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Osprey Housing Limited
Invitation to tender
Provision of External Audit Services 2025 to 2028

Tender return date & time: 5pm on 28th October 2024

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Background

- 1.1 Osprey Housing is an ambitious, dynamic, caring housing and service provider with a clear vision of “making a difference every day”. With a focus on quality, we aim to provide a range of great homes in great places where people want to live - helping support and contribute to communities throughout Aberdeenshire, Moray and the City of Aberdeen. We cater for a broad spectrum of housing needs and have a clear social purpose in striving to help a wide cross section of people.
- 1.2 Osprey Housing has approx. 1800 social rented homes across the North East of Scotland with a growth ambition to continue developing more and better homes whilst delivering high quality services for our tenants and customers.
- 1.3 We are passionate about the homes we provide and, as an organisation we are constantly evolving and embracing change. Our culture envelops both equality and sustainability whilst making tenants the focus of everything we do. We have a clear commitment to continuously improving efficiency, performance, and value for money. We have invested in new technology and digital services to provide 24/7 access to services whilst retaining the right balance of personal contact and support to our tenants and customers.
- 1.4 We invest in our people, value our staff team and, have a strong ethos of professionalism and respect.
- 1.5 Governed by a Board of voluntary serving non-executive directors, Osprey Housing has 38 members of staff. The organisation is managed by a CEO and Senior Leadership Team with an operational and business support structure that is agile and responsive.
- 1.6 **OUR VISION** – *To make a difference every day.*
- 1.7 **OUR MISSION** – *To provide high quality affordable housing and services to the people in the communities we serve.*
- 1.8 **OUR VALUES**
 - **Ambition and Achievement** – we are a high performing organisation delivering through innovation and challenge.
 - **Equality and Respect** – we recognise and celebrate the unique value in everyone.
 - **Quality and Professionalism** – we strive to deliver high standards.
 - **Agile and Responsive** – we are flexible and quick to deal with change without diminishing our delivery.

Introduction

- 1.9 Osprey Housing invites tenders for the provision of its External Audit service from **1 January 2025** for financial year ending 31 March.
- 1.10 No legal relationship or other obligation shall arise between any tenderer and Osprey Housing unless and until the contract has been formally executed in writing by Osprey Housing and the successful Provider.
- 1.11 Osprey Housing reserves the right, subject to the appropriate procurement regulations, to change without notice the basis of, or the procedures for, the competitive tendering process or to terminate the process at any time. Under no circumstances shall Osprey Housing incur any liability in respect of this ITT or the tender process more generally. Osprey Housing shall not be liable for any costs or expenses incurred by potential providers in participating in the tendering process.
- 1.12 Direct or indirect canvassing of any Osprey Housing board member, Osprey Housing employee or agent by any potential provider concerning this requirement, or any attempt to procure information from any Osprey Housing Board member, Osprey Housing employee or agent concerning this ITT may result in the disqualification of the potential provider from consideration for this requirement.
- 1.13 Osprey Housing is a Company Limited by Guarantee, a registered social landlord with the Scottish Housing Regulator (HAL 312) and is a registered Scottish Charity with the Office of the Scottish Charity Regulator (SC029461).
- 1.14 The purpose of this tendering exercise is to select external auditors for a period of three (3) years with a possible extension to five (5) years by negotiation during year three. The contract with the selected external auditors shall be renewable on an annual basis, at the sole discretion of Osprey Housing and subject to satisfactory review.
- 1.15 Osprey Housing's specification in relation to this requirement is set out in [appendix 1](#) to this ITT.
- 1.16 While the information contained in this ITT is believed to be correct at the time of issue, neither Osprey Housing nor its advisors accept any liability for its accuracy, adequacy or completeness, nor will any express or implied warranty be given. This exclusion extends to liability in relation to any statement, opinion or conclusion contained in, or any omission from, this ITT, including its appendices, and in respect of any other written or oral communication transmitted or otherwise made available to any tenderer.
- 1.17 Osprey Housing will not be liable for any bid costs, expenditure, work or effort incurred by a tenderer in proceeding with or participating in this procurement, including if the procurement process is terminated or amended.
- 1.18 Access to information about Osprey Housing including previous years accounts are available on our website - [Accounts - Osprey Housing](#)

2 Process

- 2.1 Any requests for clarifications relating to this ITT must be to gwalker@ospreyhousing.org.uk.
- 2.2 Osprey Housing will respond to all reasonable clarifications as soon as possible.
- 2.3 Osprey Housing reserves the right, but shall not be obliged, to seek clarification of any aspect of a tenderer's tender during the evaluation phase where necessary for the purposes of carrying out a fair evaluation. Tenderers are asked to respond to such requests promptly. Vague or ambiguous answers are likely to score poorly or render the tender non-compliant.
- 2.4 Please provide name, company and contact details for at least two organisations willing to act as reference sites/referees to which your organisation has provided services similar to those required by Osprey Housing pursuant to this procurement exercise.
- 2.5 Osprey Housing may invite tenderers to deliver a presentation to representatives of Osprey Housing in support of their tenders, as set out in the timetable. You should keep this date free.
- 2.6 Set out below is the proposed procurement timetable. This is intended as a guide and whilst Osprey Housing does not intend to depart from the timetable it reserves the right to do so at any stage.

Target date	Activity
30 th September 2024	Invitation to tender issued
14 th October 2024	Receipt of clarifications deadline
28 th October 2024	Tender return deadline
7 th November 2024	Shortlisting
20 th November 2024	Shortlist Interviews
1 st December 2024	Contract awarded
1 st January 2025	Contract commences

An electronic copy in pdf format of all documents must also be submitted before 5pm on 28 October 2024 to gwalkwalker@ospreyhousing.org.uk.

- 2.7 If the terms of the Conditions of Contract render the proposals in any tenderer's tender unworkable, the tenderer should submit a clarification/condition in [appendix 1](#) and Osprey Housing will consider whether any amendment to The Conditions of Contract is required. Any amendments shall be provided to and apply to all tenderers.

- 2.8 A template proposal for the Contract is attached as [appendix 2](#).
- 2.9 A signed declaration as set out in [appendix 3](#), will be required.
- 2.10 Providers should note that this ITT qualified by their tender response, any subsidiary documentation recording discussions during the procurement process, and an agreed time schedule will be incorporated into the contract. Any attempt to limit the contractual validity of this requirement will result in any tender being rejected.
- 2.11 The following documents shall form the contract between Osprey Housing and the Provider:
- (a) This ITT.
 - (b) The Conditions of Contract.
 - (c) The Provider's tender response (including the pricing schedule and any clarifications thereto).
- 2.12 This ITT is made available on condition that tenderers shall treat this ITT as private and confidential and that it is not copied, reproduced, distributed or passed to any other person at any time, except for the purposes of enabling the tenderer to submit a tender.
- 2.13 Tenderers shall not disclose their tender response in whole or in part to any third party without the express permission of Osprey Housing until after Osprey Housing has made its final decision regarding award of the contract.
- 2.14 Tenderers should advise Osprey Housing as soon as practicable in the event of discovering a potential or actual conflict of interest arising in respect of their tender response. In such circumstances, Osprey Housing may require further information from the tenderer but reserves the right to disqualify the tenderer from further involvement in the tender process.

3 **Terms of Reference**

- 3.1 The external audit service will provide Osprey Housing with an objective and independent assessment of the annual results and financial position after each financial year ending 31 March. It should provide a service to the whole of Osprey Housing including the Board and Resource and Governance Committee.
- 3.2 The external audit service is responsible for evaluating and reporting to the Board, the Resource and Governance Committee and the Director of Finance/CEO in accordance with relevant professional and regulatory requirements, including the expectations of the Scottish Housing Regulator and the Scottish Charities Regulator.

4 **Award criteria and tender evaluation model**

- 4.1 Any contract(s) awarded as a result of this procurement will be awarded on the basis of the offer that is the most economically advantageous to Osprey Housing on the basis of the best price-quality ratio. Tenders will be evaluated using the following award criteria:
- 4.2 Cost will have a weighting of 20%. Quality will have a weighting of 80%.

- 4.3 A fee proposal which includes and acknowledges that the scope, and consequently the time requirement, of external audit work will be determined by the Resource and Governance Committee, having regard to the advice of Officers. Your fee proposal should be set out as per appendix 2.
- 4.4 Costs quoted should be fully inclusive of expenses but exclusive of VAT.
- 4.5 Quality will have a weighting of 80% broken down as follows:

1. Knowledge and understanding of and experience within the Housing Sector	30%
2. Strength of audit team	20%
3. Resourcing of contract	20%
4. Approach to contract delivery	20%
5. Sustainability credentials	10%

- 4.6 Scores are arrived at following the application of the evaluation criteria set out below.
- 4.7 Tenderers are required to submit a tender strictly in accordance with the requirements set out in this ITT, to ensure Osprey Housing has the correct information to make the evaluation. Evasive, unclear or hedged tenders may be discounted in evaluation and may, at Osprey Housing’s sole discretion, be taken as a rejection by the tenderer of the terms set out in this ITT.
- 4.8 The tender evaluation model showing the evaluation criteria and the maximum scores attributable to them is set out below.

Marks will be allocated to cost as outlined in the table below:

% points	Pricing evaluation
100%	Lowest priced Provider
	<p>Other Providers will receive a % score calculated by reference to the following formula:</p> $\frac{\text{lowest price/}}{\text{Provider's price}} \times 100$ <p>For example, a bid that is 10% more expensive than the lowest priced Provider will receive a score of 91, one that is twice as expensive will receive a score of 50 and so on.</p>

- 4.9 Tenderers must provide information on each of the quality assessment areas to allow Osprey Housing to evaluate the potential Provider.

4.10 Marks will be allocated to responses in the quality section as outlined in the table below:

Performance	Judgement	Score
Meets all the Client's requirements in the area being measured in accordance with the Contract Documents so that the Services will be delivered in an excellent way that will be highly responsive to the needs of the Client.	Excellent	10
Meets most of the Client's requirements in the area being measured almost completely so that the Services will be delivered in a nearly excellent way that will be responsive to the needs of the Clients.	Nearly Excellent	9
Meets the Client's requirements in the area being measured well although not completely in one or two aspects but still so that the Services will be delivered in a very good way that will be responsive to the needs of the Clients.	Very Good	8
Meets the Client's requirements and standards in the areas being measured well but not completely in some aspects, but still so that the Services will be delivered well and in a way that is reasonably responsive to the needs of the Client.	Good	7
Meets the Client's requirements in the areas being measured in the majority of aspects, but fails in some aspects, so that the Services will be delivered well and in a way that is reasonably responsive to the needs of the Client.	Reasonable	6
Meets the Client's requirements in the area being measured in the majority of aspects, but fails in some fundamental aspects, so that there will be only satisfactory arrangements for the Service delivery.	Satisfactory	5
Meets the Client's requirements in the area being measured in some fundamental aspects but fails in the majority of aspects so that there will be only moderately satisfactory arrangements for Service delivery.	Moderately Satisfactory	4
Meets the Client's requirements in the area being measured in some minor aspects but fails in the majority of aspects so that there will be unsatisfactory arrangements for Service delivery.	Unsatisfactory	3
Fails to meet the Client's requirements in the area being measured in nearly all aspects so that there will be poor delivery of Service delivery.	Poor	2
Significantly fails to meet the Client's requirements in the area being measured so that there will be very poor delivery of Service delivery.	Very Poor	1
Either no answer is given or the Tenderer's proposals in that area completely fail to meet the Client's requirements in the area being measured or do not answer the question raised.	Extremely Poor	0

Appendix 1 – Specification/Requirements

External Audit services

Osprey Housing wishes to arrange a formal contract for the provision of External Audit Services, commencing January 2025.

All of Osprey Housing's activities fall within the remit of the external audit service. The Board is the decision maker within Osprey Housing, based on reports and recommendations provided by the Senior Leadership Team.

The successful firm will be required to provide the following services during the term of its engagement to:

- Perform an audit of the annual financial statements of Osprey Housing at the end of each financial year, including performing any planning work necessary prior to the commencement of the fieldwork each year.
- Liaise with Senior Leadership team and staff as required to ensure efficient and effective delivery of its services within the agreed timescales dictated by Osprey Housing, laid down meeting schedules and reporting deadlines.
- Provide advice on adherence to accounting standards, financial reporting standards and auditing standards as they may apply to Osprey Housing.
- Provide accountancy / taxation advice in respect of changes to legislation or accounting standards before they become operational as required.
- Provide advice and services on direct and indirect taxes (including but not limited to Corporation Tax and Value Added Tax).
- Provide accountancy services as requested by Osprey Housing's Senior Leadership Team that would arise from time to time.
- Provision of advice to Osprey Housing's Senior Leadership Team and Resource and Governance Committee as required.
- Liaise with Osprey Housing's internal auditors to ensure full exchange of information.

Responsibilities

The Osprey Housing's Finance team will provide the external auditor with draft statutory accounts and supporting working papers for Osprey Housing prior to the start of fieldwork for each year end audit.

The external auditor is required to give an opinion to the Board of Osprey Housing via the Resource and Governance Committee, on the level of assurance obtained that the financial statements are free from material misstatement, whether due to fraud or error.

The external auditor is required to give an opinion to the Board of Osprey Housing via the Resource and Governance Committee, on the adequacy and effectiveness of the arrangements for financial risk management and corporate governance within the organisation, and whether it is appropriate for the Board to rely on these.

Standards and Approach

The external auditor's work will be performed in accordance with appropriate professional auditing practice. It will comply with the relevant Code of Audit Practice and the Scottish Housing Regulator's Standards of Governance & Financial Management.

In achieving its objectives, the external audit service will develop and implement an audit strategy that assesses Osprey Housing's arrangements for risk management, control and governance, and the accuracy of its accounting records.

Independence

The external audit service has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control and governance, value for money and related matters (including upcoming changes to relevant legislation of which Osprey Housing should be aware), should it note such matters during the course of its work.

For day-to-day administrative purposes, the external auditor should report to the Director of Finance.

Within Osprey Housing, responsibility for risk management, control and governance arrangements and the achievement of value for money rests with the Board, who should ensure that appropriate and adequate arrangements exist without reliance on the external audit service. Where there are differences of opinion between external audit and the Senior Leadership Team, the Board should ultimately determine whether or not to accept audit recommendations, recognise and accept the risks of not taking action, and instruct the Senior Leadership Team to implement any recommendations made.

Access

The external audit service has rights of access to all of Osprey Housing's records, information and assets which it considers necessary to fulfil the terms of the contract.

Reporting

The external auditor is accountable to the Resource and Governance Committee for the performance of the service. Also required to report audit findings to the Director of Finance and the CEO and draw the attention of the Resource and Governance Committee to key issues and recommendations.

The external auditor should prepare, before the beginning of each year end audit, an Audit Plan and audit risk assessment supported by an assessment of resource needs for Osprey Housing. These should be submitted to the Resource and Governance Committee for approval following consultation with the Director of Finance.

The external auditor will be required to review the Internal Audit reports issued during the financial year and to liaise with the internal auditors where necessary.

The external audit service is required to certify any annual returns to lenders or the Scottish Housing Regulator which may be required.

The taxation specialists of the external audit service are required to prepare any annual taxation computations and returns required to ensure compliance with the requirements of HMRC.

The external audit service is required to produce its final Audit Findings report, in writing, within 15 working days of completing each year's audit. The Audit Findings report should provide an opinion on the accounts reviewed, identifying significant weaknesses in internal controls or accounting processes noted during the course of the fieldwork and make recommendations to improve systems where appropriate.

These reports will then be submitted for approval to the Resource and Governance Committee. Material recommendations will usually be followed up within a defined timescale. In addition, the Resource and Governance Committee will monitor the implementation of audit recommendations.

Fee base

Any proposed increase in fees for subsequent years of the contract shall not exceed that of the CPI September rate published in October, unless the scope of the audit required is significantly amended and or augmented by the prior written instruction of Osprey Housing.

Proposed Personnel

Prospective auditors are requested to provide a resume of all staff who will work with Osprey Housing.

The selected auditors will be required to provide suitably qualified and experienced staff and to ensure that they receive appropriate training. They must also ensure that appropriate arrangements are in place to provide continuity of staffing.

Resource and Governance Committee meeting

The external auditor will be required to attend the appropriate Resource and Governance Committee meetings to present its audit reports and discuss their findings, conclusions and make any recommendations.

Termination of Appointment

In the event of serious shortcomings on the part of the selected auditor, the Resource and Governance Committee may remove them with immediate effect, without compensation, notwithstanding any agreement between them and Osprey Housing. Either party can end the contract at any time by providing six months' written notice.

Contact

Gary Walker
Director of Finance
22 Abercrombie Court
Prospect Road
Arnhall Business Park
Westhill
Aberdeenshire
AB32 6FE

Email gwalker@ospreyhousing.org.uk
Telephone 01224 548029

Appendix 2 – Tender Submission Template

Offer for Provision of External Audit Services 2024/25 – 2026/27

**To: Osprey Housing
 22 Abercrombie Court
 Prospect Road
 Arnhall Business Park
 Westhill
 Aberdeenshire
 AB32 6FE**

Sir,

Having perused the Conditions of Contract, and considered the above requirements, I/we _____ hereby offer to execute the above mentioned work all in accordance with the above mentioned documents and do hereby agree to complete the work all in accordance with the above mentioned documents and do hereby agree to complete the work to the entire satisfaction of the Contract Administrator for:

	Year 1 (24/25)
	£
Audit Work <i>days per annum x rate</i>	
Proposed day rate for taxation services	
Proposed day rate for accountancy services	
Anticipated expenses	
Attendance at Committee Meetings* <i>If not included in Audit Work</i>	

* Expected to be once per annum

Signature on behalf of Provider: _____

Name: _____

Address: _____

Date: _____

Appendix 3 – Declaration

The following declaration is to be completed for and behalf of the Provider.

To: Osprey Housing

I/We submit this tender in support of our application to tender for the provision of External Audit services.

I/We certify that the information supplied is accurate and to the best of our knowledge and that I/We accept the conditions and undertakings requested in the ITT.

If this offer is accepted, I/We will execute such documents in the form of the contract within five days of being called on to do so.

We agree that before executing the contract in the form set out in the ITT, the formal acceptance of this tender in writing by Osprey Housing or such parts as may be specified, together with the contract documents attached hereto shall comprise a binding contract between Osprey Housing and the Company

I/We further agree with Osprey Housing in legally binding terms to comply with the provisions of confidentiality set out in sections 2.12 and 2.13 of the ITT.

I/We further undertake, and it shall be a condition of any contract, that:

The amount of the tender has not been calculated by agreement or arrangement with any person other than Osprey Housing and that the amount of the tender has not been communicated to any person until after the closing date for the submission of tenders and in any event not without the express consent of Osprey Housing.

I/We have not canvassed and will not, before the evaluation process, canvass or solicit any member or officer, employee or agent of Osprey Housing in connection with the award of the contract and that no person employed by us has done or will do any such act.

I/We warrant that I/we have all requisite authority to sign this tender and confirm that I/we have complied with all the requirements of the ITT.

Organisation _____

Signature _____

Name and status _____

Date: _____

Appendix 4 – Quality Assessment.

Q1. Knowledge and understanding of and experience within the Housing Sector	Quality weighting 30%
<p>Guidance: Governance structure, FRS102, Accounts Direction, current issues, SHR Regulatory Standards of Governance & Financial Management</p> <p>Describe the relevant experience of your company in the context of this contract, including the number of RSL clients and the length of your contract with them. Please also confirm whether or not any contracts have ended due to non-compliance with the contract agreement.</p> <p>Please provide a minimum of 2 organisations' reference contact details (i.e.name, telephone, or email and position in the organisation) - both of these should be Housing Association clients.</p>	
Q2. Strength of Audit Team	Quality Weighting 20%
<p>Guidance: Experience/qualifications of staff who will carry out the fieldwork and reviews.</p>	
Q3. Resourcing of contract	Quality Weighting 20%
<p>Guidance: Staff assigned to contract (number/grade); availability of other staff to provide cover; staff retention figures; availability of Partner/Senior Manager for Committee meetings.</p>	
Q4. Approach to contract delivery	Quality Weighting 20%
<p>Guidance: Describe the approach you will adopt for carrying out the External Audit services (including where you believe you will provide added value) and what your proposed work plan is, including target response times and use of IT.</p> <p>Outline Relationship with client; timetabling management; relationships with internal auditors, etc.</p> <p>Please provide one example each of Audit Plan and Final Audit Findings reports you have provided to your clients; client names and other identifying information may be omitted.</p>	
Q5. Demonstrate your Sustainability credentials.	Quality weighting 10%
<p>Guidance: In the context of Osprey Housing's requirements provide a copy your organisations' Sustainability Strategy/Policy and provide a statement of examples where this has been demonstrated and made a real difference 'on the ground'.</p>	

Appendix 5 - Performance Indicators for External Audit Service

Osprey Housing expects the successful organisation to adopt the following performance targets:

1. Audit Plan to be presented to the May Resource and Governance Committee meeting.
2. Opinion on the statutory accounts and Final Audit Findings report to be presented at the August Resource and Governance Committee meeting. Report must be prepared for circulation 7 days before meeting date.
3. Draft Reports to be submitted to Osprey Housing within 15 working days of the end of the fieldwork.
4. Management responses to the draft reports to be received by the external auditor within 15 working days of receipt of the report.
5. Recommendations made compared with recommendations accepted.
6. The views of management on satisfaction with audit conduct.

Please confirm that you are able to meet these performance targets setting out the processes that you have in place to ensure that they are achieved.