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Tender

Appointment of an External Auditor

FREEPORT EAST LIMITED

F02: Contract notice

Notice identifier: 2024/S 000-003842

Procurement identifier (OCID): ocds-h6vhtk-04377a

Published 6 February 2024, 11:37am

Section I: Contracting authority

I.1) Name and addresses

FREEPORT EAST LIMITED

Parkeston Quay,Parkeston

HARWICH

CO12 4SR

Contact

Marie Finbow

Email

marie.finbow@freeportheast.co.uk

Telephone

+44 7825732005

Country

United Kingdom

Region code

UKH - East of England

Companies House

14525587

Internet address(es)

Main address

<https://freeporteast.co.uk/>

Buyer's address

<https://freeporteast.co.uk/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://freeporteast.co.uk/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://freeporteast.co.uk/>

Tenders or requests to participate must be submitted to the above-mentioned address

I.4) Type of the contracting authority

Other type

Private not-for-profit SME solely funded through Government and Local funding

I.5) Main activity

Economic and financial affairs

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Appointment of an External Auditor

II.1.2) Main CPV code

- 66000000 - Financial and insurance services

II.1.3) Type of contract

Services

II.1.4) Short description

Freeport East Ltd is seeking an independent external auditor to examine the financial statements of the company and provide feedback. The responsibilities of external auditor(s) include planning effective auditing processes, performing audits, and reporting back on findings.

To be successful as an external auditor, you should have excellent knowledge of auditing principles, be analytical, and have good communication skills. Ultimately, we are looking for an external auditor who can make informed and rational decisions, be objective, and is detail orientated.

The company is looking to appoint an external auditor for a period of 12 months, with the opportunity to extend the contract for a further 24 months, based on acceptable performance in the first 12 months and upon approval by the Supervisory Board.

II.1.5) Estimated total value

Value excluding VAT: £10,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 79000000 - Business services: law, marketing, consulting, recruitment, printing and security

II.2.3) Place of performance

NUTS codes

- UKH - East of England

Main site or place of performance

Our Headquarters is at Harwich International Port, Parkeston Quay, Harwich, C012 4SR

II.2.4) Description of the procurement

We are looking for an external auditor to examine the financial statements of the company and provide feedback. The responsibilities of external auditors include planning effective auditing processes, performing audits, and reporting back on findings.

Freeport East Ltd is a company limited by guarantee (without shares) and incorporated on 6 December 2022.

Freeport East Ltd is a not-for-profit SME and currently employs 6 FTE with the potential to grow to up to 10 FTE over the next 12 months.

East Suffolk Council acts as the company's accountable body and retains and administers all of the company's income on its behalf. The Company currently uses the accounting system for East Suffolk Council, including a separate bank account which has been set up by the Council on behalf of Freeport East Ltd.

The Company is required to file its first set of audited Accounts (made up from 6 December 2022 to 31 March 2023; and April 2023 to 31 March 2024) with Companies House by 6 September 2024.

Our first Annual General Meeting is due to be held on 26 September 2024, and we would like to present a full set of audited accounts and the Auditors Report to our members at this meeting.

The audit process will be overseen by the company's Finance and Audit Committee, which is a sub-group of the Supervisory Board. The Finance and Audit Committee is led by the Accountable Body's Section 151 officer and whose membership includes the company's chair of the Board and another Board director. Meetings are held virtually every two months.

The Supervisory Board sets the strategic direction of Freeport East and approves the company's strategic decisions, including annual budget, business plan and longer-term

strategy.

Our estimated funding is estimated to be just over £25 million over the next financial year. This includes seed capital funding and pooled future business rates (further detail below), which is held by the Accountable Body and is not funding that flows through the company. Freeport East' role is initiating the funding and its release.

Funding received since incorporation includes £1 million in capacity funding and £12 million seed capital funding from the Department for Levelling Up, Housing and Communities (part of the £25m, with the remaining seed capital funding expected to be drawn down in the financial year 2024/25).

In addition, our five local authorities have also pooled £800,000 from future retained business rates to enable the freeport to launch two grant schemes to support businesses in our region through our Clean Growth fund and our Innovation and Skills fund.

In the meantime, we may also receive some further capacity funding from Government.

Our operational costs are estimated at £1.25 million per annum.

Our future source of income will be 100% retention of business rates generated across our five tax sites over the next 25 years.

To be successful as an external auditor, you should have excellent knowledge of auditing principles, be analytical, and have good communication skills. Ultimately, we are looking for an external auditor who can make informed and rational decisions, be objective, and is detail orientated.

External Auditor Responsibilities:

- Evaluating financial statements and assessing accounts for accuracy and compliance.
- Investigating internal systems and operations.
- Assessing risk management approaches.
- Reporting on errors and fraud.
- Providing feedback reports on findings.

External Auditor Requirements:

- CCAB qualified accountant

- Degree in accounting or finance.
- Previous experience as an external auditor.
- Experience in data analysis and reporting on finances.
- Strong knowledge of accounting principles.
- Proficiency in ERP software.
- Good decision-making abilities.
- Problem-solving skills.
- Professional and trustworthy.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £10,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

12

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: Yes

Description of options

The company is looking to appoint an external auditor for a period of 12 months, with the opportunity to extend the contract for a further 24 months, based on acceptable performance in the first 12 months and upon approval by the Supervisory Board.

II.2.14) Additional information

Background

We are one of 12 freeports in the UK with an ambition to be a hub for global trade and national regeneration as well as creating a hotbed for innovation that will have impact across the UK.

Freeport East covers a geographic area on the east coast of England including Harwich, Felixstowe, Colchester, Ipswich and Stowmarket and is a partnership between local stakeholders across the public and private sectors charged with delivering the Government's freeport policy. Our members and wider partners include Hutchison Ports, Gateway 14, Essex County Council, Suffolk County Council, East Suffolk Council, Tendring District Council, Babergh and Mid Suffolk Councils and the University of Essex.

With our unique global links and existing innovative sectoral clusters, the aim of our freeport is to attract inward international investment and drive domestic growth, propelling the country's economy forward.

Our freeport is anchored around three main development sites (and two smaller sites) that offer a suite of investment incentives.

The main sites are located at the Port of Felixstowe, Harwich International Port and Gateway 14 near Stowmarket.

As a freeport, we can offer tax site incentives and a bespoke customs operations model that can be applied to any site, anywhere across our geography, designed to support increased trade and investment.

Through the UK Government, freeports have enhanced opportunities to access innovation and regulatory support, including financial resources.

All 12 UK freeports work closely with the UK Government to deliver the support and investment our regions require.

Freeports are a fundamental part of the UK Government's Levelling Up agenda and were established to increase opportunities across the country. They are crucial for the UK's recovery after Covid, aiding the levelling up process by boosting jobs, investment, and prosperity through focused support.

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers

List and brief description of conditions

External Auditor Requirements:

- CCAB qualified accountant
- Degree in accounting or finance.
- Previous experience as an external auditor.
- Experience in data analysis and reporting on finances.
- Strong knowledge of accounting principles.
- Proficiency in ERP software.
- Good decision-making abilities.
- Problem-solving skills.
- Professional and trustworthy.

In setting out your response to this ITT, please ensure that the following is included:

1. Explain the audit approach that you will adopt and how you believe this best meets the needs of Freeport East Ltd.
2. Specify the proposed team who will undertake the work, along with their skills set and ability to deliver the audit service in a timely manner.
3. Demonstrate an understanding of our business and provide examples of working with similar companies.
4. Outline the training programmes you have in place to ensure your staff meet continuing professional development requirements.
5. Explain how you will develop your understanding of the major risks for our company

and how to respond.

6. Outline your approach to communication and reporting back to our Finance and Audit Committee and the planned frequency of written and verbal communications.

7. Briefly outline your approach to innovation and the extent to which technology will be integrated into the audit approach (including, where relevant, use of data analytics)

8. To enable us to assess compliance with independence requirements as well as your approach to ensuring an appropriate ethical culture exists within your company, please outline your firm's audit quality control arrangements and provide copies of your firm's latest external and internal quality reviews and the actions put into place to address any issues that arose from these reviews.

9. Provide an overview of any additional services that your company provides, which could be of value to Freeport East Ltd and your connections with our geography.

10. Provide a brief explanation on your company's values and your approach to business ethics.

III.1.2) Economic and financial standing

List and brief description of selection criteria

Cost / Value for Money 10%

Effectiveness of the audit process 30%

Access to additional services / added value 15%

Demonstrate an understanding of our business 10%

Communication / company auditor relationship 15%

Links with geographical area 20%

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.2) Conditions related to the contract

III.2.1) Information about a particular profession

Execution of the service is reserved to a particular profession

Reference to the relevant law, regulation or administrative provision

CCAB qualified accountant

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

15 March 2024

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.7) Conditions for opening of tenders

Date

18 March 2024

Local time

8:00am

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.4) Procedures for review

VI.4.1) Review body

Freeport East Limited

Harwich, Essex

Country

United Kingdom