

Council of Governors

Title of Paper:

Presented By:

Action Required:	For Information	<input type="checkbox"/>	For Ratification	<input type="checkbox"/>	For a decision	<input type="checkbox"/>
	For Feedback	<input type="checkbox"/>	Vote required	<input type="checkbox"/>	For Receipt	<input checked="" type="checkbox"/>

To which duty does this refer:

Holding non-executive directors individually and collectively to account for the performance of the Board	<input type="checkbox"/>
Appointment, removal and deciding the terms of office of the Chair and non-executive directors	<input type="checkbox"/>
Determining the remuneration of the Chair and non-executive directors	<input type="checkbox"/>
Appointing or removing the Trust's auditor	<input checked="" type="checkbox"/>
Approving or not the appointment of the Trust's chief executive	<input type="checkbox"/>
Receiving the annual report and accounts and Auditor's report	<input type="checkbox"/>
Representing the interests of members and the public	<input type="checkbox"/>
Approving or not increases to non-NHS income of more than 5% of total income	<input type="checkbox"/>
Approving or not significant transactions including acquisitions, mergers, separations and dissolutions	<input type="checkbox"/>
Jointly approving changes to the Trust's constitution with the Board	<input type="checkbox"/>
Expressing a view on the Trust's operational (forward) plans	<input type="checkbox"/>
Consideration on the use of income from the provision of goods and services from sources other than the NHS in England	<input type="checkbox"/>
Monitoring the activities of the Trust to ensure that they are being conducted in a manner consistent with its terms of authorisation and the constitution	<input type="checkbox"/>
Monitoring the Trust's performance against its targets and strategic aims	<input type="checkbox"/>

How does this item support the functioning of the Council of Governors?

Author of Report:

Designation:

Date:

Council of Governors Summary Report

Date: 31st October 2019

Subject: Tender Update - Appointment of External Audit Services 2020/2021 onwards

From: Ann Stanley, Non-Executive Director/Chair – Audit & Risk Committee
Phillip Easthope, Executive Director of Finance

Author: James Sabin, Deputy Director of Finance

1. Purpose

<i>For approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information/assurance</i>	<i>Other (Please state below)</i>
		X			
<ul style="list-style-type: none"> To note the progress made to date with regards to the appointment of the External Auditor. To note the process and scoring methodology agreed which will be used upon receipt of tender submissions. To note the timeline and remaining process which will lead to a final recommendation coming to CoG in December for approval. 					

2. Summary

The Trust's current contract in respect of its External Audit Service expires on the 31st March 2020 and, as previously agreed, a tender exercise has been enacted to secure the service going forward with effect from 1 April 2020 for a period of at least 3 years.

The appointed working group met to agree to process and this is now officially out to tender and underway. As a reminder, the Working Group included

- 1 x Non-Executive Director
- 3 x Council of Governor (CoG) Representatives
- Executive Director of Finance
- Deputy Director of Finance
- Designated Procurement lead

The process has followed the standard NOE CPC External Audit Framework which includes 5 potential bidders, including the incumbent provider.

The questions and weightings are standard but collectively more weight is given towards quality and experience when grouped.

The broad categories are as follows:-

- Experience of the Audit Team 25%
- Quality of Service Delivery 25%
- Quality of Communications 10%
- Added Value 5%
- Quality of Engagement with CoG 5%
- Fee Competitiveness 30%

More detailed questions though are included to draw out the scoring.

The Fee competitiveness is also scored independently of the quality aspects.

a. Presentations (where scored in top 3 following the above)

The top three scoring bids will be invited to present their proposals to the evaluation panel at Sheffield Health and Social Care NHS Trust. The presentations will be a maximum of 20 mins with an opportunity for both parties to ask questions following the presentations.

Presentations will be scored out of twenty and the marks will be added to the tender documentation score to give the final outcome.

Full timetable

Stage	Target Date (indicative)
Issue of formal Invitation to Tender documents	10 th October 2019
Deadline for receipt of Clarification Questions	1 st November 2019
Deadline for receipt of Submissions	8 th November 2019
Notification to bidders re: presentations (top 3)	20 th November 2019
Presentations	28 th November 2019
Final Evaluation and Award Decision (Trust)	29 th November 2019
Decision approved by Council of Governors	12 th December 2019
Organisations notified of outcome and Voluntary Standstill Period commences	13 th December 2019
Voluntary Standstill Period ends	23 rd December 2019
Contract Award	January 2020
Contract Start Date	1 st April 2020

3. Next Steps

Continue the process in line with the above timetable, including:-

- Evaluating the submissions and scoring the bids in line with the agreed methodology.
- Receive presentations from the top 3 and those shortlisted to progress.
- Finalising the scoring and concluding the recommendation.
- Recommend outcome decision to CoG in December for ratification.

4. Required Actions

To note the progress and process to date and for those involved in the working group to continue to support the external audit tender appointment process.

5. Monitoring Arrangements

Through the Audit & Risk Committee and subsequent updates to future CoG meetings.

6. Contact Details

For further information, please contact:

Ann Stanley, Audit & Risk Committee Chair, ann.stanley@shsc.nhs.uk

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