff member of a neighbouring housing association, Kimberley brings a wealth of experience and knowledge to the Association and has successfully completed the EVH/VR Governing Body Leadership programme as well as achieving CIH level 4. She is currently studying to achieve the Governance of Scottish Housing Association qualification, assessed and accredited by the SQA.

- **Catherine McGarrity, Vice Chairperson** has served on the committee for over 5 years. She graduated from Strathclyde University with a BA (Hons) in Planning in 1993 and has worked with Scottish Homes and a variety of registered social landlords over the years. Catherine lives locally and is particularly interested in development and what's being built in the area in terms of quality and design. Catherine has successfully completed and been awarded the Governance of Scottish Housing Association qualification, assessed and accredited by the SQA.
- **Paul Shiach, Secretary** and a founder member of the Association over 30 years ago, re-joined the Management Committee in August 2008. Paul works as a Committee Services Officer at Renfrewshire Council and is committed to improving housing provision and provision of support services to our tenants.
- **John Hillhouse, Treasurer** has served on the committee for over 30 years and has held office as Chairman and Treasurer during this time. He served his apprenticeship in Upper Clyde Shipbuilders, has worked both offshore and in the shipyards and is now retired. John was one of the Association's first tenants and is committed to social housing and the provision of a high level of service to our tenants.

Day to day management of the organisation is devolved to the Senior Management Team:



## **SECTION B**

### **Statement of Internal Audit Requirements**

This document invites suitably qualified and experienced providers to tender to Clydebank Housing Association for the provision of Internal Audit services in accordance with all relevant professional standards and regulatory requirements.

The Association has engaged Internal Audit Services since 2002, and a broad spectrum of areas across the organisation have been covered during that time. The Association's current Internal Auditors have been employed for 7 years and the Management Committee has now decided to undertake a procurement exercise in line with best practice.

The Association is required to work within the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management which sets out how it will regulate and scrutinise landlords and the Scottish Government's Scottish Social Housing Charter which sets out the outcomes we should achieve when delivering services to tenants and other customers. The Regulatory Framework also sets out how the Regulator will assess landlord achievement towards the Charter outcomes.

The prime responsibility of the Internal Audit Service is to provide the Management Committee with an objective assessment of the adequacy and effectiveness of CHA's internal control systems including compliance with the Regulatory Framework and Charter outcomes.

The Internal Audit Service should objectively examine, evaluate and report on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the Association. The operation and conduct of the Internal Audit Service will comply with the standards and guidelines set down by the Chartered Institute of Internal Auditors.

#### **Specific Objectives**

- To provide independent reassurance to the Management Committee in relation to the management and performance of the organisation
- To ensure that the Association is applying best practice and achieving Charter outcomes
- To support the Association in its quest for continuous improvement and to propose ways of improving economy, efficiency and effectiveness of systems, procedures and controls which will assist in delivering a better service to tenants and other customers
- To ensure compliance with all regulatory, legal and statutory requirements
- To ensure the Association is addressing all identified risks including those published by the Scottish Housing Regulator for the sector as a whole

- To identify, test and evaluate key systems and controls to ensure compliance, appropriateness and effectiveness

The service provider will be expected to: -

- Develop an initial audit needs assessment
- In conjunction with the Chief Executive, produce a three-year audit plan covering all the major identified risks for Management Committee consideration and approval
- Provide an estimated 10 days per annum including audit management (visits twice per annum, usually March & October)
- To provide and present a concise, jargon free report where recommendations are clearly stated and prioritised, to the Management Committee and the senior management team of audit findings (including a review and confirm of implementation of previous accepted recommendations).

## **SECTION C**

### **Documentation/Information to be submitted**

To ensure consistency and ease of evaluation, all proposals submitted must follow the following format: -

#### **Sections: -**

- 1) Background information on your firm including your corporate structure and professional registration
- 2) Details of your firm's Professional Indemnity Insurance
- 3) Details of number of staff designated to work on internal audit assignments and the name(s)/designation(s) of all personnel who will be involved in the internal audit. Please highlight experience, qualifications and years employed by the company.
- 4) Details of previous experience of providing internal audit services to RSL's
- 5) The methodology for finalising the plan and carrying out the audit. This should include carrying out a desktop risk assessment using a range of documents that the Association will provide as required.
- 6) A sample of key documents that will include the audit report, the audit needs assessment and the annual report
- 7) Fee Proposal - An all-inclusive cost per annum (exclusive of VAT) and fixed for 3 years. "All-Inclusive" means all costs and expenses associated with:
  - Preparation of initial audit needs assessment & 3-year audit plan (Year 1)
  - Preparing for and carrying out the audits
  - Preparing and issuing draft and final versions of each report. Offering written comments on any weaknesses, omissions or deficiencies in any of the documentation viewed in carrying out the audit
  - Attending Management Committee meetings to present and discuss the findings of each report (twice per annum)
  - Annual Report to Management Committee

Your fee proposal should be presented as follows: -

<b>Details</b>	<b>Price (£) Exc. VAT</b>
Preparation of initial audit needs assessment & 3-year audit Plan – Year 1	
CHA Internal Audit Services as outlined above (Based on 10 days per annum)	
Daily charge for ad-hoc services	

We are unlikely to accept a proposal that increases annual fees by more than the Consumer Price Index.



- 8) Completed Declaration of Interest Statement – See Appendix 2
- 9) Confirmation that your firm has an Equal Opportunities Policy and a Health and Safety Policy Statement (please submit with your tender documentation)
- 10) Details of 2 referees we have your permission to contact – preferably current clients and from the RSL sector
- 11) Any other information that you believe may assist in assessing your proposal

## **SECTION D**

### **Assessment, Selection and Timescales**

**Your tender should be received by Wednesday, 27 May 2020 at 12.00 Noon.** The tender documentation will be considered by the Management Committee at its meeting to be held on Tuesday 16 June 2020 and appointment will be based on the information provided and references received.

#### **Proposals will be assessed as follows: -**

Price	40%
Quality of Proposal including experience and expertise	60%

**The selection criteria** will take into account:

#### **Price**

- How the fee is calculated now and in the future;
- What is included in the audit fee;
- How fees for additional services would be calculated; and
- The reasonableness and competitiveness of the fee.

#### **Quality of Proposal**

- How well the audit firm has assessed the Association's needs;
- The outline proposals it has submitted of how it intends to meet those needs;
- The assumptions that have been made to support the audit proposal;
- How acceptable the proposed approach is to the Association;
- The references obtained from the firm's other clients;
- Relevant experience of the firm carrying out the audit assignments of the sector;
- Resources available;
- The added value provided to the Association beyond the basic internal audit;
- Expertise and experience of staff carrying out the audit work;
- The number and level of the staff who will be used;
- Staff continuity;
- Internal quality assurance processes; and
- Involvement in the sector

<b>Points</b>	<b>Evaluation Criteria</b>
<b>5</b>	Excellent understanding and interpretation; innovative and proactive with sound solution in response
<b>4</b>	Good understanding and interpretation of requirements in response
<b>3</b>	Reflects adequate understanding of all issues and aspects in response
<b>2</b>	Reflects limited understanding/misses some aspects in response
<b>1</b>	Material failure to grasp/reflect the core issue
<b>0</b>	No response

Clydebank HA will not be liable for any bid costs, expenditure, work or effort incurred by a tenderer in proceeding with or participating in this procurement, including if the procurement process is terminated or amended. The Association will not be obliged to accept the lowest or any tender submitted. The final selection will be based on both quality and price per Section D.

An electronic copy of the proposal should be emailed to **[tenders@clydebank-ha.org.uk](mailto:tenders@clydebank-ha.org.uk)**.

All applications will be acknowledged upon receipt and candidates will be notified no later than 19 June 2020 of our decision following Management Committee consideration. All tenderers will be provided with feedback if your bid is unsuccessful.

The appointment will be for a three-year period, with the possibility of an extension for a further 3 years, subject to satisfactory performance.

#### **Further Information**

Please refer any questions you may have to Sharon Keenan, Chief Executive, [Sharon@clydebank-ha.org.uk](mailto:Sharon@clydebank-ha.org.uk) or call 0141-941 1044

**APPENDIX 1 - DECLARATION OF INTEREST STATEMENT**

**ENTITLEMENTS, BENEFITS & PAYMENTS**

- 1. Firms should identify any work they are currently carrying out or competing for which could cause a conflict of interest, and indicate how such a conflict would be avoided.

YES/NO (please delete as applicable *and provide details below*)

- 2. A declaration of interest must be given where any Director or Manager of a contracting firm/company is a close relative of any staff or Board member of Clydebank Housing Association where any staff or Board member has an interest in the contracting firm/company. This applies to individuals who have been a staff or Board member within the preceding 12 months.

Does any Director or Manager from your firm have such connections with Clydebank Housing Association?

YES/NO (please delete as applicable *and provide details below*)

NAME: .....

POSITION: .....

FOR AND ON BEHALF OF: .....

SIGNATURE: .....

DATE: .....