

## **PROCUREMENT BACKGROUND AND PROCESS**

### **INTERNAL AUDIT SERVICES**

#### **1. Report Purpose**

- 1.1 As a result of a further competition conducted by the Yorkshire and Humber Procurement Team, this report is to summarise the process followed for the award of a Contract for Internal Audit Services by the Police and Crime Commissioner of North Yorkshire (NYPCC).
- 1.2 The anticipated value of the Contract for the full contract duration of 30 months is in the region £130,200
- 1.3 This report recommends that the NYPCC enter into a contract with Baker Tilly Risk Advisory Services LLP.

#### **2. Key Information**

- 2.1 The process to conduct a further competition for a Contract for Internal Audit Services began in January 2015.
- 2.2 This Report provides the information required for a decision to enter into the contract.
- 2.3 Prior to this contract being in place, NYPCC received this service from the Police and Crime Commissioner for West Yorkshire (WYPCC) by way of a shared service arrangement. The arrangement had endured following engagement under the previous oversight regime. The NYPCC felt that the time was right to seek competition however it only wanted any new provision to be in place for a period of 30 months to align their contract with that of other Policing Bodies and Forces in the region. The intention in the future is to explore collaborative service provision in future.
- 2.5 The exercise commenced with some market consultation to see if the intended specification provided suppliers with enough information for them to be able to quantify the size of the requirement in terms of the number of days they would need to provide the service.
- 2.6 The following Suppliers were invited to participate in the consultation and were a mixture of local suppliers and suppliers well known in this area of work. This service is often sourced more locally due to the logistics and travel costs where suppliers further afield and without local branches may find that the travel and accommodation costs make their offer less cost effective.
  - WYPCC
  - Baker Tilly Risk Advisory Services LLP
  - Barnsley MBC
  - Capita Business Services

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- East Riding of Yorkshire Council
- Earnest & Young
- Grant Thornton
- Hull City Council
- KMPG
- More Stephens
- North East Lincolnshire Council
- North Lincolnshire Council
- TIAA

2.7 The following suppliers were the only ones that fed into the process or responded confirming their interest in receiving a tender

- East Riding of Yorkshire Council
- TIAA
- Grant Thornton
- KMPG
- Baker Tilly Risk Advisory Services LLP
- WYPCC

2.8 Only the above suppliers were invited to tender.

2.9 Responses were received from three suppliers as follows with the Incumbent WYPCC declining to tender:

- Baker Tilly Risk Advisory Services LLP
- Grant Thornton UK LLP
- TIAA

2.7 The decision of WYPCC to decline to tender was based on resource and a wish to consolidate the service to their other clients.

2.8 The evaluation was completed on the most economically advantageous tender principle (MEAT). This technique allowed the evaluation panel to take account of criteria that reflect qualitative and technical aspects of the tender submission as well as price when reaching the award decision.

2.8 The evaluation Panel for the Framework consisted of representatives as follows:

Donald Stone  
Jane Palmer  
Michael Porter  
Lesley Whitehouse  
Procurement = [REDACTED]

The Chair of the Joint Internal Audit Committee, David Portlock, had been invited to participate in the process. Following the declaration of a personal interest in relation to one of the suppliers who had expressed an interest, Mr Portlock recused himself from further participation in the process.

2.9

[REDACTED] Evaluation

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of the final two suppliers resulted in both of the remaining suppliers being invited to complete a presentation and interview. This concluded in placing Baker Tilley Risk Advisory Services LLP in first place with a total score of 97% with TIAA Scoring 88.99%.

- 2.10 Clarification was sought and agreed via NYP in terms of some requested amendments that Baker Tilley wished to make to the terms and conditions of contract.
- 2.11 Debrief letters were issued and a standstill period provided without challenge.
- 2.11 NYPCC are now being requested to confirm agreement and sign the Contract
- 2.12 The Contract provides NYPCC with a compliant route to market and enables access to its requirements for Internal audit Services for a period of 30 months. There is no option to extend the Framework due to NYP's intention to collaborate with Cleveland.
- 2.13 The award of this contract will secure a saving of approximately £9,225 per annum and a total of £23,063.

### 3. Proposals / recommendations requiring a decision

- 3.1 It is recommended that the approval is given by NYPCC to enter into a contract for the provision of Internal Audit Services.

### 4. Implications

#### 4.1 Finance

- 4.1.1 The anticipated spend for Internal Audit Services over the period of this contract is £130,200, £53,175 per annum.

#### 4.2 Legal

- 4.2.1 This procurement process has been carried out in accordance with a below threshold requirement and is fully compliant with legislation and NYPCC Procurement Regulations.

### 5. Recommendations / Action Required of the Executive Board

- 5.1 It is recommended that NYPCC enter into a contract as defined above for Internal Audit Services

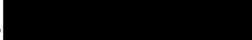
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**Report Information**

, Category Manager Yath Regional Procurement

11<sup>th</sup> August 2015

Approved on Behalf of the PCC

PCC..........

Signatory Title.....Mr......

Signatory Position.....CFO.....

Signatory Print Name.....MICHAEL PORTER.....



**INVITATION TO TENDER**

**PART 1 - STATEMENT OF REQUIREMENTS**

**Internal Audit Services to the Police and Crime Commissioner for  
North Yorkshire (PCC) & The Chief Constable of North Yorkshire  
Police**

**CONTRACT REF: NYP/PROC/2015-1029**

Deadline for receipt of the completed Invitation to Tender is by 12.00 Hours on Monday 08 June  
2015

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## **1. Introduction**

- 1.1. This Invitation to Tender (“ITT”) has been issued by The Police & Crime Commissioner for North Yorkshire (the “PCC”) in connection with a competitive procurement for the provision of Internal Audit Services.
- 1.2. Contained within this tender pack are the following documents;
  - ITT Part 1 – Statement of Requirements
  - ITT Part 2 – Instructions to Tenderers
  - ITT Part 3 – Suitability Assessment and Technical Questionnaire
  - ITT Part 4 – Schedule of Rates
  - ITT Part 5 – Form of Contract
- 1.3. The service will be awarded to a single supplier.
- 1.4. The intention is to award any resulting contract for a period of 30 months.
- 1.5. The Transfer of Undertakings (Protection of Employment) Regulation 2006 (SI 2006/246) (TUPE) may apply in respect of the award of any Contract and that for the purposes of the Regulations the undertaking shall transfer to the Contractor on the commencement of any Contract. Tenderers should seek their own legal advice regarding TUPE.

## 2. Background

### Introduction

- 2.1 On 22nd November 2012 the Police and Crime Commissioner (PCC) and the Chief Constable were established as their own corporation sole.
- 2.2 In line with the Financial Management Code of Practice published by the Home Office, both the Commissioner and Chief Constable must have an internal audit service, and there must be an audit committee in place.
- 2.3 In order to minimise duplication and bureaucracy the Commissioner and the Chief Constable established a Joint Independent Audit Committee, and agreed that a Shared Internal Audit Service would be procured to cover both bodies.

### Role of Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

*(Definition of Internal Audit: Chartered Institute of Internal Auditors)*

- 2.4 From 1st April 2013, internal auditors in the public sector are required to work to the Public Sector Internal Audit Standards (PSIAS), which are based on the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors and which also adopt the institute's definition of internal auditing and code of ethics.
- 2.5 The functions of PCCs and Chief Constables in England and Wales are set out in the Police Reform and Social Responsibility Act 2011, and in the Acts amended by that Act. The relevant Acts amended by the Police Reform and Social Responsibility Act include the Local Government Finance Act 1988 and the Police Act 1996.
- 2.6 A considerable amount of existing secondary legislation and guidance on financial matters continues to apply to the police in England. This includes:
  - the Accounts and Audit (England) Regulations 2011 issued by the Department for Communities and Local Government which sets the financial reporting framework for local government bodies, including police bodies;
  - the Code of Practice on Local Authority Accounting issued by CIPFA /LASAAC, which constitutes proper practices for local government bodies, including police bodies;
  - the Public Sector Internal Audit Standards (PSIAS) issued by CIPFA as the relevant internal audit standards setter for local government and police;
  - Delivering Good Governance in Local Government issued by CIPFA/SOLACE;
  - Statement on the Role of the Chief Finance Officer issued by CIPFA
  - Standing Guide to Commissioning Local Authority Work and Services issued by CIPFA;
  - Prudential Code for Capital Finance in Local Authorities issued by CIPFA



- Treasury Management in the Public Services Code of Practice
- Cross Sectoral Guidance Notes issued by CIPFA
- Statement of Principles on Schemes of Governance - Delivering Good Governance in Local Government: Guidance Note for Police issued by CIPFA

2.7 The Internal Audit Service is expected to be proactive and to add value to management within the PCC and Force through a structured and risk-based audit needs assessment. This will form the basis of the audit plan each year. The Police and Crime Commissioner and Chief Constable of North Yorkshire require an Internal Audit service which, whilst providing the statutory assurances regarding standards of Internal Control, will also make a significant contribution to the improvement of management processes.

### **Financial Management**

2.8 The Financial Management for the Police and Crime Commissioner for North Yorkshire is set out in detail in the Financial Regulations. The current Financial Regulations are included as Appendix 1. The requirements in relation to Internal Audit are defined in these Regulations.

### **Financial Information**

2.9 The Statement of Accounts and Supporting Information for 2013 – 2014 for the Commissioner is available at Appendix 2. The Statement of Accounts and Supporting Information for the Chief Constable is available at Appendix 3

### **Management Information Systems**

2.10 The main financial information management system is Oracle. The payroll system is iTrent. The Human Resource information management system is Origin.

### **Joint Independent Audit Committee**

2.11 The Commissioner and Chief Constable operate a Joint Independent Audit Committee. The terms of reference for the Committee are available at Appendix 4. It will be necessary for the appointed supplier to attend the Joint Independent Audit Committee. In line with its terms of reference The Joint Independent Audit Committee convenes on four occasions throughout the year and meetings are scheduled for two hours.

### **Risk Management**

2.12 The Commissioner and Chief Constable operate joint enterprise risk management arrangements. The Risk Management Strategy and Policy are available at Appendix 5. These provide information relating to the operation of the risk management framework and a sample Strategic Risk Register is available as part of Appendix 5. Risk Management is discussed at the monthly Joint Corporate Risk Group. It will be necessary for the appointed supplier to attend the Joint Corporate Risk Group.

### **3. Specification of Requirements**

The contractor shall examine, evaluate and report on the adequacy, effectiveness and reliability of the system of internal control and the quality of their performance. The contractor shall provide the following services:

#### **Audit Strategy and Reporting**

- 3.1. The contractor shall produce an Audit Strategy which is based on an Audit Needs Assessment which has been mapped to the Organisations Risk Framework in order to arrive at a three year rolling audit plan that is proportionate to risk. The audit plan will be capable of supporting two internal audit opinions: one for the PCC and one for the Chief Constable acting as separate Corporation Soles.
- 3.2. The contractor shall deliver the annual audit plans, as set out in the Audit Needs Assessment, for consideration and approval by CFO's and the Audit Committee.
- 3.3. The contractor shall provide monitoring reports at each sitting of the Joint independent Audit Committee setting out the following:
  - achievement against plan,
  - audit work completed in the period,
- 3.4. The contractor shall present all audit reports, issued in the period since the last meeting, to the Joint Corporate Risk Group and the Joint independent Audit Committee.
- 3.5. The contractor shall produce an Annual Internal Audit Report on the audit programme which includes a summary of the management actions taken in following audit recommendations along with the internal audit assessment of the adequacy, reliability and effectiveness of the internal control environment and the extent to which the client may rely on it.
- 3.6. The contractor shall assist the Police and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire Police in establishing effective systems and controls through risk assessment and risk management.
- 3.7. The contractor shall provide pro-active input into the risk management framework and the risk management strategy.

#### **Regulations and Standards**

- 3.8. The contractor must work to the standards defined in the auditing guidelines "Guidance for Internal Auditors" issued by the Auditing Practices Board of the Consultative Council of Accountancy Bodies (CCAB), CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, the Public Sector Internal Audit Standards (PSIAS) and any other relevant guidance and standards.

#### **Internal Consultation**

- 3.9. The contractor shall attend Joint Corporate Risk Group on a monthly basis and Joint Independent Audit Committee Meetings quarterly for approximately two hours each.

- 3.10. The contractor shall provide advice and support to members of the Audit Committee and shall meet with members twice a year for up to two hours.
- 3.11. The contractor's Audit Manager shall meet quarterly for one or two hours with each of the two Chief Financial Officers to assess progress and performance against the Annual Plan and to deal with any routine issues.
- 3.12. The contractor shall work closely with the finance function on financial matters of the Client. In addition there would be a need to liaise with the wider business to ascertain the application and effectiveness of the control framework.
- 3.13. The contractor shall liaise regularly with the Risk and Assurance Unit in relation to the scope and extent of other assurance activity (for example through HMIC) and shall rely on the Unit for capturing progress updates pertaining to live audit recommendations.

#### **External Consultation**

- 3.14. The Police and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire Police are currently audited by Mazars. Under the Code of Practice and the managed audit approach, the External Auditors place reliance on the work of Internal Audit to assure them of the effectiveness of systems of control and to inform their decision on signing the Statement of Accounts.
- 3.15. The contractor shall maintain effective links, establish liaison procedures and a good working relationship with the External Auditors to minimise duplication of effort and maximise audit effectiveness. The contractor will be required to attend meetings with the external auditors, both planned and on an ad-hoc basis. This shall be in accordance with the External Audit / Internal Audit Protocol for Liaison Appendix 6.
- 3.16. The contractor shall provide the External Auditors with access to their working papers and plans, so that work programmes can be adjusted accordingly and also so that the extent to which the external auditors wish to rely on the work if the Internal Auditors can be determined.
- 3.17. Copies of Internal Audit reports shall be provided by the contractor as a matter of course to the External Auditors. The contractor shall also obtain copies of the External Auditors' management Letters and any other relevant reports produced by other agencies for the Client.

## **Audit Process**

- 3.18. The scope, objectives and terms of reference of each audit will be issued by the contractor in draft before the commencement to allow senior management to comment.
- 3.19. The contractor shall obtain suitable and sufficient evidence upon which to base the conclusions and recommendations put forward in its report to the Client or to the Audit Committee or to comply with any statutory requirements or professional guidance.
- 3.20. For each audit, the contractor shall design a full range of tests and samples based on an assessment of risk and materiality. The tests shall provide assurances (commensurate with risk and materiality) to demonstrate the accuracy of internal checks and controls. Specific tests aimed at the identification of fraud and corruption shall also be effected where considered appropriate by the Contractor (on the basis of risk or materiality) or where instructed by the Chief Financial Officers.
- 3.21. At the end of the fieldwork for each audit, the contractor shall meet:
  - With the relevant service manager to agree the findings and recommendations and allow for any arising issues to be clarified.
  - With the relevant chief officer to provide a debrief of the main findings
- 3.22. At the conclusion of each audit assignment, the contractor shall provide a draft report to the service manager of the unit audited and the appropriate Chief Financial Officer setting out the findings and recommendations arising and, for all systems audits expressing an opinion on the reliability, adequacy and effectiveness of that part of the Internal Control System.
- 3.23. The Contractor shall ensure that all audit reports allow identified risks and related recommendations to be easily transferable to the client risk management recording system and to be grouped in priority order with reference to the degree of risk.
- 3.24. Reports on routine audits shall normally be issued by the Contractor within two weeks of the end of the audit. In the case of suspected fraud, reporting times should be agreed at the outset of the investigations.
- 3.25. Clear timescales and mechanisms will be set out for management responses to audit recommendations and findings and the Contractor will liaise with the Risk and Assurance Unit to pursue responses if they become overdue.
- 3.26. Where a recommendation is not accepted, or where no agreement can be reached this should be clearly recorded by the Contractor.
- 3.27. The Contractor shall ensure that the final report includes an action plan containing a management response and also the officers responsible for implementing the plan and the proposed timescales.
- 3.28. Final audit reports will be issued by the Contractor within 3 working days of the acceptance of management responses.
- 3.29. Audit follow-up action on closed recommendations will be undertaken on a regular and structured basis by the contractor utilising the information collated on progress of recommendations from the Risk & Assurance Unit. The Contractor must build into the plan time to follow up previous audit recommendations and report on action taken taking

account of the reports provided by the Risk & Assurance Team. Example report at Appendix 7.

### **Types of Audit**

#### **3.30. Innovation**

3.30.1. The contractor will be expected to demonstrate an innovative approach, using up-to-date and effective techniques in order to maximise efficiency and effectiveness.

#### **3.31. Risk Based Audit**

3.31.1. The contractor shall:

- Conduct compliance reviews with legal requirements, internal policies and procedures and other appropriate procedures.
- Conduct control system review to ensure procedures are in place to give management assurance that they are operating correctly.
- Conduct security reviews in order to safeguard assets and in conjunction with appropriate departments to verify the existence of such assets.

#### **3.32. Value for Money / Efficiency Audit**

3.32.1. The contractor shall undertake value for money / efficiency reviews to evaluate how resources are used.

#### **3.33. Operational Audit**

3.33.1. The contractor shall:

- Conduct operational policing reviews to evaluate the appropriateness of the services in place.
- Be expected to be familiar with investigative techniques, including a working knowledge of the relevant parts of the Police and Criminal Evidence Act 1984 (PACE).

#### **3.34. Fraud, Corruption & Irregularity**

3.34.1. The contractor shall:

- Conduct fraud and corruption prevention / detection reviews.
- Include contingency days in the audit plan, which may or may not be used for fraud, corruption or irregularity work. Should it become apparent that these days are not required, they may be used in other areas with the prior agreement of the Chief Financial Officers.
- Notify the Chief Finance Officers immediately if a matter arises which the contractor believes may involve irregularities concerning cash or property of the Client or any other fraudulent activity.

#### **3.35. Computer Audit**

3.35.1. The contractor shall:

- Review existing controls of the computer facilities and applications so as to safeguard Police Assets, ensure the security and reliability of records and data, promote operational efficiency and ensure adherence to legal requirements, policies and directives.
- Review new systems to ensure that development needs are properly planned, implemented and controlled. This will include:
  - Appraising the adequacy of controls,
  - Providing advice and guidance during the implementation process.
- Conduct post implementation reviews of new systems, procedures or methods as appropriate. Such reviews are to include computer system and other technological system developments.
- Conduct audits using Computer Aided Auditing Techniques. If the contractor wishes to use any computer interrogation packages, he must liaise with the nominated person for Force with responsibility for Information technology to ensure compliance with force security.

3.36. Management Audit

3.36.1. The contractor shall:

- Conduct management reviews to determine areas where potential weaknesses may need to be reviewed.
- Conduct management reviews to examine the extent to which performance and best practice reviews are integrated within Forces' business processes.

3.37. Contract Audit

3.37.1. The Contractor shall:

- Conduct contract auditing to review contracting arrangements for the procurement of goods and services to ensure compliance with the Police & Crime Commissioner for North Yorkshire and North Yorkshires Polices Standing Orders and Financial Regulations and all legal requirements.
- Identify where improvements can be made to achieve better value for money, by, for example, adopting best practice or collaborating with other procuring authorities.

### 3.38. Collaborative Service Audit

#### 3.38.1. The Contractor shall:

- Conduct audits on services where these are provided to or by the Commissioner or Chief Constable on a collaborative basis.
- Ensure collaborative service audits carried out on behalf of other parties are shared in accordance with the protocol at Appendix 8. It is recognised that this protocol may be subject to change.

### **Work outside the Routine Audit Plan**

3.39. The client may commission work out with the routine audit plan. This may be for example, advisory reviews on the governance arrangements pertinent to new initiatives with other agencies. All commissioned work will be based the fees quoted by you in the Pricing Schedule

### **PCC and CC CFO's Responsibilities**

- Develop the internal audit service programme in liaison with the Contractor.
- Provide adequate liaison with the Audit Manager.
- Monitor the Contractor's performance and to review the quality of the service being provided.

## 4. Contract Management

This service level agreement sets out the service to be provided by “**The Contractor**” to the PCC in providing Internal Audit Services.

It is the intention of this Service Level Agreement (SLA) to provide an effective system of performance indicators that will show that the contract is providing a reliable and timely service at an agreed price to an agreed quality standard.

The measures in place are expected to facilitate;

- Improvements in service performance
- Appropriate improvements to the internal control environment of the Police and Crime Commissioner and Chief Constable
- Customer satisfaction

### Performance Measurements

The Contractor is expected to meet the following performance indicators.

Performance will be reviewed each month.

### Important Note

Suppliers should take note of the Terms and Conditions of Contract contained in ITT Part 5 - Form of Contract when reviewing these SLA's.

KPI No	Activity Description	Measurement Frequency	Target
Internal Consultation			
1.	Internal consultation should occur as set out in section 3.9– 3.13 of the Specification of Requirements.  This shall be measured in accordance with the meeting attendance requirements as defined in this section.	Quarterly	100%
External Consultation			



2.	<p>The contractor shall undertake external consultation in accordance with section 3.14– 3.17 of the specification of requirements.</p> <p>This shall be measure by attendance meetings as set out in the External Audit / Internal Audit Protocol for Liaison at Appendix 6 to the Specification of Requirements.</p>	6 Monthly	100%
3.	<p><b>Audit Strategy and Reporting</b></p> <p>The contractor shall prepare and deliver the Audit Strategy in accordance with section 3– 3.7 of the specification of requirements in particular 3.2.</p> <p>This shall be measured by the delivery of audit plans to the satisfaction of the CFO's and the Joint Independent Audit Committee.</p>	Annually	100%
4.	<p><b>Regulations &amp; Standards</b></p> <p>The contractor will ensure compliance with 'Public Sector Internal Audit Standards'.</p> <p>This shall be measured by production of the latest assessment or the schedule of activity to satisfy the standard.</p>	Annually	100%
5.	<p><b>Audit Process</b></p> <p>The contractor shall issue audit reports in accordance with 3.23 in the specification of requirements.</p> <p>This shall be measured by the time taken to issue draft reports following audit completion.</p>	Quarterly	80%
6.	<p><b>Audit Process</b></p> <p>The contractor shall issue audit reports in accordance with 3.28 in the specification of requirements.</p> <p>This shall be measured by the time taken to issue final reports following confirmation and acceptance of</p>	Quarterly	80%

	management responses.		
<b>Finance</b>			
7.	<b>Invoice Accuracy</b> (Number of accurate and on time invoices/total number of invoices)	Annual	98%
<b>Service</b>			
8.	<b>Response Times: 2 Days</b> Response time is defined as “the time it takes for the Contractor to acknowledge receipt after an enquiry has been made to the Contractor”. (Response on time/total no. of responses)	Quarterly	90%
9.	<b>Management Information</b> The Contractor undertakes to provide the following management information in relation to work completed; <ul style="list-style-type: none"> <li>a) The Date a piece of work was carried out</li> <li>b) A description of the work completed</li> <li>c) The name of the consultant(s) who completed the work</li> <li>d) The ‘Rate Card’ level of the Consultant(s) who has/have completed the work</li> <li>e) The outcome of the Audit</li> <li>f) The amount of time to the nearest half hour that the work took to complete</li> <li>g) The balance of available days/hours remaining for the contract year.</li> <li>h) The financial balance excluding VAT for the contract year.</li> <li>i) Total days/hours used to the nearest half hour for the contract year.</li> </ul>	Quarterly	90%

<b>Design &amp; Innovation</b>			
10.	<b>Continuous Improvement</b>  Suggest and demonstrate improvements or innovations in relation to this contract.  A minimum of three expected per year, one of which is to have made a demonstrable improvement to the internal control environment of the Police and Crime Commissioner and Chief Constable.	Annually	100%

## 5. Appendices Supporting Information

5.1. Please note, besides the above specification, there are a number of links to Appendices as identified below. Where the Appendix is not available Publicly, electronic copies have been provided. Within these documents, there are a number of further links. As Suppliers are not internal to the NYPCC you will not be able to access these links and as such these documents have also been provided.

5.2. Appendix 1 - Financial Regulations

<http://www.northyorkshire-pcc.gov.uk/content/uploads/2014/12/North-Yorkshire-Police-and-Crime-Commissioner-Financial-Regulations-1-December-2014.pdf>

5.3. Appendix 2 - Commissioner's Statement of Accounts

<http://www.northyorkshire-pcc.gov.uk/content/uploads/2013/05/Police-and-Crime-Commissioners-Final-Accounts-2013-14.pdf>

5.4. Appendix 3 - Chief Constable's Statement of Accounts

<http://www.northyorkshire-pcc.gov.uk/content/uploads/2013/05/Chief-Constables-Final-Accounts-2013-14.pdf>

5.5. Appendix 4 - Joint Independent Audit Committee Terms of Reference

[Joint Independent Audit Committee - Office of Police and Crime Commissioner for North Yorkshire](#)

5.6. Appendix 5 - Risk Management Strategy and Policy

		
Joint Risk Management Strategy	Risk Management Policy	Sample Risk Register RESTRICTED

5.7. Appendix 6 - External Internal Audit Protocol

<http://www.northyorkshire-pcc.gov.uk/content/uploads/2015/03/External-Audit-Internal-Audit-Protocol.pdf>

5.8. Appendix 7 - Audit Exception Reports

<http://www.northyorkshire-pcc.gov.uk/content/uploads/2015/03/Update-On-Internal-Audit-Recommendations-Conducted-For-The-Office-Of-The-Police-And-Crime-Commissioner-And-The-Chief-Constable-Of-North-Yorkshire-Police.pdf>

5.9. Appendix 8 - Joint Internal Audit Protocol

5.10. Appendix 9 – Presentation & Interview question briefing

5.11. Appendix 10 – 2015/16 Internal Audit Plan.

<http://www.northyorkshire-pcc.gov.uk/taking-action/governance-and-audit/joint-audit-committee/joint-audit-committee-agenda-and-minutes/2015-16-march-joint-independent-audit-committee-agenda-and-minutes/>

## 6. North Yorkshire Police Overview

### 6.1. Facts and Figures – North Yorkshire

<b>Population</b>	813,000
<b>Size</b>	8,310 km <sup>2</sup>
<b>PCC</b>	Julia Mulligan
<b>Chief Constable</b>	Dave Jones
<b>Police Officers</b>	1393
<b>PCSO's</b>	175
<b>Police Specials</b>	152
<b>Police Support Staff</b>	1014



North Yorkshire Police is the [territorial police force](#) covering the non-metropolitan county comprising of the Yorkshire Dales, North Yorkshire Moors, Vale of York and the coastal region. The force covers England's largest county and one of the most rural counties, with around 40% of the county covered by National Parks. The force comprises six divisions which work towards ensuring the safety of the communities within North Yorkshire. These divisions include Hambleton & Richmondshire, Scarborough & Ryedale, Craven, Harrogate, York and Selby.

**Police and Crime  
Commissioner  
North Yorkshire**



**INVITATION TO TENDER**

**PART 2 - INSTRUCTION TO TENDERERS**

**FOR THE PROVISION OF:**

**Internal Audit Services to the Police and Crime Commissioner for North  
Yorkshire (PCC) & The Chief Constable of North Yorkshire Police (CC)**

**CONTRACT REF: NYP/PROC/2015-1029**

Deadline for receipt of the completed Invitation to Tender is by 12.00 Hours on Monday 08 June  
2015

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## **1. Instructions for submitting a response**

- 1.1 This Invitation to Tender (ITT) covers the requirements for Internal Audit Services for the Police and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire
- 1.2 It is anticipated that a contract will be awarded as per the date specified in the Timetable (see section 3 of this document) for a period of 30 months.
- 1.3 It is essential to observe and comply with the following instructions in the preparation and submission of your Tender. The Police and Crime Commissioner (PCC) reserves the right to reject a Tender that does not fully comply with these instructions.
- 1.4 All tenders must be submitted through the PCC's eTendering system;  
  
[www.bluelight.gov.uk](http://www.bluelight.gov.uk)
- 1.5 The following documents must be submitted by the Deadline for ITT submissions as detailed in Section 3 of this document;
  - (a) ITT Part 3 – Suitability Assessment and Technical Questionnaire
  - (b) ITT Part 4 – Schedule of rates
- 1.6 Following an evaluation of the returned ITT Parts 3 and 4, we will identify whom the “preferred bidder” is e.g. the supplier with the highest score based on the award criteria assessment in section 9 of this document.
- 1.7 The Tender must be completed in English.
- 1.8 It is the Tenderer's responsibility to ensure that all the documents listed in the Tender Documentation have been received and are complete in all respects.
- 1.9 Tenderers must complete and submit all tender information in the format that it has been supplied in (i.e. Word, PDF, Excel etc.) without changing or restructuring any of the questions or the Schedule of Rates. Tenderers should note that recreating these questions in their corporate format could result in an error or omission which may result in elimination from the process due to an incomplete Tender.
- 1.10 Unless specifically requested links or reference to websites must not be provided as an answer in response to any question.
- 1.11 Please note that additional documentation should not be submitted unless specifically requested and this includes marketing material etc. Such unrequested documents will be disregarded. Where any specific documentation is required it will be clearly stated within this document. Where you do include additional documentation to support an answer this

should be clearly referenced in your response. Failure to reference additional documentation clearly may result in the information being disregarded.

- 1.12 Documents which are submitted cannot be returned and will be kept in line with the PCC's document retention policy at which point they will be disposed of in a secure manner.
- 1.13 The PCC reserves the right to amend this tender process without prior notice. Where appropriate in such circumstances, tender closing dates will be extended.
- 1.14 It is the Tenderers responsibility to ensure the appropriate person is selected as the main point of contact on the Bluelight System and that their email address is accurate. All correspondence in relation to this Tender will be sent electronically via Bluelight to this person. Further instructions on how to use the tender exchange facility are given on the site. If you experience any problems or are unable to comply with this request, please contact the Procurement Representative detailed below.
- 1.15 The Tenderer shall submit with its Tender a list of any major Sub-Contractors it intends to use and the supply services that each will provide. Annex 1 in ITT Part 3 – Suitability Assessment and Technical Questionnaire has been provided for this purpose. Sole suppliers or proprietary items will be identified by the Tenderer in the response.
- 1.16 In the case of Joint Ventures or Partnerships full details of the proposed agreements shall be provided with the Tender together with a statement from both or all parties on their joint and several liability.
- 1.17 The Tenderer shall be responsible for ensuring that its Tender is complete, clear and unambiguous. The PCC shall be under no obligation to seek clarification from a Tenderer after the submission of a Tender and may if appropriate, mark down or exclude a Tenderer from further consideration if the Tender is ambiguous or lacks clarity.

## **2. Person(s) Responsible for the Tender**

- 2.1   
Category Manager  
Regional Procurement Team  
Policing Yorkshire & the Humber
- 2.2 All Contact with the named individual(s) in relation to this procurement process should be made through the PCC's eProcurement system.

## **3. Timetable**

- 3.1 The timetable for this procurement process is as detailed below; however the PCC reserves the right to amend the timetable at any time and will make reasonable endeavours to communicate changes to Tenderers.

Document / event	End Date
Deadline for ITT Clarifications to PCC	29/05/2015
Deadline for ITT submissions	08/06/2015
Completion of Technical Evaluations	16/06/2015
Supplier Presentation & Interview (Please note change of Date)	23/06/2015
Final Evaluation of ITT's	24/06/2015
ITT's Preferred supplier identified	16/07/2015
Contract award (subject 10 day standstill period)	17/08/2015
Implementation Period	30/09/2015
Contract Start Date	01/10/2015

## 4. Tender Process Conditions

### 4.1 The PCC reserves the right:

- (a) not to enter into a contract pursuant to the Tender Process with any Tenderer or at all;
- (b) at any time to vary, add to, delete, withdraw from, suspend or terminate the Tender Process, any part of the Tender Process and/or
- (c) to change the date of any event occurring in or forming part of the Tender Process.

### 4.2 The PCC may in its absolute discretion disqualify any Tenderer from further involvement in the Tender Process which:

- (a) fails to comply with any instruction, condition or requirement in the Tender;
- (b) fails to comply with any requirement of the Tender Process;
- (c) is guilty of a material misrepresentation in supplying any information requested in these documents or otherwise in connection with the Tender Process;
- (d) commits a breach of any undertakings made by the Tenderer in its response;
- (e) so conducts itself as to prevent or distort genuine competition for the Contract;

- (f) if the Tenderer or any of its directors or any other person who has powers of representation, decision or control of the Tenderer is convicted of any of the offences listed in regulation 57 Public Contracts Regulations 2015;
  - (g) if the Tenderer (or any holding company of the Tenderer) goes into receivership, administration or liquidation (other than on a bona fide restructuring of its business), becomes insolvent or enters into any composition, scheme or arrangement with its creditors or ceases or threatens to cease to carry on its business or does or threatens to do any similar or analogous act in any jurisdiction.
- 4.3 The PCC shall not be liable for any costs, fees or expenses (including those of its advisors) incurred by the Tenderer in respect of participation in the Tender Process.
- 4.4 Each Tenderer is responsible for ensuring that it is fully aware of all relevant statutory, regulatory and other requirements, guidance and codes of practice concerning or relevant to the Requirements.
- 4.5 Any Notice to be given or served by the PCC or the Tenderer to the other in accordance with this Tender shall be delivered through the e-tendering system.
- 4.6 The information contained in this Tender, any accompanying documents or plans, or any information which has or may subsequently be made available to any Tenderer or their advisors, in whatever media is given in good faith, but no warranty is given by the PCC or its employees or advisers as to its completeness, matters of fact or its accuracy. Tenderers shall satisfy themselves as to all matters of fact and measurements from their own surveys, inspections and investigations. Tenderers must obtain for themselves and at their own expense any and all information required for any submissions they may make as part of the Tender Process. The PCC will endeavour to make available reasonable information that is in the possession of the PCC, to facilitate the submission of Tenders. Any information supplied by the PCC in connection with the Tender shall be treated as confidential, except insofar as is necessary for the preparation of the Tender.
- 4.7 Any Tenderer who directly or indirectly canvasses any member or officer or representative of the PCC other than the person(s) named at Section 2, concerning the award of the Contract or any other Tender or proposed Tender may be disqualified. Such decision shall be at the sole discretion of the PCC.
- 4.8 Any Tenderer who is found to have colluded with other Tenderers, or any party in relation to this procurement exercise, in order to fix or adjust the amount of the Tender or the rates and prices quoted shall be disqualified by the PCC
- 4.9 Tenderers shall not;

- (a) communicate to a person other than the Person Responsible for the Tender as identified in Section 2 the amount or approximate amount of my/our proposed Tender (other than in confidence in order to obtain quotations necessary for the preparation of the Tender for insurance) or
  - (b) enter into any agreement or arrangement with any other person that he shall refrain from Tendering or as to the amount of any Tender to be submitted; or
  - (c) offer or agreeing to pay or give or paying any sum of money, inducement 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 Services any act or omission.
- 4.10 By submitting a tender response Tenderers should understand that they are agreeing to abide by all rules set out with the procurement documentation.
- 4.11 By submitting a tender response Tenderers should understand that they are agreeing to the terms and conditions as detailed in ITT Part 5 – Form of Contract. Should the Tenderer be unable to comply with any terms and conditions within the Form of Contract, Annex 3 within ITT Part 3 – Suitability Assessment and Technical Questionnaire should be completed, with the Tenderer setting out the terms and conditions they are unable to comply with. In such a circumstance we request, that Tenderers submit their proposed changes to the terms and conditions they are unable to comply with. Please note that the PCC will not enter into discussion on the Terms and conditions outside of this process and that it is under no obligation to accept any proposed amendments especially those that will influence materially the offer.
- 4.12 Prices shall remain open for acceptance as submitted in the Schedule of Rates for a period no less than 180 days.
- 4.13 The final contract will be let under English law and subject to the jurisdiction of the courts of England.

## **5. Transparency**

- 5.1 Following the publication of the Statutory Instrument 2012 – Amendment 2479 (<http://www.legislation.gov.uk/ukxi/2012/2479/made>), all Police Forces of England and Wales have an obligation to make publicly available a copy of each contract with a value exceeding £10,000 to which (i) the elected local policing body, or (ii) the chief officer of the police force maintained by the body, is or is to be a party.
- 5.2 As part of the transparency agenda, Government has made the following commitments with regard to procurement and contracting:
- All new contracts over the value of £10,000 to be published in full online;
  - All items of spending over £500 per month to be published online;

- 5.3 To meet this requirement the PCC , intends to publish all contracts over a value exceeding £10,000 on the Freedom of Information (FOI) page of the Bluelight Procurement Database ([www.blpd.gov.uk](http://www.blpd.gov.uk)).
- 5.4 The full list of criteria for which redactions may be permitted as set out as follows:
- Exemptions (absolute or qualified) provided for by the Freedom of Information Act 2000, regarding the disclosure of information;
  - Provisions provided for in the Public Contracts Regulations 2015, regarding the disclosure of confidential information;
  - Protection of personal privacy as required under the Data Protection Act;
  - The protection of Intellectual Property Rights (IPR);
  - Third party confidential information e.g. contracts with foster carers and child minders.
- 5.5 Information and guidance on understanding exemptions and other FOI matters can be accessed from the Information Commissioner’s Office [www.ico.gov.uk](http://www.ico.gov.uk).
- 5.6 It is our intention to publish the full version of the document, unless we have received a redacted copy from you. Suppliers will be requested at contract award to provide a redacted copy of the contract in line with the above requirement.

## **6. Confidentiality and Freedom of Information**

- 6.1 This Tender and associated information is confidential and shall not be disclosed to any third party without the prior written consent of the PCC. Copyright in this Tender is vested in the PCC and may not be reproduced, copied or stored on any medium without the PCC's prior written consent.
- 6.2 The Tenderer shall not undertake, cause or permit to be undertaken at any time any publicity in respect of this Tender Process in any media without the prior written consent of the PCC.
- 6.3 Subject to the PCC's disclosure policy set out at paragraph 6.4 to 6.6 below, the PCC shall protect any confidential information provided by the Tenderer in its response to the Tender to the same standard as the PCC protects its own confidential information, provided that:
- the information or document is clearly marked as "CONFIDENTIAL"; and
  - the Tenderer has fully completed Annex 2 of the ITT Part 3 – Suitability Assessment and Technical Questionnaire providing a statement of reasons, setting out what harm may result from disclosure and the time period applicable to the sensitivity; and
  - the information is:
    - (i) secret, substantial and identifiable; and
    - (ii) not in the public domain.

- 6.4 The PCC may disclose the Tenderers confidential information to its professional advisers or if it is required to do so:
- by a Court or regulatory body; or
  - pursuant to a request under the FOIA or the EIR.
- 6.5 The PCC is committed to open government and meeting its legal responsibilities under FOIA and the EIR. Any information created by or submitted to the PCC in relation to this Tender and the Tender Process (including any confidential information) may need to be disclosed by the PCC in response to a Request for Information (as defined in section 8 of FOIA).
- 6.6 In making any submission in relation to this Tender and the Tender Process, each Tenderer (and each Connected Person) acknowledges and accepts that the information contained therein may be disclosed under FOIA or EIR without consulting the Tenderer, or following consultation with the Tenderer and having considered its views.

## **7. Social Value Act 2012**

- 7.1 The Police and Crime Commissioners of Yorkshire and the Humber are required to consider how economic, social and environmental well-being may be improved by services that are to be procured, and how procurement may secure those improvements under the provision of the Public Services (Social Value) Act 2012.
- 7.2 We want to use the opportunity the Act presents through procurement and other related activities to enable communities to become more resilient and reduce demand on the police service as well as other public services. We aim to provide the delivery of services which are innovative, provide employment opportunities for our residents, make our communities stronger and more effective and keep our residents safe.
- 7.3 Our definition of social value is:
- “Outcomes, measures and activity that will create safer, more resilient communities, reduce offending and reoffending and improve the quality of life of local residents.”
- 7.4 The five key social value outcomes from the Yorkshire and the Humber Social Value Model are:
- An increase in community resilience including the development of local skills and jobs;
  - A reduction in the demand for police services;
  - An increase in the number of new third sector organisations and the impact they have in our communities;
  - An increase in the level of private sector investment and the impact this has in our communities;

- An increase in the quality amount and type of socially responsible decisions that residents make that have a positive impact in their community.

7.5 Where appropriate, we ask that Tenderers build into their proposals the social value outcomes and measure that they can deliver when providing the goods and/or services.

## **8. Queries about the procurement**

8.1 Tenderers may request clarifications relating to this procurement via the Bluelight e-Tendering Portal ([www.bluelight.gov.uk](http://www.bluelight.gov.uk)). The deadline for the receipt of clarifications is set out in the Tender Timetable in section 3.1.

8.2 The PCC will respond to clarifications as soon as practicable. If the response is deemed to be relevant to other Tenderers, it will be made available to them. If a Tenderer wishes the PCC to treat a clarification as confidential then this must be stated when submitting the clarification. In respect of any confidential clarification, if the PCC does not wish to respond confidentially then it will notify the Tenderer and give it the opportunity to withdraw such clarification.

8.3 All responses received and any communication from Tenderers will be treated in confidence.

8.4 Once the Technical Evaluation and the Price evaluation have taken place any supplier who falls within 10% of the highest score will be invited to complete a presentation and interview. Any supplier who does not fall within the percentage quoted cannot in essence win the tender. We are keen to ensure that neither bidders or evaluators time is wasted.

8.5 Presentations & Interviews will be scheduled as per the date below and the subject matter is detailed in ITT Part 1 – Statement of Requirements – Appendix 9.

23 June 2015

8.6 Invitations will be issued shortly after 16<sup>th</sup> June, detailing the exact, time and location for your presentation. Presentations are to be held in North Yorkshire. Please ensure that appropriate person/persons is/are able to attend for approximately one hour.



## 9. Award Criteria - ITT Part 3 - Suitability Assessment and Technical Questionnaire

9.1 The purpose of the Suitability Assessment and Technical Questionnaire is to assess which proposal from Tenderers is the Most Economically Advantageous Tender. The Suitability Assessment considers both financial and non-financial factors in order for the PCC to satisfy itself that the Bidder is indeed a reputable company with the capacity and capability to deliver the goods, works or services as outlined in the Statement of Requirements. The Technical Questionnaire focusses on a Tenderers proposals and seeks to ensure that they are realistic and deliverable.

9.2 The evaluation panel will consider the factors listed below as part of the evaluation process.

### (a) Suitability Assessment

Form	Assessment Criteria
Form A - Organisation and Contact Details	Pass/Fail
Form B - Grounds for Mandatory Rejection	Pass/Fail
Form C - Grounds for Discretionary Rejection	Pass/Fail
Form D – Economic and Financial Standing	Pass/Fail
Form E Technical and Professional Ability	Pass/Fail
Form F – Business Activities / Capabilities	Pass/Fail
Form G - Insurance	Pass/Fail
Form H – Quality Assurance	Pass/Fail
Form I – Business Continuity	Pass/Fail
Form J – Security Aspects Letter	Pass/Fail
Form Q- Certificate and Declaration	Failure to sign this declaration may result in a Fail assessment
Form R – Mutual confidentiality Agreement	Confirmation that you will sign up to this if awarded the Contract

### (b) Technical Questionnaire

The Technical questionnaire will account for 40% as follows. Please Note percentages have been rounded to the nearest two decimal places and are therefore only approximates.

Section 1	Assessment Criteria	
Technical Questionnaire		
Audit Structure & Reporting	Total Section 23.33%	Total Section 70 Points

Audit Needs Assessment	5.00%	15 Points
Annual Audit Plans	5.00%	15 Points
Progress Monitoring Reports	5.00%	15 Points
Audit Reports to Joint Independent Audit Committee	1.67%	5 Points
Annual Internal Audit Reports	3.33%	10 Points
Development of Internal Control Environment	3.33%	10 Points
<b>Section 2</b>	<b>Assessment Criteria</b>	
<b>Regulations and Standards</b>	Total Section 1.67%	Total Section Points 5
<b>Section 3</b>	<b>Assessment Criteria</b>	
<b>Internal and External Consultation</b>	Total Section 5.00%	Total Section Points 15
<b>Section 4</b>	<b>Assessment Criteria</b>	
<b>Audit Process</b>	Total Section 6.67%	Total Section 20 Points
Conduct Of Audits	3.33%	10 points
Key Personnel	3.33%	10 Points
<b>Section 5</b>	<b>Assessment Criteria</b>	
<b>Types of Audit</b>	Total Section 3.33%	Total Section Points 10
<b>Total Quality Score Available</b>	<b>40%</b>	<b>120 Points</b>

## 10. Award Criteria – Presentation and Interview

- 10.1 The presentation and interview question will account for 10% as follows. No weightings will apply.

(a) The Presentation

Presentation Score Awarded by the Evaluation Team	Percentage Awarded Max 8%
5	8
4	6
3	4
2	2
1	1
0	0

(b) The Interview Question

Presentation Score Awarded by the Evaluation Team	Percentage Awarded Max 2%
5	2
4	1.5
3	1
2	0.5
1	0.25
0	0

## 11. Award Criteria – Scoring Assessment

- 11.1 All questions detailed above will be marked in-line with the following scoring guidelines as will the Presentation and Interview question unless otherwise stipulated

Assessment	Score	Interpretation
Excellent	5	A response that meets the requirement in full which is detailed, relevant, descriptive and clearly evidenced, demonstrating comprehensively the ability, understanding, experience, skills, resource and quality measures required to provide the services.

		The response clearly explains how outcomes will be achieved that are relevant to the service requirement.
Good	4	A response that demonstrates the ability, understanding, experience, skills, resource and quality measures required to provide the services but could have been more clearly evidenced, detailed and relevant.
Acceptable	3	A response that meets the majority of the requirement.  The response fails to fully demonstrate the ability, understanding, experience, skills, resource and quality measures required to provide the services giving some concerns regarding the tenderer's experience and ability.
Minor Reservations	2	A response with minor gaps but satisfying a reasonable proportion of the requirement. Minor reservations of the Tenderer's relevant ability, understanding, experience, skills, resource and quality measures required to provide the supplies / services, with some clarification required to support the response.
Serious Reservations	1	A response with major reservations that only satisfies a small part of the requirement. Considerable reservations of the Tenderer's relevant ability, understanding, experience, skills, resource and quality measures required to provide the supplies / services, with little evidence to support the response.
Unacceptable	0	The response does not satisfy the requirement. An unacceptable or irrelevant response. No response provided.

- 11.2 Each question has been weighted from 1 to 3 on the following basis;

Weighting	Criteria
1	Low Risk and/or Low Importance
2	Medium Risk and/or Medium Importance
3	High Risk and/or High Importance

- 11.3 Each score given is multiplied by the weighting assigned to the questions. By way of an example;

Supplier A on question 1 scores 3, the question has a weighting of 3 assigned to it. The total score Supplier A receives for this questions is therefore worked out in the following way.

Score 3 x weighting 3 = total score of 9

- 11.4 Submissions must receive a minimum score of 4 where a weighting of 3 has been applied, and a minimum of a 3 where a weighting of 2 or 1 has been applied. Submissions not meeting this benchmark will be eliminated from the evaluation.

## 12. Award Criteria – Price assessment

The lowest overall cost for the core service as defined in ITT Part 1 – Statement of Requirements – Section 4 and in ITT Part 4 – Schedule of rates, will be awarded the maximum percentage score and all subsequent bids will receive a proportion based on the lowest overall submission.

(The lowest bid received is divided by the bid being evaluated and is multiplied by the Award Criteria -Suitability Assessment - Pass or Fail

- 12.1 The Submissions to the Pass/Fail questions will be assessed by the evaluation panel on the basis of whether the responses and information provided are sufficient to deliver a project of this nature. This will include but is not restricted to assessing the financial details, capacity, experience, resources and status etc. of the Tenderers. Financial surveys will be conducted prior to any award.
- 12.2 Any submission that attracts a fail assessment against any of the pass /fail questions will result in exclusion from the tender exercise. Below is a breakdown of sections explaining the PCC's requirement in this assessment.

#### Form A: Organisation and Contact Details

This section is about gathering information and is for information only however a supplier may be excluded on the grounds of providing insufficient or false information. If a question is not applicable to your organisation insert “Not Applicable” and submit an explanation.

#### Form B: Grounds for Mandatory Rejection

You will be excluded from the process if there is evidence of convictions relating to specific criminal offences including but not limited to, bribery, corruption, conspiracy, terrorism, fraud and money laundering, or if you have been the subject of a binding legal decision which found a breach of legal obligations to pay tax or social security obligations (except where this is disproportionate e.g. only minor amounts involved). If you answer ‘yes’ to the question about the non-payment of taxes or social security contributions. and have not paid or entered into a binding arrangement to pay the full amount, you may still avoid exclusion if only minor tax or social security contributions are unpaid or if you have not yet had time to fulfil your obligations since learning of the exact amount due. If your organisation is in that position, please provide details using a separate Appendix. You may contact the Authority for advice before completing Form B

#### Form C: Grounds for Discretionary Rejection

The PCC is entitled to exclude you from the procurement exercise if any of the grounds listed apply but may decide, having considered all the relevant circumstances, to allow you to proceed further. If you answer ‘yes’ to any question the PCC will evaluate this evidence before making a decision on whether to exclude you.

The PCC is also entitled to exclude you in the event that you are guilty of serious misrepresentation in providing any information referred to within regulation 57 (8) of the Public Contracts Regulations 2015 or you fail to provide any such information requested by us.

#### Form D: Economic and Financial Standing

Assessment will be made on the adequacy of the Tenderer’s financial standing. Failure to demonstrate sufficient resources will result in a fail assessment.

#### Form E: Technical and Professional Ability

Assessment will be made on the relevance of the experience and contract examples Provided

#### Form F: Business Activities and Capabilities

All questions must be answered. A fail assessment will be made if any response shows a lack of relevant capability relating to business activity/capability.

#### Form G: Insurance

Assessment will be made on the confirmation that the Tenderer will meet the requirement. Failure to confirm a willingness to meet the requirements will attract a fail assessment.

Form H: Quality Assurance

A response to all questions and certificates must be provided where applicable. A fail assessment will be made if the responses show a lack of relevant Quality Assurance in place for the requirements of the procurement.

Form I: Business Continuity

A response to all questions and certificates must be provided where applicable. A fail assessment will be made if the responses show a lack of relevant Business Continuity planning such that the PCC believes that it may be put at risk by using the Tenderer.

Form J: Security Aspects Letter

A response confirming that the criteria can be met.

Form K: Certification & Declaration

Failure to confirm certification and declaration will result in a fail assessment being applied.

## **13. Contract Award**

- 13.1 Subject to meeting all the requirements of the Technical questionnaire Contained within ITT Part 3 and completing the presentation, the preferred bidder will then have their Suitability Assessment Scored. Subject to meeting all the requirements of the Suitability Assessment, the preferred bidder will be awarded the contract subject to the 10 day standstill period. All tenderers will receive notification via the Blue Light system of the PCC's intention to award the contract to the winning tenderer and the 10 day standstill period will start from the date the communication is issued.
- 13.2 As part of this communication the PCC will provide an account of your score and the winning tenderers score along with the reasons for the final decision.

## 14. Commonly used Terms

Award Criteria	Means the Selection criteria set out in this document at in Section 9
Connected Person	Means a legal person within the meaning given in sections 993 and 994, Income Tax Act 2007; and sections 1122 and 1123, Corporation Tax Act 2010
Contract	Means the contract for the works, supplies or services described in the PQQ Part 1
EIR	Means the Environmental Information Regulations 2004 as amended from time to time.
FOIA	Means the Freedom of Information Act 2000 as amended from time to time.
ITT	Means Invitation to Tender
PCC	Means North Yorkshire Police
Procurement Rules	Means the Public Contract Regulations 2015 and the general principles of the Treaty of the Functioning of the European Union
Selection Criteria	Means the Selection criteria set out in this document at in Section 13
Tender	Means any Tender submitted by a Tenderer in response to this PQQ or subsequent
Tender Process	Means the tender process for the Contract commencing with the publication of a contract notice in the Official Journal of the European Union (or other relevant media) and concluding with the conclusion of the Contract with the successful Applicant or notification in writing by the Authority of termination of the procurement of the Contract
Tender Return Date	Means the date set out on the cover of this ITT
Tenderer(s)	Means any organisation invited by the Authority to submit a Tender
Variant	Means an offer by the Tenderer which contains any variation to the PCC's Requirements





**PART 3 - INVITATION TO TENDER**

**SUITABILITY ASSESSMENT AND TECHNICAL QUESTIONNAIRE**

**FOR THE PROVISION OF:**

**Internal Audit Services to the Police and Crime Commissioner for North  
Yorkshire (PCC) & The Chief constable of North Yorkshire Police (CC)**

**CONTRACT REF: NYP/PROC/2015-1029**

	SUPPLIER DETAILS
COMPANY NAME	
CONTACT NAME	
TELEPHONE NUMBER	
E-MAIL ADDRESS	
COMPANY WEBSITE	

Deadline for receipt of the completed Invitation to Tender is by 12.00 Hours on Monday 08 June  
2015

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# Suitability Assessment

Form A - Organisation and Contact Details		
Full name of organisation tendering (or of organisation acting as lead contact where a consortium bid is being submitted)		
<b>ORGANISATION DETAILS</b>		
Registered office address	Company or charity registration number	
	VAT registration number	
	Name of immediate parent company	
	Name of ultimate parent company	
Type of organisation	i) a public limited company	
Please mark 'X' in the relevant box to indicate your trading status	ii) a limited company	
	iii) a limited liability partnership	
	iv) other partnership	
	v) sole trader	
	vi) other (please specify)	
Please mark 'X' in the relevant boxes to indicate whether any of the following classifications apply to you	i) Voluntary, Community and Social Enterprise (VCSE)	
	ii) Small or Medium Enterprise (SME) <sup>1</sup>	
	iii) Sheltered workshop	
	iv) Public service mutual	
<b>Bidding model</b>		

<sup>1</sup> See EU definition of SME: <http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/>

<b>Please mark 'X' in the relevant box to indicate whether you are;</b>	
a) Bidding as a Prime Contractor and will deliver 100% of the key contract deliverables yourself	
b) Bidding as a Prime Contractor and will use third parties to deliver <u>some</u> of the services  If yes, please provide details of your proposed bidding model that includes members of the supply chain, the percentage of work being delivered by each sub-contractor and the key contract deliverables each sub-contractor will be responsible for.	
c) Bidding as Prime Contractor but will operate as a Managing Agent and will use third parties to deliver <u>all</u> of the services  If yes, please provide details of your proposed bidding model that includes members of the supply chain, the percentage of work being delivered by each sub-contractor and the key contract deliverables each sub-contractor will be responsible for.	
d) Bidding as a consortium but not proposing to create a new legal entity.  If yes, please include details of your consortium in the next column and use a separate Appendix to explain the alternative arrangements i.e. why a new legal entity is not being created.  Please note that the authority may require the consortium to assume a specific legal form if awarded the contract, to the extent that it is necessary for the satisfactory performance of the contract.	<u><b>Consortium members</b></u>  <u><b>Lead member</b></u>
e) Bidding as a consortium and intend to create a Special Purpose Vehicle (SPV).  If yes, please include details of your consortium, current lead member and intended SPV in the next column and provide full details of the bidding model using a separate Appendix.	<u><b>Consortium members</b></u>  <u><b>Current lead member</b></u>  <u><b>Name of Special Purpose Vehicle</b></u>

<b>CONTACT DETAILS</b>	
Contact details for enquiries about this ITT	
Name	

Address	
Post Code	
Country	
Phone	
Mobile	
Email	

Licensing and registration (Please circulate appropriate response)	
<p>Registration with a professional body</p> <p><i>If applicable, is your business registered with the appropriate trade or professional register(s) in the EU member state where it is established (as set out in Annex XI of directive 2014/24/EU) under the conditions laid down by that member state).</i></p>	<p>Yes / No</p> <p>If Yes, please provide the registration number in this box.</p>
<p>Is it a legal requirement in the state where you are established for you to be licensed or a member of a relevant organisation in order to provide the requirement in this procurement?</p>	<p>Yes / No</p> <p>If Yes, please provide additional details within this box of what is required and confirmation that you have complied with this.</p>

## Form B – Grounds for Mandatory Rejection

### Important Notice:

You will be excluded from the procurement process if there is evidence of convictions relating to specific criminal offences including, but not limited to, bribery, corruption, conspiracy, terrorism, fraud and money laundering, or if you have been the subject of a binding legal decision which found a breach of legal obligations to pay tax or social security obligations (except where this is disproportionate e.g. only minor amounts involved).

If you have answered “yes” to question ‘P’ below on the non-payment of taxes or social security contributions, and have not paid or entered into a binding arrangement to pay the full amount, you may still avoid exclusion if only minor tax or social security contributions are unpaid or if you have not yet had time to fulfil your obligations since learning of the exact amount due. If your organisation is in that position please provide details using a separate Appendix. You may contact the authority for advice before completing this form.

Please state ‘Yes’ or ‘No’ to each question

<b>Within the past five years, has your organisation (or any member of your proposed consortium, if applicable), Directors or partner or any other person who has powers of representation, decision or control been convicted of any of the following offences?</b>	<b>Answer</b>
a) conspiracy within the meaning of section 1 or 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983 where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA on the fight against organised crime;	
b) corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906;	
c) the common law offence of bribery;	
d) bribery within the meaning of sections 1, 2 or 6 of the Bribery Act 2010; or section 113 of the Representation of the People Act 1983;	
e) any of the following offences, where the offence relates to fraud affecting the European Communities’ financial interests as defined by Article 1 of the Convention on the protection of the financial interests of the European Communities:	
(i) the offence of cheating the Revenue;	
(ii) the offence of conspiracy to defraud;	
(iii) fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;	
(iv) fraudulent trading within the meaning of section 458 of the Companies	

Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;	
(v) fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;	
(vi) an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;	
(vii) destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;	
(viii) fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006; or	
(ix) the possession of articles for use in frauds within the meaning of section 6 of the Fraud Act 2006, or the making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of that Act;	
f) any offence listed—	
(i) in section 41 of the Counter Terrorism Act 2008; or	
(ii) in Schedule 2 to that Act where the court has determined that there is a terrorist connection;	
g) any offence under sections 44 to 46 of the Serious Crime Act 2007 which relates to an offence covered by subparagraph (f);	
h) money laundering within the meaning of sections 340(11) and 415 of the Proceeds of Crime Act 2002;	
i) an offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996;	
j) an offence under section 4 of the Asylum and Immigration (Treatment of Claimants etc.) Act 2004;	
k) an offence under section 59A of the Sexual Offences Act 2003;	
l) an offence under section 71 of the Coroners and Justice Act 2009	
m) an offence in connection with the proceeds of drug trafficking within the	



meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994; or	
n) any other offence within the meaning of Article 57(1) of the Public Contracts Directive—	
(i) as defined by the law of any jurisdiction outside England and Wales and Northern Ireland; or	
(ii) created, after the day on which these Regulations were made, in the law of England and Wales or Northern Ireland.	
o) conspiracy within the meaning of section 1 or 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983 where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA on the fight against organised crime;	
<p>p) Has it been established by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which your organisation is established (if outside the UK), that your organisation is in breach of obligations related to the payment of tax or social security contributions?</p> <p>If you have answered Yes to this question, please use a separate Appendix to provide further details. Please also use this Appendix to confirm whether you have paid, or have entered into a binding arrangement with a view to paying, including, where applicable, any accrued interest and/or fines?</p>	

## Form C – Grounds for Discretionary rejection

### Important Notice:

The authority may exclude any Supplier who answers 'Yes' in any of the following situations set out in paragraphs (a) to (i);

### Conflicts of interest

In accordance with question (e), the authority may exclude the Supplier if there is a conflict of interest which cannot be effectively remedied. The concept of a conflict of interest includes any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Supplier to inform the authority, detailing the conflict in a separate Appendix. Provided that it has been carried out in a transparent manner, routine pre-market engagement carried out by the authority should not represent a conflict of interest for the Supplier.

### Taking Account of Bidders' Past Performance

In accordance with question (g), the authority may assess the past performance of a Supplier (through a Certificate of Performance provided by a Customer or other means of evidence). The authority may take into account any failure to discharge obligations under the previous principal relevant contracts of the Supplier completing this Suitability Assessment. The authority may also assess whether specified minimum standards for reliability for such contracts are met.

In addition, the authority may re-assess reliability based on past performance at key stages in the procurement process (i.e. Supplier selection, tender evaluation, contract award stage etc.). Suppliers may also be asked to update the evidence they provide in this section to reflect more recent performance on new or existing contracts (or to confirm that nothing has changed).

### 'Self-cleaning'

Any Supplier that answers 'Yes' to questions in Form B and C, should provide sufficient evidence, in a separate Appendix, that provides a summary of the circumstances and any remedial action that has taken place subsequently and effectively "self cleans" the situation referred to in that question. The Supplier has to demonstrate it has taken such remedial action, to the satisfaction of the authority in each case.

If such evidence is considered by the authority (whose decision will be final) as sufficient, the economic operator concerned shall be allowed to continue in the procurement process.

In order for the evidence referred to above to be sufficient, the Supplier shall, as a minimum, prove that it has;

<ul style="list-style-type: none"> <li>• paid or undertaken to pay compensation in respect of any damage caused by the criminal offence or misconduct;</li> <li>• clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities; and</li> <li>• taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct.</li> </ul> <p>The measures taken by the Supplier shall be evaluated taking into account the gravity and particular circumstances of the criminal offence or misconduct. Where the measures are considered by the authority to be insufficient, the Supplier shall be given a statement of the reasons for that decision.</p>	
<b>Within the past three years, please indicate if any of the following situations have applied, or currently apply, to your organisation.</b>	<b>Answer</b>
a) your organisation has violated applicable obligations referred to in regulation 56 (2) of the Public Contracts Regulations 2015 in the fields of environmental, social and labour law established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Public Contracts Directive as amended from time to time;	
b) your organisation is bankrupt or is the subject of insolvency or winding-up proceedings, where your assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State;	
c) your organisation is guilty of grave professional misconduct, which renders its integrity questionable;	
d) your organisation has entered into agreements with other economic operators aimed at distorting competition;	
e) your organisation has a conflict of interest within the meaning of regulation 24 of the Public Contracts Regulations 2015 that cannot be effectively remedied by other, less intrusive, measures;	
f) the prior involvement of your organisation in the preparation of the procurement procedure has resulted in a distortion of competition, as referred to in regulation 41, that cannot be remedied by other, less intrusive, measures;	
g) your organisation has shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions;	
h) your organisation— (i) has been guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria; or (ii) has withheld such information or is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015; or	
i) your organisation has undertaken to	
(i) unduly influence the decision-making process of the contracting authority, or	

(ii) obtain confidential information that may confer upon your organisation undue advantages in the procurement procedure; or	
j) your organisation has negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.	

## Form D – Economic and Financial Standing

<b>1</b>	<b>FINANCIAL INFORMATION</b>					
1.1	Please indicate which <b>one</b> of the following you would be willing to provide: <b>(please indicate which one by ticking the relevant box)</b>					
	<i>A copy of your audited accounts for the most recent two years</i>					
	<i>A statement of your turnover, profit &amp; loss account and cash flow for the most recent year of trading</i>					
	<i>A statement of your cash flow forecast for the current year and a bank letter outlining the current cash and credit position</i>					
	<i>Alternative means of demonstrating financial status if trading for less than a year</i>					
2.2	Where the authority has specified a minimum level of economic and financial standing and/or a minimum financial threshold within the evaluation criteria for this Suitability Assessment, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out here.					
2.3	<p><b>Are you are part of a wider group (e.g. a subsidiary of a holding/parent company)?</b></p> <p>If yes, please provide the name below:</p> <table border="1"> <tr> <td>Name of the organisation</td><td></td></tr> <tr> <td>Relationship to the Supplier completing the Suitability Assessment</td><td></td></tr> </table> <p>If yes, please provide Ultimate / parent company accounts if available.</p> <p>If yes, would the Ultimate / parent company be willing to provide a guarantee if necessary?</p> <p>If no, would you be able to obtain a guarantee elsewhere (e.g. from a bank?)</p>		Name of the organisation		Relationship to the Supplier completing the Suitability Assessment	
Name of the organisation						
Relationship to the Supplier completing the Suitability Assessment						

2.4	<p>Please note that we will be assessing your financial information on the following Capacity for Contract</p> <ul style="list-style-type: none"> <li>○ Annual Turnover must be twice the value of the total contract cost for the full contract duration of 30 months.</li> </ul>
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## Form E – Technical and Professional Ability

(Where the Supplier is a special purpose vehicle and not intending to be the main provider of the goods or services, the information requested should be provided in respect of the principal intended provider of the goods or services.)

2	<b>EXPERIENCE AND CONTRACT EXAMPLES</b>			
	Please provide details of up to three contracts from either or both the public or private sector, that are relevant to the PCC's requirement. Contracts for the supply of goods or services should have been performed during the past <u>three</u> years. Works contracts may be from the past <u>five</u> years. (The customer contact should be prepared to speak to the purchasing organisation to confirm the accuracy of the information provided below if we wish to contact them).			
		Contract 1	Contract 2	Contract 3
2.1	Customer Organisation (name):			
2.2	Customer contact name, phone number and email			
2.3	Contract start date Contract completion date Contract Value			
2.4	Brief description of contract (max 150 words) including evidence as to your technical capability in this market.			

If you cannot provide at least one example, please briefly explain why (100 words max):

## Form F - Business Activities / Capability

Please provide a brief description of your business structure and main business activities.  
Applicants should append an organisation chart to illustrate the structure where available.

Which part of your organisation would deliver this service?

Please enter workforce numbers employed during the last full year:  
(Please advise whether Full Time and Part Time.)

Managerial	
Operational	
Sub-Contractors	



## Form G - Insurance

Please provide details of all insurance cover currently in force. If your company's tender is successful, adequate insurance cover will be required. The required levels are indicated below:

Total sum insured:	Insurer	Policy Number	Cover £	Renewal Date
Public Liability (minimum £5m cover)				
Employer's Liability (minimum £5m cover) <b>Please check the minimum level for the relevant force</b>				
Professional Indemnity (minimum £2m cover for each individual claim)				
Are Insurance certificates available to the PCC on request?			Yes / No	
If your current levels of cover are less than those stated, are you prepared to increase your cover at no cost to the PCC if awarded a contract?			Yes / No	
Are there any outstanding claims against you (other than routine employment cases)?			Yes / No	
If yes, please list as appropriate;				

## Form H – Quality Assurance

Does your company have a quality assurance policy or statement?

Yes / No

If yes, is it available to the PCC on request?		Yes / No
How is the policy communicated to staff?		
Do you have a person responsible for quality?		Yes / No
If so, please provide the following details:		
Name and Job Title:		
Contact Number:		
Do you have an externally accredited quality accreditation system (e.g. ISO 9001 / 9002 or equivalent)?		Yes / No
If yes, please confirm that certificates can be provided on request to support the above		Yes / No
If no, please explain why, detailing what internal quality systems are in place.		

## Form I – Business Continuity

As Category One Responders under the Civil Contingencies Act 2004, police forces have a legal duty to have robust Business Continuity Plans and arrangements in place to ensure continued delivery of our critical functions and essential services in the event of an emergency or disruption.

Any supplier which we engage with, therefore has to provide reasonable assurances that they have appropriate processes, plans and arrangements in place to ensure their products or services will continue to be delivered in the event of experiencing an emergency or disruption themselves.

### Risk Management

Have you assessed the risks to your operations and taken the necessary actions to protect your business?

Does your company have a Business Continuity Policy?

Does your company maintain a Business Continuity Plan/s (detailing arrangements of how you would continue to operate in the event of a disruption such as a loss of staff, utilities, IT, business premises or other key resources)?

How often is the plan/s reviewed?

How often is this plan/s tested to validate the effectiveness of the arrangements within it?
Have you consulted your suppliers, service and utilities providers to confirm they will be able to continue service to you in the event of them experiencing a disruptive incident?
If your response to any of the above questions is yes, is information/evidence available to support your response on request?

## Form J - Security Aspects Letter

Dear Sir or Madam,

**Project Name: Internal Audit Services to the Police and Crime Commissioner for North Yorkshire (PCC) & North Yorkshire Police**

**Ref NYP/PROC/2015-1029**

The purpose of this Security Aspects Letter (SAL) is to formally communicate the expectations that the PCC have for you as a potential supplier in respect of handling information relating to the project. The standard of protection required varies with the level of protective marking, according to the Government Protective Marking Scheme (GPMS). The primary objective of this letter is therefore to ensure the appropriate handling of HMG/Policing material by yourselves, and the correct allocation of Protective Marking to material related to the service that is generated by you.

In handling HMG/policing information, the Project must comply with the Security Policy Framework (SPF). It is also governed by the following policies and standards.

- ACPO/ACPOS IS Community Security Policy
- National systems Codes of Connection/Community Code of Connection
- HMG IA standards and Good Practice Guides
- OGC Gateway Process

The supplier is expected to comply with those standards in the design, development and operation of Internal Audit Services

This letter does not preclude the security responsibilities detailed in the contract. This version of the SAL supersedes any previous versions that may have been issued earlier in the procurement phase (Contract Reference to be confirmed).

### **1 Protective Marking of Information Aspects**

The impact levels associated with the proposed solution for Internal Audit Services shall be determined by the Protective Marking of any Information asset accessed by the contractor. These Impact Levels are reflected in the Protective Marking that could appear on the types of information, as shown in the following table.

The aspects which fall within scope of this Security Aspects Letter cover information in physical or electronic form, including (but not limited to): data; databases or database extracts; contracts; system documents; memos; diagrams; or notes. The following list of information aspects is not exhaustive but includes common examples such as live data, commercial information, system descriptions, technical details, security documentation and hardware/software.



## **2 Guidelines for Handling and Storage of Protectively Marked information**

The implications of the above Protective Markings are that information assets received by or generated by yourselves must be treated according to the guidelines in GPMS (provided by CPNI or available on request from the PCC).

The guidelines cover:

- Storage (physical documents, electronic media)
- Disposal (physical documents, electronic media)
- Transmission (mail, telephone, fax, and communications networks, including via email)

## 2.1 Storage (documents, electronic media)

Protective Marking	Storage Arrangements
NOT PROTECTIVELY MARKED	<p><b><u>Documents and Media –</u></b></p> <p>Kept separate from documents and media unrelated to the design, build, ongoing operation of &lt;Information System&gt;.</p> <p><b><u>Electronic information –</u></b></p> <p>May be stored on your corporate network.</p>
PROTECT	<p><b><u>Documents and Media –</u></b></p> <p>Protected by at least one physical barrier from those not having the appropriate clearance; or not involved with the design, build, or ongoing operation of &lt;Information System&gt;; or not needing access to these assets as part of their job.</p> <p><b><u>Electronic information –</u></b></p> <p>May only be stored on your network/systems which have been provisioned for the use of the project and only allows access by those individuals involved with the project.</p> <p>May also be stored on your laptops/desktops providing they have been equipped with FIPS140-2 disk encryption suitable for PROTECT.</p>
RESTRICTED	<p><b><u>Documents and media –</u></b></p> <p>Protected by at least one physical barrier from those not having the appropriate clearance; not involved with the design, build, or ongoing operation of the system; or not needing access to these assets as part of their job, e.g. a locked cabinet within a secure location. Mechanisms used must be deemed adequate for such protective marking by the PCC.</p> <p><b><u>Electronic information -</u></b></p> <ul style="list-style-type: none"> <li>• May be stored on stand-alone networks that have been accredited to store up to RESTRICTED information.</li> </ul>



	<ul style="list-style-type: none"> <li>• May also be stored on laptops/desktops that are accredited to hold RESTRICTED and are equipped with government-approved Baseline grade whole disk encryption. A list of serial numbers of these laptops must be maintained by the Service Provider and made available to the PCC on request.</li> <li>• USB storage portable devices must be encrypted.</li> <li>• The number of Information Assets must be kept at the minimum necessary.</li> </ul>
CONFIDENTIAL	<p><b><u>Documents and media-</u></b></p> <p>Protected by at least two barriers from those (i) not involved with the design, build, or ongoing operation of the system (ii) not having the appropriate clearance or (iii) not needing access to these assets as part of the job, e.g. a locked container within a locked office in a secure building. Mechanisms used must be deemed adequate for the protective marking.</p> <p><b><u>Electronic information -</u></b></p> <ul style="list-style-type: none"> <li>• Not to be stored on your corporate systems i.e. laptops/desktops or network.</li> <li>• May be stored on standalone systems that have been accredited to store/process material up to CONFIDENTIAL (use of Enhanced grade encryption). Arrangements must be approved by the PCC's Information Compliance Unit.</li> </ul>

## 2.2 Disposal

Protective Marking	Disposal Arrangements
NOT PROTECTIVELY MARKED	<u>Papers/Media</u> - Dispose of under your corporate guidelines.
PROTECT and above	<u>Papers/Media</u> - Dispose of according to HMG guidelines – see HMG Information Assurance Standard 5.
RESTRICTED	<u>Disposal of Papers</u> : - Dispose of according to HMG guidelines – see HMG Information Assurance Standard 5.  <u>Disposal of Storage Media</u> :- Dispose of according to HMG guidelines – see HMG Information Assurance Standard 5.
CONFIDENTIAL	<u>Disposal of Papers</u> :- Dispose of according to HMG guidelines – see HMG Information Assurance Standard 5.  <u>Disposal of Storage Media</u> :- Dispose of according to HMG guidelines – see HMG Information Assurance Standard 5.

## 2.3 Transmission

Protective Marking	Acceptable Methods of Transmission
NOT PROTECTIVELY MARKED	<p><u>Mail</u> - By post or courier, in a sealed envelope.</p> <p><u>Telephone</u> - May be used.</p> <p><u>Facsimile</u> - May be used. Check recipient is on hand to receive before transmission.</p> <p><u>Service Provider networks</u> - May be used.</p> <p><u>Public networks/Internet (including email)</u> - May be used.</p> <p><u>CJX, GSI Networks</u> - May be used.</p>
PROTECT	<p><u>Mail</u> - By post or courier. Do not show protective marking on the envelope. The document must be marked PROTECT. Envelope must be fully addressed to the named recipient and include return address details.</p> <p><u>Telephone</u> - Public Service Telephone Network (PSTN) and digital mobile telephones may be used.</p> <p><u>Facsimile</u> - Check recipient is on hand to receive prior to transmission. Send cover sheet first and wait for confirmation before sending the document itself.</p> <p><u>Service Provider Networks</u> - May be used if previously accredited to PROTECT.</p> <p><u>Internet</u> - Documents protectively marked as PROTECT may be sent through Internet e.g. via email if basic precautions have been taken to prevent accidental or opportunistic access to the document. For example, the document can be password-protected or encrypted using WinZip (AES-256).</p> <p><u>CJX/GSi Network</u> - May be used to send material to the PCC addressees or other CJX/GSi email addressees.</p> <p><u>CJSM Email</u> – May be used for the transmission of information with the PCC or other CJX/GSi emails addressees using measures identified for Internet above.</p>

RESTRICTED	<p><u>Mail</u> - By post or courier, double enveloped. Do not show protective marking on the outer envelope. Label the inner envelope RESTRICTED. Both envelopes should be fully addressed to the named recipient and include return address details.</p> <p><u>Telephone</u> - Public Service Telephone Network (PSTN) should generally not be used for conversations with RESTRICTED content unless operationally urgent (and then guarded language should be used).</p> <p><u>Facsimile</u> - Should not be used for RESTRICTED content unless operationally urgent. In such cases, check recipient is on hand to receive prior to transmission, send cover sheet first and wait for confirmation before sending the document itself.</p> <p><u>Service Provider Networks</u> - May be used if previously accredited to RESTRICTED.</p> <p><u>Internet</u>: - Information Assets protectively marked as RESTRICTED may be sent through Internet if the Information Asset has been encrypted to appropriate level before transmission. As a minimum WinZip version 10.0 using AES-256 (or equivalent) with a complex 14 character password or government approved encryption product deemed adequate for RESTRICTED. Passwords must be sent via a separate communication channel.</p> <p><u>CJX/GSI Network</u>: - May be used to send material to the PCC addressees or other CJX/GSi email addressees.</p> <p><u>CJSM Email</u>: – May be used for the transmission of information with the PCC or other CJX/GSi emails addressees. Attachments must use the same measures identified for Internet above.</p>
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CONFIDENTIAL	<p><u>Mail:</u> -</p> <p>May be used for electronic copies of Information Assets protectively marked as CONFIDENTIAL when using an Enhanced-encrypted media to store the electronic copies. It may not be used for paper copies of Information Assets protectively marked as CONFIDENTIAL.</p> <p><u>Hand delivery by your personnel:</u></p> <p>May be used, provided that CONFIDENTIAL Information Assets (e.g. documents, notebooks) are carried in a lockable container approved for carrying CONFIDENTIAL assets.</p> <p><u>Telephone:</u> - Public or mobile networks must not be used. For needs related to sensitive areas of business, further guidance will be issued following consultation.</p> <p><u>Facsimile:</u> - Not to be used.</p> <p><u>Service Provider Networks:</u> - Not to be used.</p> <p><u>Internet:</u> - Not to be used.</p> <p><u>CJX/GSi Network:</u>- Information Assets protectively marked as CONFIDENTIAL may be sent through CJX/GSi e.g. via email to the PCC email addresses provided that, Information Assets are stored in a CONFIDENTIAL-accredited system and they have been previously encrypted using adequate encryption for at least RESTRICTED. As a minimum WinZip version 10.0 using AES-256 (or equivalent) with a complex 14 character password or any other Baseline- or Enhanced-approved encryption technologies. Passwords must be sent via a separate communication channel.</p> <p>NB: The above guidance does not permit Live Data under the control of yourselves to be transmitted over CJX/GSi.</p> <p>NB: Documents protectively marked as CONFIDENTIAL must NOT be sent via CJX/GSi in clear (i.e. unencrypted)</p> <p><u>xCJX/xGSi</u> – May be used when available to both the Service Provider and the PCC via CONFIDENTIAL email service</p>
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### 3 Clearance requirements

The vetting level associated with the role to be performed will be determined based upon a number of factors including the level of access to GPMS material that is afforded. The vetting levels applied must be in line with the requirements of the ACPO National Vetting Policy for the Policy Community. The vetting level appropriate for the roles relating to the agreement/contract in question will be determined by the Force Vetting Unit via a standard assessment process that takes all relevant factors into consideration and ensure justifiable and consistent application of vetting levels.

The vetting levels that may apply as a result of this assessment are as follows:

#### ***NPPV Level 1***

NPPV Level 1 is appropriate for individuals who:

- Have ad-hoc unsupervised access to police premises (e.g. plumbers, electricians, window cleaners)

This level of vetting will not afford any access to police information systems, protectively marked material or other assets.

#### ***NPPV Level 2***

NPPV Level 2 is appropriate for individuals who:

- Have frequent/regular unsupervised access to police premises
- Have access to police information systems and/or protectively marked material or other assets up to and including CONFIDENTIAL
- Require occasional /restricted access to police information systems and/or protectively marked material or other assets marked SECRET

#### ***NPPV Level 3***

*NPPV Level 3 is appropriate for individuals who:*

- Require long term, frequent and uncontrolled access to police premises
- Require long term, frequent and uncontrolled access to police information systems and/or protectively marked material or other assets marked SECRET
- Require occasional /restricted access to police information systems and/or protectively marked material or other assets marked TOP SECRET

These clearances in isolation will not afford any access to **government** protectively marked material or assets on a **regular** basis, but may be supplemented by the relevant National Security Vetting

clearances where required. The role assessment will consider whether or not this is required and apply NSV clearances as appropriate although the proportion of Non Police Personnel roles which will necessitate NSV clearance is considered comparatively small, with relatively few roles likely to be affected.

#### **4 IA Responsibilities**

Your full responsibilities with regard to information assurance and security and security aspects relating to the project are detailed in the relevant contract documentation. These may include but are not limited to invitation to tenders (ITT) Force Terms and Conditions of Contract and any associated Contract Documents.

#### **5 Actions**

You are requested to acknowledge receipt of this letter and to confirm by signature (below) that the levels of Protective Marking associated with the Internal Audit Service aspects have been brought to the attention of the person directly responsible for the security of this project, that they are fully understood, and that the required security controls can and will be taken to safeguard the material concerned.

If you have any difficulty in interpreting the meaning of the above classification or in safeguarding the materials, please let me know.

Yours faithfully,

**Name of personnel responsible in Procurement for signing off:**

**Job Title of person responsible :**

<b>Accreditor:</b>	
<b>Departmental Project Manager:</b>	
<b>Supplier Information</b>	
Information System Name:	
Supplier/Company Name:	
Name <sup>3</sup> :	

Address:			
Telephone:		Email:	
Signed on behalf of SUPPLIER <sup>2</sup>			

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<sup>2</sup> A Board Level Member who has responsibility for Information Risk within your Organisation



# Technical Questionnaire

## Form K – Technical Questionnaire Instructions

You must supply a statement in respect of each of the questions outlined below in response to the specification. For ease of completion and submission, we have provided a template below. Your statements should be concise, focused and evidenced where necessary, in 11-point font and no more than the **1500 words** per question, excluding any diagrams or document samples/examples that have specifically been requested in the question. **Nothing after this word limit will be taken into account.** You may expand the text boxes in the template to fit your responses.

This element of the tender requires reading in conjunction with the specification. There is absolute responsibility on the Tenderer to read the specification in full and respond accordingly to the questions below. Each question is weighted in accordance with the tender evaluation and award criteria and your proposal will be scored based on the responses you provide.

If you are including attachments, please ensure you clearly reference the annex in your response. They will not otherwise be taken into consideration. Referencing helps the evaluation panel considerably and ensures that all the information you have supplied is considered in evaluating your response. Clear referencing can help to not delay the process.

Please note where total percentage score is detailed it has been rounded to two decimal points.

Suppliers must provide a comprehensive answer with supporting evidence/examples of documentation where necessary. Failure to do so may result in non-compliance (If you require more space for your responses please feel free to expand the boxes).

## Form L – Audit Strategy and Reporting

1.1	<b>Audit Needs Assessment</b> – Provide a statement detailing how you will satisfy 3.1 of the Specification of Requirements (Section 3 of ITT Part 1 – Statement of Requirements). Please provide a sample Audit Needs Assessment.	<b>Weighting 3</b> <b>Max Score 15</b>

1.2	<b>Annual Audit Plans</b> - Provide a statement detailing how you will satisfy 3.2 of the Specification of Requirements. (Section 3 of ITT Part 1 – Statement of Requirements). Please provide an initial Audit Plan.	<b>Weighting 3</b> <b>Max Score 15</b>
1.3	<b>Progress Monitoring Reports</b> - Provide a statement detailing how you will satisfy 3.3 of the Specification of Requirements. (Section 3 of ITT Part 1 – Statement of Requirements). Please provide an example report that would satisfy this criterion.	<b>Weighting 3</b> <b>Max Score 15</b>
1.4	<b>Audit Reports to Joint Independent Audit Committee</b> - Provide a statement detailing how you will satisfy 3.4 of the Specification of Requirements. (Section 3 of ITT Part 1 – Statement of Requirements). Please provide an example report that would satisfy this criterion.	<b>Weighting 1</b> <b>Max Score 5</b>
1.5	<b>Annual Internal Audit Report</b> - Provide a statement detailing how you will satisfy 3.5 of the Specification of Requirements. (Section 3 of ITT Part 1 – Statement of Requirements). Please provide an example report that would satisfy this criterion.	<b>Weighting 2</b> <b>Max Score 10</b>
1.6	<b>Development of Internal Control Environment</b> - Provide a statement detailing how you will satisfy 3.6 and 3.7 of the Specification of Requirements. (Section 3 of ITT Part 1 – Statement of Requirements).	<b>Weighting 2</b> <b>Max Score 10</b>

<b>Form M – Regulations and Standards</b>		
2.1	Provide a statement detailing your approach to compliance with “Public Sector Internal Audit Standards and provide a copy of any external assessment undertaken (if available).	<b>Weighting 2</b> <b>Max Score 10</b> <b>See Instructions to Tender advised Weighting 1 not 2 – so contradiction.</b>
<b>Form N – Internal and External Consultation</b>		
3.1	Please refer to sections 3.9 – 3.13 and 3.14 – 3.17 of the Specification of Requirements (Section 3 of ITT Part 1 – Statement of Requirements), and provide a statement outlining how you would intend to undertake the internal and external consultation in order to meet the above criteria whilst minimising duplication of effort and maximising audit effectiveness.	<b>Weighting 3</b> <b>Max Score 15</b>
<b>Form O– Audit Process</b>		
4.1	<b>Conduct Of Audits</b> - Provide a statement detailing how you intend to satisfy 3.18 – 3.29 of the Specification of Requirements (Section 3 of ITT Part 1 – Statement of Requirements) and provide a sample scoping document and report to demonstrate how they would provide the service to meet these criteria.	<b>Weighting 2</b> <b>Max Score 10</b>

4.2	<b>Contractors Staff &amp; Key Personnel</b> - Please refer to the Terms and Conditions of Contract contained at ITT Part 5 Form of Contract (Section 2 Terms and Conditions of Contract, Clause 5, Contractors Staff & Clause 6 Key Personnel). Tenderers are required to provide an overview of the team that will be assigned to this contract and explain how they will comply with the requirements of the identified Clauses.	<b>Weighting 2</b> <b>Max Score 10</b>
<b>Form P– Types of Audit</b>		
5.1	Provide a statement detailing how you intend to satisfy 3.30 – 3.38 of the Specification of Requirements, (Section 3 of ITT Part 1 – Statement of Requirements)	<b>Weighting 2</b> <b>Max Score 10</b>

## Form Q - Certificate and Declaration

I/We hereby certify that all information supplied in relation to this Tender is accurate to the best of my/our knowledge and I/we accept the conditions and undertakings requested in the application. I/we understand that false information could result in my/our exclusion from PCC's future procurement opportunities.

I/We also understand that it is a criminal offence, punishable by imprisonment, to give, or offer any gift or consideration whatsoever, as an inducement or reward, to any servant of a public body, and that any such action will empower the Forces to cancel any contract currently in force, and may result in my/our exclusion from the PCC's future procurement opportunities.

I/We understand that the Forces, or their agents, will not accept any charges by the Supplier, its sub-contractors or any other party for:

- work in responding to this Tender
- or the completion of the Commercial Questionnaire if required
- or any other associated activity

I/We understand that this ITT, will not in any way bind the Forces to enter into a Contract with the Tenderer (you), or involve the Force in any financial commitment whatsoever in this respect. The Tenderer is also advised that the Force does not bind itself to accept any of the submitted documents in whole, or in part.

I/We hereby apply for consideration in connection with the Internal audit Services Contract for the PCC, and confirm that I am/we are prepared to answer any questions relating to this Tender Submission, if so required.

I/We declare that the Supplier has fulfilled its 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.

I/We declare that the Supplier that we are not in any of the situation as outlined in ITT Part 5 – Commercial Questionnaire, From B and Form C (Mandatory and Discretionary Rejection Criteria).

I/we declare that we have considered the selection criteria in ITT Part 5 – Commercial Questionnaire and believe that we comply with all the requirements set out in this document. Should we be identified as the Preferred Bidder following the tender evaluation process we agree to provide a completed ITT Part 5 – Commercial Questionnaire within 5 days of the initial request.

The parties here to acknowledge and agree that any information requested under the Freedom of Information Act 2000 may be disclosed, provided such disclosure is appropriate and in accordance with the said Act.

Signed:		Date:	
Name (Block Capitals):		For, and on behalf of:	
Position in Supplier:		Telephone Number:	
Email Address:		Mobile Number:	
Full Address:			

Before returning this questionnaire, please ensure that you have:

- answered all questions appropriate to your application
- attached relevant documents, ensuring that all enclosures are clearly marked with the name of your organisation, and the number of the question to which they refer
- signed the above undertaking.

If your tender is successful, this application will be incorporated in the contract awarded to you.

## Form R – Mutual Confidentiality Agreement

### MUTUAL CONFIDENTIALITY AGREEMENT

With regard to **information** for the **purpose** of The Provision of Internal Audit Services:

This agreement is made the \_\_\_\_\_ day of \_\_\_\_\_ 2015

BETWEEN

**1) THE OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORTH YORKSHIRE**

and

**2) [Insert Supplier details details]**

1. This Agreement is entered into by the parties named at 1 & 2 above, who shall be entitled to the benefit of and to enforce its terms.
2. In this agreement "Information" means, in relation to either party, its technical knowledge, know-how, data, drawings, specifications and other material; its trading position, product costs and product pricing policies; its market and market shares; its customer details and customer account information; and its plans, strategies and projects (including the existence as well as the content of such plans, strategies and projects); and all such information relating to any subsidiary or holding company of the disclosing party.
3. In relation to the disclosure of Information for the purposes of facilitating the discussion and investigation of mutual business opportunities (hereinafter "the Purpose") and in relation to the carrying out of any work by one party for the other pursuant to such discussions and in consideration for this disclosure each party hereby undertakes:-
  - 3.1. to keep and procure that its directors, employees and agents keep in strict confidence and in safe custody all Information communicated to it by or acquired from the other party;
  - 3.2. not to use any Information for any reason other than the Purpose;
  - 3.3. not to make copies of documents containing such Information, except for the Purpose;
  - 3.4. to limit access to Information to those of its employees and agents who reasonably and necessarily require such information for the Purpose, to inform each such employee and agent of the foregoing restrictions as to confidentiality, disclosure and use of such Information and to ensure that each such employee and agent shall observe such restrictions and, in the case of each such agent, shall procure that its employees observe such restrictions;
  - 3.5. not (without the prior consent in writing of the other party) to:-
    - 3.5.1. release any press statement or issue any other publicity regarding the arrangements which may exist between the parties; or
    - 3.5.2. disclose to any third party the identity of the other party either on a client list of the receiving party or otherwise; and to comply fully with current Data Protection regulatory requirements.

- 3.6. The provisions of this agreement shall not apply to information:-
- 3.6.1. which the receiving party can prove was in its possession at the date of receipt or disclosure and was not acquired directly or indirectly from the other party;
  - 3.6.2. which at the time of disclosure by the other party is in the public domain as evidenced by printed publication or otherwise;
  - 3.6.3. which after its disclosure by the other party becomes part of the public domain by publication or otherwise (except by reason of neglect or default by the receiving party);
  - 3.6.4. which the receiving party obtains from a third party with good legal title thereto;
  - 3.6.5. which is developed independently of the owner and without reliance on any material part of confidential Information supplied by the owner.
  - 3.6.6. disclosed pursuant to a duty to disclose imposed by law or by the requirements of a regulatory body but only to the extent so required.
4. Each party acknowledges that any information disclosed to a subsidiary or parent company of such party shall be deemed to be information disclosed to that party, and accordingly it shall procure compliance with the provisions of this agreement as if such subsidiary or parent company were itself a party to this agreement.
5. Each party acknowledges and agrees that it shall not acquire by implication or otherwise any right in or title to or licence in respect of the information communicated or acquired from the other party.
6. This agreement shall subsist from the date of this agreement for a period of twelve months whereupon it shall automatically terminate unless renewed by mutual consent in writing. The provisions as to confidentiality contained in this agreement shall remain in force for a period of five years from the date of termination.
7. On termination of this agreement or at any time on receipt of a written request from the other party, each party shall return to the other party all Information received that is capable of return and all copies thereof or otherwise destroy and certify the destruction of such Information.
8. The parties agree that nothing in this Agreement shall be construed as creating a right which is enforceable by any person who is not a party to this Agreement or expressly set out in this Agreement as having a right to enforce its terms.
9. The construction, validity and performance of this agreement shall be governed by English Law and both parties agree to accept the Jurisdiction of the English courts.
10. The Parties agree that damages would not normally be an adequate remedy for breach of the terms of this Agreement and agree that an aggrieved Party shall be entitled to equitable relief including injunction.

IN WITNESS whereof the parties have caused their duly authorised representatives to set their hands on the date stated above.



Signed by _____  and _____ <b>for</b> <b>and on behalf of (the PCC)</b>	Name/Position _____  Name/Position _____
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Signed by _____  and _____ <b>for</b> <b>and on behalf of (the Supplier)</b>	Name/Position _____  Name/Position _____
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**RESTRICTED**

**Annex 1 – Sub Contractor / consortium Information**

Organisations Name (including company registration number)	Address and telephone number	Contact	*Service / requirement undertaken	*% of overall contract

## RESTRICTED

### Annex 2 – Freedom of Information Schedule

This table is to be completed as per Section 6 of the ITT Part 2 Instructions to Tenderers Document.

	<b>INFORMATION SUBMITTED AND CONSIDERED BY THE TENDERER AS CONFIDENTIAL/ COMMERCIALY SENSITIVE UNDER FOI ACT 2000</b>
1. Document submitted	
2. Section/paragraph of document	
3. Specify the Information/wording considered to be confidential/ commercially sensitive	
4. Reasons/ justifications for Information being confidential/ commercially sensitive	
5. Timescale which information under (3) shall be confidential	
6. Specify Exemption Confidential or Commercially Sensitive	

**RESTRICTED**

**Annex 3 - Schedule of Non Compliance with Contract Documents**

Reference	Description of non-compliance and /or revision	Cost Adjustment

*Note: The PCC may reject a tender which is non-compliant with the contract documents. Tenderers submitting qualifications should therefore give explicit justification and reasoning for entering a qualification.*



**PART 4 - INVITATION TO TENDER**

**SCHEDULE OF RATES**

**FOR THE PROVISION OF:**

**Internal Audit Services to the Police and Crime Commissioner for  
North Yorkshire (PCC) & The Chief constable of North Yorkshire  
Police (CC)**

**CONTRACT REF: NYP/PROC/2015-1029**

	SUPPLIER DETAILS
COMPANY NAME	
CONTACT NAME	
TELEPHONE NUMBER	
E-MAIL ADDRESS	
COMPANY WEBSITE	

Deadline for receipt of the completed Invitation to Tender is by 12.00 Hours on Monday 08 June  
2015

- 1.1.** This Schedule shall include all costs related to delivering the services detailed in the specification, including all correspondence, reports to be submitted, administrative costs, taxes, insurance, associated travel, mileage, accommodation costs and any other disbursements or charges to which the supplier may be put.
- 1.2.** The supplier shall procure any and all such services or facilities as may be required to support the performance of the Service pursuant to the Specifications or any variations which may be agreed from time to time by the Authorised Officer. For the avoidance of doubt, the costs or charges for any such services or facilities shall be deemed to be included in the charges set out below.
- 1.3.** All prices, rates and charges shown herein are to be shown exclusive of V.A.T.
- 1.4.** All prices shall be in pounds sterling
- 1.5.** Payment will be made by the PCC in arrears for work satisfactorily completed within 30 days of receipt of a valid and adequately supported invoices
- 1.6.** Payment terms are quarterly in arrears.
- 1.7.** The receipt or payment of any sum by either party shall be without prejudice to the correctness of the sum and either party may require the correction of incorrect payments.
- 1.8.** Contract Prices as provided below will be fixed from the inception of the Contract
- 1.9.** Preference will be given to Tenders in which firm prices are quoted without reference to price variation clauses.
- 1.10.** Prices for work completed outside the Core Service will be at the rates defined in Table 1 below

**1.11. Schedule of Prices for Service Provision**

Please enter costs against the relevant item. If no charge is applicable for that item, please state “no charge” in the appropriate space.

**1.12. Rate Card**

<b>Rate Card</b>	<b>Day Rate £ (excl VAT)</b>	<b>Half Day Rate £ (excl VAT)</b>	<b>Hourly Rate £ (excl VAT)</b>
Rate 1 - Management			
Rate 2 - Lead Auditor			
Rate 3 - Auditor			
Rate 4 - Admin / Clerical			
Rate 5 - Other (please detail)			

Table 1

**1.13. 30 Month Price Summary**

The tables below will account for 100% of the Price Scoring. Full details of how scoring will be completed are provided in ITT Part 2 Instructions to Tenderers – Section 12 – Award Criteria - Price Assessment.

You are required to complete the tables below.

**Number of days required to provide the service to the PCC & the CC**

Please provide details of the number of days required (at the rates detailed under table 1) to provide the service to the PCC and the CC. Please take care to note any of the Terms and Conditions contained in ITT Part 5 that might affect the decision you make in deciding on the number of days/hours required. In particular you are to take note of clause 10 of the Terms and Conditions of Contract regarding Unused or Excess days/hours.

<b>Year 2 - Tender submission- First 6 Months (Financial Year 2015-2016) for Internal Audit Services during the period 1<sup>st</sup> October 2015 to 31<sup>st</sup> March 2016</b>			
		<b>Number of Days</b>	<b>Cost £</b>
1	No. of days included at Rate 1		
2	No. of days included at Rate 2		
3	No. of days included at Rate 3		
4	No. of days included at Rate 4		
5	No. of days included at Rate 5		
	<b>Total Charge</b>		

Table 2

<b>Year 2 - Tender submission (Financial Year 2016-2017) for Internal Audit Services during the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017</b>			
		<b>Number of Days</b>	<b>Cost £</b>
1	No. of days included at Rate 1		
2	No. of days included at Rate 2		
3	No. of days included at Rate 3		
4	No. of days included at Rate 4		
5	No. of days included at Rate 5		
	<b>Total Charge</b>		

Table 3

**Year 3 - Tender submission (Financial Year 2017-2018) for Internal Audit Services during the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018**

		<b>Number of Days</b>	<b>Cost £</b>
1	No. of days included at Rate 1		
2	No. of days included at Rate 2		
3	No. of days included at Rate 3		
4	No. of days included at Rate 4		
5	No. of days included at Rate 5		
	<b>Total Charge</b>		

Table 4

<b>Total Charge</b>	<b>Total Days</b>	<b>Total Cost</b>
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**TOTAL FOR CONTRACT TERM**



**POLICE COLLABORATION AGREEMENT**

THIS POLICE COLLABORATION AGREEMENT sets out the relationship between the Parties named below and it is entered into on the 1 April 2014.

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**NORTH YORKSHIRE POLICE AND WEST YORKSHIRE POLICE  
COLLABORATION AGREEMENT FOR THE PROVISION OF INTERNAL AUDIT  
ARRANGEMENTS**

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(1) POLICE AND CRIME COMMISSIONER FOR NORTH YORKSHIRE AND CHIEF  
CONSTABLE OF NORTH YORKSHIRE ("NYP")

-AND-

(2) POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE AND CHIEF  
CONSTABLE OF WEST YORKSHIRE ("WYP")

**HEADINGS****CLAUSE NO.**

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1. Introduction and Legal Context

- 1.1. The Police & Crime Commissioners and Chief Constables to this Agreement wish to collaborate in a Police Collaboration Agreement ("PCA") pursuant to section 22A (1a) of the Police Act 1996
- 1.2. NYP has secured the agreement of WYP for WYP Internal Audit services in return for the payment of an agreed sum.
- 1.4 The Parties agree that this Agreement is not detrimental to the interests of efficiency and effectiveness of WYP.
- 1.5 This Agreement will begin on the Effective Date and will continue in force until terminated in accordance with Clause 10.

2. Definitions and Interpretations

- 2.1 In this Agreement except where a different interpretation is clear from, or necessary in the context, the following terms shall have the following meanings:-

"Act"	means the Police Act 1996
"Agreement"	means this document, including its Clauses and Schedules, as amended from time to time
Agreed sum means	<p>1. Costs will be shared between the parties in the agreement at an estimated cost of £265 per productive day (i.e. 7.4 hours productive time), subject to 4 below.</p> <p>2. This includes all employee costs and associated on-costs and overheads costs.</p> <p>3. Charges will be raised quarterly based upon the agreed number of audit days in the Audit Plan. The final invoice will adjust for any under or over delivery of audit days.</p> <p>4. Any under or over recovery of costs as compared with charges made will be carried forward and used to adjust the daily rate in the following year, ensuring that each authority stands a fair proportion of total costs incurred.</p>
"Chief Constables"	means Chief Constable of North Yorkshire and Chief Constable of West Yorkshire
"Commissioners"	means Police & Crime Commissioner for North Yorkshire and Police & Crime Commissioner for West Yorkshire.

“Effective Date”	means the date this Agreement will begin on, which is 1 April 2014
“Information Management”	means the practices and procedures set out in clause 7;
“PCA”	Police Collaboration Agreement;
“Party/Parties”	means the Parties to this Agreement and shall include the Chief Constables and Commissioners;

2.2 In this Agreement unless the context requires otherwise:

- 2.2.1 words importing the singular number shall include the plural and vice versa;
- 2.2.2 words importing any particular gender shall include all other genders;
- 2.2.3 references to persons shall include bodies of persons whether corporate or incorporate;
- 2.2.4 words importing the whole shall be treated as including a reference to any part of the whole;
- 2.2.5 any reference in this Agreement to any statute or statutory provision shall be construed as referring to that statute or statutory provision as it may from time to time be amended modified extended re-enacted or replaced (whether before or after the date of this Agreement) and including all subordinate legislation from time to time made under it;
- 2.2.6 references in this Agreement to any Clauses and Schedules are to the Clauses and Schedules to this Agreement except where otherwise expressly stated; and
- 2.2.7 headings are used in this Agreement for the convenience of the Parties only and shall not be incorporated into this Agreement and shall not be deemed to be any indication of the meaning of the Clauses or Schedules to which they relate.

2.3 If there is any conflict between the terms of this Agreement and any other agreement, verbal or otherwise, this Agreement will prevail in relation to the arrangements made between the Parties.

3. Details of the agreed Service

- 3.1 For the duration of this agreement, in return for payment of the agreed sum by NYP, WYP agree to provide the Internal Audit Service to the aforementioned policing bodies. This role and its functions are set out in the Annex to this agreement. The role and functions shall be construed and implemented in accordance with the Accounts and Audit Regulations 2011, and the CIPFA code of Internal Audit Practice.

4 Consultation

Pursuant to requirements under Section 22A the Parties to the PCA will be appropriately consulted.

5. Confidentiality

5.1 Each Party shall, save for the purposes of criminal investigation or prosecution or where the functions of the role requires otherwise:

- 5.1.1 Treat as confidential all information coming into its possession as a result of this Agreement;
- 5.1.2 take all necessary and reasonable steps to ensure that all such information is treated as confidential by its officers, employees, servants and agents; and
- 5.1.3 not duplicate or impart to a third Party any such information, or documents relating to and including this Agreement without the prior written consent of the other Party.

6. Liabilities

6.1 The Parties will have an obligation to assist each other in the investigation and defence of any claim brought in relation to this Agreement.

6.2 All complaints, grievances and conduct issues will be dealt with in accordance with the Office of the Police & Crime Commissioner for West Yorkshire's policies and procedures, unless otherwise agreed in writing between the Parties.

7. Information Management

7.1 The following apply in relation to obligations under the Data Protection Act 1998 in relation to personal data acquired and held in the course of activities contemplated in this Agreement:

7.2 Each Party shall be Data Controller (as defined in that Act) in respect of its own personal data which it separately stores and otherwise holds according to law.

7.3 For the purposes of the Freedom of Information Act 2000 ('FOIA'), a Party receiving, a request under FOIA (acting in consultation with the other Party) will be responsible for handling and responding to that request and with any compliance requirements under the Act. Any FOIA requests made under this Agreement must be brought to the attention of the other Parties and where required all Parties will offer each other all reasonable assistance for the purposes of responding to any FOIA request.

8. Notices

8.1 Any notice to be given under this Agreement must be in writing and may be delivered to the other Party by recorded delivery.

9. No Variation of Agreement

- 9.1 Any variations to this Agreement shall be made by the Parties entering into a full new agreement on these terms, except for those to be amended.

10. Termination

- 10.1 The Agreement shall remain in force until 30 September 2015 or until such earlier time as;

10.1.1 It is terminated by one party serving a minimum of three months notice on the other party

10.1.2 The Parties agree in writing that this Agreement is terminated by mutual agreement, such termination to be effective immediately or at such later date as so agreed.

- 10.2 The Secretary of State may terminate the entire Agreement or the terms of this Agreement which amount to a PCA with immediate effect or at the end of a specified period.

11. Consequences of Termination

- 11.1 In the event of termination of this Agreement in accordance with clause 10 and no subsequent agreement being formed responsibility for the provision of Internal Audit Services will revert to NYP.

- 11.2 In the event of termination of this Agreement in accordance with Clause 10 and no subsequent agreement being formed the Parties will use their best endeavours to minimise the effect on the provision of each of the party's financial arrangements.

12. Disputes and Deadlock

- 12.1 Any dispute or deadlock between the Parties arising out of or in connection with this Agreement or its dissolution will in the first instance be referred to the respective Chief Executives of the two Offices of the Commissioners. If a dispute is not resolved, it shall then be referred to a single arbitrator to be agreed upon by the Parties or in default of agreement to be nominated by the President for the time being of the Chartered Institute of Arbitrators in accordance with the Arbitration Act 1996.

- 12.2 Nothing in Clause 12.1 above shall restrict at any time while the above dispute resolution procedure is in progress or before it is evoked the freedom of any Parties to commence legal proceedings to preserve a legal right or remedy pending the outcome of the dispute.

13     Assignment

- 13.1   None of the Parties may assign or transfer this Agreement as a whole, or any of its rights or obligations under it, without first obtaining the written consent of the other Party. That consent may not be unreasonably withheld or delayed.

14     Binding Nature of this Agreement

- 14.1   The Parties agree that this Agreement is legally binding upon the Parties.

15.    Illegal / Unenforceable Provisions

- 15.1   If the whole or any part of any provision of this Agreement is void or unenforceable, the other provisions of this Agreement, and the rest of the void or unenforceable provision, will continue to legally bind the Parties to the Agreement.

16.    Waiver of Rights

- 16.1   If a Party fails to enforce or delays in enforcing an obligation of the other Party, or fails to exercise or delays in exercising a right under this Agreement, that failure or delay will not affect its right to enforce that obligation or constitute a waiver of that right. Any waiver by a Party of any provision of this Agreement will not, unless expressly stated to the contrary, constitute a waiver of that provision on a future occasion.

17.    Entire Agreement

- 17.1   This Agreement constitutes the entire agreement between the Parties relating to its subject matter. Each Party acknowledges that it has not entered into this Agreement on the basis of any warranty, representation, statement, agreement or undertaking except those expressly set out in this Agreement.
- 17.2   Each Party waives any claim for breach of this Agreement, or any right to rescind this Agreement in respect of any representation which is not an express provision of this Agreement.
- 17.3   This clause does not exclude any liability which any Party may have to any other (or any right which any Party may have to rescind this Agreement) in respect of any fraudulent misrepresentation or fraudulent concealment prior to the execution of this Agreement.

18.    Formalities

- 18.1   Each Party will take any action and execute any document reasonably requested by any other Party to give effect to any of its rights under this Agreement.
- 18.2   This Agreement may be executed in any number of counterparts, each of which, when signed shall be an original, and all the counterparts together shall constitute one and the same instrument.

19. Publicity

- 19.1 No Party shall issue any press release or make any public statement, containing, or otherwise disclose to any person who is not a Party, information which relates to or is connected with or arises out of this Agreement or the matters contained in it, without the prior approval of the other Party not to be unreasonably withheld. The Parties shall in any event consult together upon the form of any such press release, document, or statement as and when such releases are required.

20 Third Parties

- 20.1 Except as otherwise provided by the Police Act 1996 or other statutory enactment, no one except a Party to this Agreement has any right to prevent the amendment of this Agreement or its termination, and no one except a Party to this Agreement may enforce any benefit conferred by this Agreement.

21. Further Assurances

- 21.1 Each Party undertakes at the request of the other to offer all reasonable support and assistance, which may be necessary to give effect to this Agreement or any of the provisions hereunder.

22. Governing Law

- 22.1 This Agreement is governed by, and is to be construed in accordance with, English law. The English Courts will have exclusive jurisdiction to deal with any dispute which has arisen or may arise out of or in connection with this Agreement.



IN WITNESS whereof the Parties to this Agreement have signed below on the date indicated:

**Section 22A Police Collaboration Agreement (“PCA”)**

Name:	
	On behalf of the Police and Crime Commissioner for North Yorkshire
Signature:	
Date:	
<b>Authority:</b>	

Name:	Dave Jones
	Chief Constable of North Yorkshire
Signature:	
Date:	

Name:	
	On behalf of the Police and Crime Commissioner for West Yorkshire
Signature:	
Date:	
<b>Authority:</b>	

Name:	Mark Gilmore
	Chief Constable of North Yorkshire
Signature:	
Date:	

## **SHARED SERVICES AGREEMENT**

### **WEST YORKSHIRE POLICE AUTHORITY (WYPA)<sup>1</sup> AND NORTH YORKSHIRE POLICE AUTHORITY (NYPA)<sup>2</sup>**

#### **1. GENERAL INFORMATION**

##### **General Description**

- 1.1 This shared services agreement is intended to enable WYPA and NYPA to fulfil their responsibilities under Regulation 6 of the Accounts and Audit (Amendment) (England) Regulations 2006, namely

"A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".

- 1.2 The agreement defines Internal Audit in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government in the United Kingdom (the Code), as follows:

"Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on risk management, control and governance by evaluating their effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources".

- 1.3 Both WYPA and NYPA acknowledge that the effectiveness of the internal audit function is an essential element of any strategy that seeks the realisation of business and service objectives. The agreement commits both parties to achieving best value and continuous improvement in the management of internal audit activities, sharing information where necessary to achieve this.

##### **Auditing Practices and Standards**

- 1.4 Both parties to the agreement will have due regard to CIPFA's Code, which sets out proper internal control practices for principal authorities and defines the way in which the internal audit function should be established and undertake its functions.

<sup>1</sup> WYPA refers to the full West Yorkshire Police Authority

<sup>2</sup> NYPA refers to the full North Yorkshire Police Authority

## **Resources and Records**

- 1.5 WYPA shall employ resources on behalf of both Authorities as deemed necessary to fulfil the work requirement set down in the terms and conditions of this agreement, having due regard to the qualifications, competences and experience necessary. Staffing costs will be shared between the two authorities according to their call upon the staffing resource. Other costs such as premises, supplies and services, IT etc will be met by the host authority where the work is being conducted.
- 1.6 In the event of a vacancy arising for the post of Head of Internal Audit, the Treasurers of West and North Yorkshire will agree on the process for filling the vacancy.
- 1.7 In the event of any cost, claim or demand arising out of the services included in this agreement, NYPA will not seek to recover any cost or lodge any claim against WYPA or its employees.
- 1.8 Internal Audit shall have access to such records and assets as are necessary for the purposes of the audit, and shall be entitled to receive from any officer, member of the force or agents and contractors appointed by the authority such information as is necessary for that purpose.
- 1.9 Internal Audit shall report regularly to members of NYPA through the Audit and Inspection Board and to members of WYPA through the Finance and Audit Committee. The Chief Constables of NYP and WYP, who have a direct interest in secure, efficient and effective arrangements for internal audit, shall receive regular internal audit reports as a matter of course.

## **Term and Review of Agreement**

- 1.10 The agreement covers the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2011, with provision for an extension of a further two years following a review of effectiveness by the Audit and Inspection Board(NYPA) and the Finance and Audit Committee (WYPA), to be carried out prior to September 2010.


<b>2. OUTPUTS</b>
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- 2.1 So far as practicable, common practices will be adopted so as to generate efficiencies and maximise the benefits of collaborative working.
- 2.2 The outputs shall be as specified at Appendix A, covering:
  - Terms of Reference
  - Audit Strategy
  - Annual Audit Plan
  - Individual Audit Reports
  - Annual Audit Report and Opinion
  - Reports to the Performance Monitoring Board
  - Performance Management Framework
  - Attendance at meetings

<b>3. COST SHARING</b>
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3.1 Costs will be shared and reported as set out in Appendix B.

West Yorkshire Police Authority and North Yorkshire Police Authority will share the service described above on the terms set out at Appendix B. Any differences arising from the operation of the agreement will be discussed and agreed by the Chief Executives of WYPA and NYPA.

Signed..  .....

TITLE... *TREASURER* .....

DATE... *5/5/09* .....

West Yorkshire Police Authority  
Ploughland House  
62 George Street  
Wakefield  
WF1 1DL

Signed.....  .....

TITLE..... *Chief Executive Officer* .....

DATE..... *6/5/09* .....

North Yorkshire Police Authority  
PO Box 106  
Ripon  
North Yorkshire  
HG4 5WA

## **SCHEDULE OF OUTPUTS**

### **1. Terms of reference**

- 1.1 The purpose, authority and responsibility of Internal Audit will be formally defined in Terms of Reference consistent with the Code. The Terms of Reference will
- (a) establish the responsibilities and objectives of Internal Audit
  - (b) establish the organisational independence of Internal Audit
  - (c) establish the accountability, reporting lines and relationships between the Head of Internal Audit and
    - (i) those charged with governance
    - (ii) the parties to whom the Head of Internal Audit may report
  - (d) recognise that Internal Audit's remit extends to the entire control environment of the organisation
  - (e) identify Internal Audit's contribution to the review of the effectiveness of the systems of internal control
  - (f) require the Head of Internal Audit to deliver an annual audit opinion
  - (g) define the role of Internal Audit in any fraud related or consultancy work
  - (h) explain how Internal Audit's resource requirements will be assessed
  - (i) establish Internal Audit's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities.
- 1.2 The Terms of Reference will be approved by NYPA and WYPA and will be reviewed at least annually, normally as part of the review of the effectiveness of the system of internal audit reported to the Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA).

### **2. Audit Strategy**

- 2.1 The Internal Audit Strategy is a high level statement of how the Internal Audit service will be delivered and developed in accordance with the terms of reference, and how it links to organisational objectives and priorities. It sets the context within which more detailed plans can be developed.

- 2.2 The strategy will state how Internal Audit assurance for the annual statement on internal control and annual governance statement should be undertaken. This will include how the Head of Internal Audit will contribute to the review of the organisation's corporate governance arrangements, risk management processes and key internal control systems.
- 2.3 The strategy will communicate the contribution that Internal Audit makes to the organisation and will include:
- Short and medium term objectives and outcomes
  - How the Head of Internal Audit will form and evidence their opinion on risk management and the control environment
  - How internal audit's work will identify and accommodate significant local and national issues and risks
  - How the service will be provided i.e. internally, externally or a mix of the two
  - The resources and skills required to deliver the strategy.
- 2.4 The strategy will be approved (but not directed) by the Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA) and reviewed at least annually, normally as part of the review of the effectiveness of the system of internal audit reported to the Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA).. It is anticipated that common principles will underpin the strategies of both NYPA and WYPA.

### **3. Annual Audit Plan**

- 3.1 A risk-based annual audit plan will be prepared designed to implement the audit strategy, taking account of the adequacy and outcomes of the organisation's risk management, performance management and other assurance processes, and in consultation with stakeholders including external audit.
- 3.2 The plan will outline the assignments to be carried out; their respective priorities and the estimated resources needed, and will differentiate between assurance and other work.
- 3.3 The annual audit plan will be approved (but not directed) by the Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA) prior to the audit year to which it relates. It will be subject to in year revision to be reported to the Audit and Inspection Board (NYPA) or Finance and Audit Committee (WYPA) in order to properly reflect the changing risks and priorities of the organisation.

### **4. Individual Audit Reports included in the Audit Plan**

- 4.1 For each audit assignment a brief will be discussed prepared and agreed with appropriate relevant parties. The brief will establish the objectives, scope and timing for the assignment and its resource and reporting requirements, including report recipients.

- 4.2 Audit work intended to provide an audit opinion will generally be undertaken using a risk-based audit approach. At each stage auditors will consider the specific work which needs to be conducted and the evidence which needs to be gathered in order to support an independent and objective audit opinion.
- 4.3 At each stage of the audit, key issues will be brought to the attention of the relevant manager to enable them to take corrective action and to avoid surprises at the closure stage. The auditor will provide assistance and advice if required on appropriate solutions to the issues identified.
- 4.4 The Head of Internal Audit will specify the required standard of Internal Audit documentation and working papers and will ensure through appropriate review of all audit work that standards are met.
- 4.5 The aim of every Internal Audit report will be
- (a) to give an assurance on the area under review, building up to the overall opinion
  - (b) to prompt management to implement the agreed actions for change leading to improvement in the control environment and performance
  - (c) to provide a record of points arising from the audit and, where appropriate, of agreements reached with management.
- 4.6 Each report will include the scope and purpose of the audit.
- 4.7 Prior to issue of each final report a draft report will be prepared for discussion with appropriate levels of management to confirm factual accuracy, seek comments and confirm agreed management actions.
- 4.8 Recommendations will be prioritised to identify clearly their relative importance. Recommendations and management action plans will be agreed prior to the issue of the final report. Any areas of disagreement which cannot be resolved by discussion between the auditor and management will be recorded, highlighting the residual risk.
- 4.9 The Head of Internal Audit will determine the circulation of audit reports having regard to confidentiality, NYPA and WYPA protocols and legislative requirements.
- 4.10 NYPA and WYPA shall set out in a protocol the process for responding to Internal Audit reports and ensuring that recommendations are implemented, ensuring that appropriate management are fully involved in the process.
- 4.11 The Head of Internal Audit will specify how long documentation will be retained, whether on paper or electronically, having regard to organisational policy and statutory requirements. The Head of Internal Audit will control access to audit documents and will obtain the approval of relevant management before releasing them to third parties.



## **5. Annual Audit Report and Opinion**

- 5.1 The Head of Internal Audit will provide a written report timed to support the statement on internal control and annual governance statement.
- 5.2 The annual report will
- Include an opinion on the overall adequacy and effectiveness of the organisation's risk management systems and internal control environment
  - Disclose any qualifications to that opinion, together with the reasons for the qualification
  - Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
  - Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the statement of internal control and annual governance statement
  - Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria

## **6. Reports to the Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA)**

- 6.1 The Head of Internal Audit will build and maintain an effective working relationship between the Audit and Inspection Board (NYPA) and the Finance and Audit Committee (WYPA) and internal audit.
- 6.2 Reports from the Head of Internal Audit will include
- The audit strategy
  - The annual plan
  - Progress reports
  - The outcomes of internal audit work
  - The annual report
  - Internal audit performance monitoring

## **7. Performance Management Framework**

- 7.1 A performance management framework will be in place to demonstrate that the Internal Audit service delivered to NYPA and WYPA is
- Meeting its aims and objectives
  - Compliant with the Code
  - Effective and efficient
  - Continuously improving

- 7.2 An annual review of the effectiveness of the system of internal audit will be undertaken and the results reported to the Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA), timed to allow for inclusion in the statement of internal control and annual governance statement.

<b>8. Attendance at Meetings</b>
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8.1 Audit Manager

- Audit and Inspection Board/ Finance and Audit Committee
- Monthly progress (Deputy Treasurer/Chief Finance Officer)
- Ad hoc meetings as required, including liaison with external audit

8.2 Internal Audit Staff

- Audit and Inspection Board/ Finance and Audit Committee as appropriate
- Initial Audit Briefing meeting
- Post Audit Meeting
- Ad hoc meetings as required

**Cost Sharing Schedule**

1. Costs will be shared between WYPA and NYPA at an estimated [REDACTED] per productive day (i.e. 7.4 hours productive time excluding travelling time), subject to 4 below.
2. This includes all employee costs and associated oncosts. Overhead costs such as accommodation are provided by each authority as appropriate.
3. Charges will be raised quarterly based upon the agreed number of audit days in the Audit Plan. The final invoice will adjust for any under or over delivery of audit days.
4. Any under or over recovery of costs as compared with charges made will be carried forward and used to adjust the daily rate in the following year, ensuring that each authority stands a fair proportion of total costs incurred.
5. The Audit and Inspection Board (NYPA) and Finance and Audit Committee (WYPA) will receive details as part of the annual report of total costs incurred, days used by each authority, and amounts recharged for the year. Estimated costs for the year will be included as part of the audit plan.

## APPENDIX C

### GLOSSARY OF TERMS

<b>Control environment</b>	<p>The control environment comprises governance, risk management, internal controls and their systems. The key elements of the internal control environment include</p> <ul style="list-style-type: none"><li>• Establishing and monitoring the achievement of the authority's objectives</li><li>• The facilitation of policy and decision making ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the authority, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties</li><li>• Ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty.</li><li>• The financial management of the organisation and the reporting of financial management</li><li>• The performance management of the organisation and the reporting of performance management</li></ul>
<b>Risk</b>	<p>The chance of something happening that will have an impact on objectives</p>
<b>Risk Management</b>	<p>The term applied to a logical and systematic method of establishing the context, identifying, analysing, evaluating treating, monitoring and communicating the risks associated with any activity function or process in a way that will enable the organisation to minimise losses and maximise opportunities.</p>
<b>Head of Internal Audit</b>	<p>The person responsible for managing the Internal Audit Function.</p>