

**EXTERNAL AUDIT SERVICES**

**INVITATION TO TENDER**

Tenders must be received at the Group’s Head Office no later than

12 noon on 17 December 2021

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**Section A**

### Background

Coastline Housing (“Coastline” or “The Group”) wishes to engage a service provider to provide external audit services and accountancy advisory to the Group.

Coastline Group includes the following entities:

* Coastline Housing Limited, a company limited by guarantee, registered charity and registered provider of social housing. Parent company of all subsidiaries and lead entity in the VAT Group;
* Coastline Services Limited, a property and grounds maintenance company, limited by shares, wholly owned by Coastline Housing Limited;
* Coastline Homes Limited, development and open market sales company; and
* Coastline Care Limited, a dormant company which used to be the subsidiary for delivering a range of care services which were reduced in scope and then transferred back into Coastline Housing Limited from 2015.
* Coastline Design and Build Limited, a commercial design and build company in a separate VAT Group;

Currently Coastline Housing Limited and Coastline Services Limited are employing entities.

Coastline is registered with the Charity Commission as a charitable company and as a provider of social housing with the Regulator of Social Housing (“RSH”), which acts as its regulator. Its current activities comprise-:

* development of new social housing in accordance with housing need
* ownership and management of over 5,000 units of housing stock comprising of general needs, shared ownership, extra care and homeless supported accommodation.

The provision of services at our extra care scheme in Redruth is regulated by the Care Quality Commission.

A copy of the Association’s last Annual Report and Accounts is available upon request. Additional information about our structure and activities can be obtained from our web site [www.coastlinehousing.co.uk](http://www.coastlinehousing.co.uk)

An overview of the sector and the range of activities that are provided is available from our trade body the National Housing Federation [National Housing Federation - About housing associations](https://www.housing.org.uk/about-housing-associations/)

External Audit services form a key part of the overall assurance framework for both the Board of Coastline as well as to our primary regulator the RSH.

An important element of this tender process is that the selected contractor must be able to review the entire operations of the Group with particular reference to any regulatory requirements set out in the Accounting Direction ([The Accounting Direction for social housing in England from January 2019 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/the-accounting-direction-for-social-housing-in-england-from-january-2019)) and the Housing SORP ([Housing SORP 2018 | ICAEW](https://www.icaew.com/library/library-collection/housing-sorp/sorp-2018)). Tenderers should therefore ensure that their proposal clearly sets out how their service will assist the Association in these areas.

## Section B

### Statement of Requirements

SECTION C outlines the information that must be included in tender submissions. Failure to provide all or part of the information may result in your submission being excluded from the evaluation process.

Timetable

|  |  |
| --- | --- |
| **Action** | **Timeline** |
| Issue tender documents | 25-Oct-21 |
| Tender submission deadline | 15-Dec-21 |
| Panel interviews | Jan-22 |
| Decision and Special General Meeting to confirm | Feb-22 |

The contract will cover the external audit service for the five financial years 2021/22 onwards with the possibility of an extension on a year by year basis, subject to satisfactory performance.

The Auditor will report to the Audit, Risk and Assurance Committee, the Board and to Coastline senior management in line with auditing standards.

The scope of the External Audit work extends to all operations and records, financial and operational, of the Association.

The scope of the work to be delivered is as follows -:

* In conjunction with the Audit, Risk and Assurance Committee, the Board and senior management, to plan, organise and carry out the external audit function including the preparation of an audit strategy;
* To co-ordinate coverage with the internal auditors and ensure that each party is not only aware of the other's work but also well briefed on areas of concern;
* To review and report on the accuracy, timeliness and relevance of the financial and other information that is provided for senior management and the Board;
* To review on the Value for Money reporting in relation to regulatory standards;
* To advise if required on any incident reporting to the regulator.

Last date for submission of tenders is 12 noon on 15 December 2021.

Please send an electronic version to nathan.mallows@coastlinehousing.co.uk .

Late submissions may not be accepted.

Companies will be judged on the following evaluation criteria:

1. knowledge of and ability to interpret the appropriate regulatory frameworks applicable across the Group;
2. experience and expertise that demonstrates a sound understanding of the diverse range of work that the Group undertakes;
3. experience and ability of the audit team;
4. the ability of the company to “add value” rather than providing purely a compliance audit;
5. the company’s abilities to offer consultancy services;
6. the cost of the external audit

Short-listed companies will be invited to present and discuss their proposals (date to be notified in due course during January 2022).

Tender documents should be returned, marked ‘Tender for Audit Services’ and addressed for the attention of the Director of Finance.

Coastline will not be liable to reimburse any costs incurred by the service provider during this tender process.

Coastline wishes to maximise the value obtained from the external audit resource, however does not bind itself to accept the lowest tender. Pricing will form less than 30% of the overall assessment weighting.

Evaluation of tenders will be carried out by a Tender Panel, and the evaluators will, if necessary, contact tenderers to seek clarification of any aspect of a tender.

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

Any queries in relation to this tender should be directed to:

Email: nathan.mallows@coastlinehousing.co.uk

Telephone: 01209 200 160

Mobile: 07703 327 235

## Section C

### Documentation to be submitted

To facilitate the needs of the Tender Panel in the evaluation process, all proposals submitted must follow the following format. Failure to supply all or any part of the requested information in the required format may result in a proposal being excluded from the evaluation process.

#### Section 1

Background information on your company.

#### Section 2

Organisation chart for your company or, in the case of multi-office companies, an organisation chart for the local office responsible for this contract. This should include the total number of staff within each department together with the number of staff (and full-time equivalents) working on internal audit assignments.

#### Section 3

Details of previous experience of providing external audit services and any experience in relation to the Registered Provider sector. The Group is seeking a provider that is fully familiar with the operating environment and regulatory issues faced by Housing Associations but is willing to consider tenderers who may have limited experience or no current client base reflecting that experience.

Coastline will take up references from at least two of your current clients. Our intention is to select these from the list that you provide to us. We will contact tenderers to advise which clients we shall be contacting and obtain contact points from you.

#### Section 4 Methodology

##### Assessment of audit needs

The successful company may be expected to undertake an assessment of audit needs and present its findings along with a strategic plan for external audit to the Group for consideration and approval.

Please provide details of your approach to the assessment of audit needs, including the key stages of the process and whom this would involve.

##### Audit fieldwork

Please outline your approach to audit fieldwork, including the level of input that you would expect from Coastline colleagues.

##### Audit reporting

Please provide an example of your standard audit memo template(s)

#### Section 5

#### Price

Please outline your fees (including VAT and expenses) for the annual external requirements and the following activities:

|  |  |  |
| --- | --- | --- |
|  | Annual Fee (£) | Daily Rate (£) |
| Assessment of Audit Needs |  |  |
| Annual Audit requirements |  |  |
| Other (please specify) |  |  |

Details of proposed costings for the external audit tender provision for each of the next 5-years, with confirmation of how many years the rates are notionally guaranteed for, assuming no material changes in regulatory requirements for either party.

#### Section 6

Quality is a key concern to Coastline. Tenderers should set out the arrangements within their company for ensuring that quality exists throughout the audit process.

#### Section 7

Please provide the following additional information with your proposal:

* copy of your Health and Safety Policy statement;
* copy of your Equal Opportunities, Diversity and Inclusion and Data Protection (GDPR) policies;
* details of any rulings against your company in auditing regulations
* details of any rulings against your company in respect of equality legislation; and
* details of your company’s Professional Indemnity Insurance.

## Section D

### ADDITIONAL INFORMATION

Anyone requiring additional information should contact:

Nathan Mallows

Director of Finance

Coastline House
4 Barncoose Gateway Park
Pool
Redruth
TR15 3RQ

Tel: 01209 200160

Email: nathan.mallows@coastlinehousing.co.uk

Any requests for additional information will be collated by Coastline and a composite response sent to all companies who have been invited to tender.