Document B

Requirements and Specification

1. Overview

1.1 Internal Audit Tender Opportunity

Advance is inviting proposals from qualified firms to provide internal audit services, commencing 1 April 2026. The contract will be awarded based on overall value, not solely on price. This document outlines the service specification and requirements for the internal audit contract and should be read in conjunction with Document A for a comprehensive understanding of the tender scope and expectations.

The appointed provider will be expected to deliver opinions to the Board, via the Audit and Risk Committee, on the adequacy and effectiveness of the arrangements for risk management, governance and value for money across the business.

1.2 Scope

The scope of internal audit work should cover all operational and management controls and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements.

1.3 Collaboration

To provide the required assurance, the internal auditor will work with the Business Assurance Manager to develop a three-year internal audit plan which outlines the programme of work. This programme of work should include an evaluation of the arrangements in place to:

- Establish and monitor the achievement of organisational objectives
- Identify, test and evaluate key systems and controls ensuring that they are relevant appropriate and effective
- Identify, assess and manage risks
- Assess compliance with policies and relevant laws and regulations
- Assess the integrity and reliability of financial and other information provided to management and stakeholders
- Ascertain that systems of control are operating to promote economy, efficiency and effectiveness in the use of resources.

1.4 Organisation Experience

The proposal should demonstrate an understanding of our broader business needs and risks and how the internal audit service will be aligned to these. Respondents must also clearly evidence their relevant experience and expertise, including examples of similar engagements, to demonstrate their capability to deliver a high-quality service.

Audit Partner

Provide a detailed overview of the Audit Partner's qualifications and experience, with emphasis on work within:

- The housing sector (including Registered Social Landlords)
- Support sectors.

Audit Manager

Advance expects continuity through a single named Audit Manager for the duration of the contract. Please describe:

- Their professional background and qualifications
- Relevant experience in housing, employment, and support sectors
- Leadership and client relationship management capabilities

Other Specialist Staff

Outline the roles, skills, and sector experience of any additional team members. Include succession planning strategies.

Team Experience Table

Please see the example below. It illustrates a possible layout that could be used to submit the required information. You may follow this format or use a similar structured approach.

Name	Job Title	Key skills and specialisation	No of years RSL/Housing Association Experience	Relevant Qualifications and dates

2. Standards and Approach

The internal auditor's work will be performed in accordance with appropriate professional auditing practice. The proposal should detail the measures the internal auditor will put in place to monitor the quality and effectiveness of the service, compliance with standards and how continuous improvement will be demonstrated.

Planned Audit Timetable

Provide a proposed timetable for the annual audit cycle, including:

- Number of audit days
- Staff grades assigned to each phase.

Phase	Indicative Dates	Staff Grade(s)	Est. Days
Planning			
Fieldwork			
Reporting			
Follow-up			

Typical Audit Visit

Describe what Advance can expect during each phase:

- Planning
- Fieldwork/performance
- Reporting and follow-up

3. Quality assurance

The proposal should outline the provider's QA processes and explain how these will add value to the Advance contract.

4. Independence

The internal 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, subject to resource constraints. For day-to-day administrative purposes only, the internal auditor should report to the Business Assurance Manager.

The proposal should summarise the internal practices that the provider has in place to comply with independence requirements, ensuring that conflicts of interest are resolved appropriately. We do not anticipate any relationship concerns that may affect the provider's independence. However, if such concerns exist, the proposal should clearly outline a plan for how these issues will be managed.

5. Reporting

The proposal should include an overview of the reporting protocol that will be adopted by the provider and the process for monitoring the implementation of audit recommendations.

5.1 Audit and Risk Committee

It is expected that the Internal Auditors will be required to attend all Audit and Risk Committee meetings to present internal audit reports and provide insight into sector issues. For information, Audit and Risk Committee dates for 2026/2027 are:

- 17 February 2026
- 19 May 2026
- 22 July 2026
- 10 November 2026

6. Resourcing

The tender should include details of the core staff to be involved in the audit, their qualifications and relevant experience in the housing sector. The tender should also describe the arrangements that will be put in place to provide continuity of staffing.

7. Days and Fee/day rate

Advance expects the total number of days in the annual programme to be approximately 55 days per year, split 45 days auditing activity and 10 days compliance testing.

7.1 Advance expects that the fee quoted for the services within the tender shall be a fixed priced for the duration of the contract.

7.2 A proposal should be provided to Advance on a price per day basis.

7.3 Tenders should set out what is included in their day rate – management review and QA, committee attendance, expenses and VAT for example

7.4 Tenderers should outline the added value they propose to bring to this contract.

7.5 The selected auditors may be asked from time to time to provide additional services beyond the scope of the audit plan which could involve investigative work and value for money reviews..

Precise requirements will be subject to approval by the Audit and Risk Committee before any work is undertaken

8.2 **Interview**

Shortlisted respondents will be required to attend an interview during the week commencing 5th January 2026.

The interview will consist of a presentation lasting no longer than 15 minutes. The theme for the presentation will be provided upon shortlisting. This will be followed by a question-and-answer session of up to 30 minutes.

9.Other Requirements

9.1 **References**

Pease provide the details of two organisations, preferably from the housing sector, for whom you have provided internal audit services in the last two years. These referees will be contacted once the shortlisting is complete and must be willing to provide a response prior to the interview date.

9.2 **Confidentiality**

All information provided by Advance must be treated as confidential. Advance will maintain confidentiality of all tender submissions.

9.3 Terms of Engagement

As part of your submission, please include your standard engagement letter, which should clearly outline the terms under which services will be delivered. This should cover, at a minimum:

- Scope of services
- Roles and responsibilities
- Reporting arrangements
- Fees and billing structure
- Confidentiality and data protection provisions
- Termination clauses
- Dispute resolution mechanisms

The engagement letter will form the basis of contractual discussions and must be aligned with the expectations and requirements set out in this Invitation to Tender.

Document B

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9.4 Status of Document

The Invitation to Tender does not constitute a binding offer. Advance will not reimburse any costs incurred during the tender process.

9.5 Further Information

Background documents are available on our website:

- Financial Statements and Annual Report for year ended 31 March 2025
- Strategic Plan 2023–2026

For queries, contact: Kayleigh Sterland-Smith, Executive Director of Finance & Technology (Contact details provided in the invitation letter)
Note: All questions and responses may be shared with other tenderers.

Insurance
Confirm your firm's level of professional indemnity insurance.

9.6 Equality and Diversity

Advance is committed to inclusion and social cohesion. Please explain:

- How your organisation supports diversity
- How you will help Advance deliver its Equality and Diversity objectives.

9.7 Anti-Bribery Compliance

Confirm your firm's compliance with all relevant anti-bribery legislation.

9.8 GDPR/ DPA 2018 Compliance

Describe your approach to:

- Compliance with the Data Protection Act 2018 and GDPR
- Handling personal and special category data during audits
- Proposed client agreements related to data protection

9.9 Conflicts of Interest

Confirm that:

- The named Audit Partner and Audit Manager have no relationships with Advance staff, Directors, or Board Members
- Your firm has procedures to identify and manage potential conflicts of interest

9.10 Safeguarding

Confirmation of safeguarding policies and procedures.
Disclosure of any safeguarding concerns or investigations in the past five years.

9.11 Anti-Money Laundering

Provide description of internal AML policies, controls, and procedures.
Confirm compliance with:
Money Laundering Regulations and relevant legislation (e.g., Proceeds of Crime Act 2002, Terrorism Act 2000).

9.12 Modern Slavery & Human Rights

Confirmation of compliance with the Modern Slavery Act 2015.
Statement of commitment to human rights and fair labour standards.

9.13 Ineligibility Conditions

Part A of Document C sets out mandatory pass/reject ineligibility criteria.
Respondents must confirm whether any listed conditions apply, as a "yes" may lead to automatic rejection from the procurement process.

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