

7.1 CONSIDERATION OF TENDER RFT21TC48 - PROVISION OF INTERNAL AUDIT SERVICES

Ward: (Not Applicable) (Governance)

Disclosure of Interest: Nil

Authorised Officer: (Chief Executive Officer)

The attachment to this report is **CONFIDENTIAL** as it includes information regarding a contract which may be entered into and is a matter that if disclosed would reveal information of commercial value. Should Council seek to discuss the confidential information during the Ordinary Meeting of Council, Council should resolve to move behind closed doors.

KEY ISSUES

- The City sought Tenders for the provision of internal audit services. This is to perform the role of the external appointed internal audit service provider to the City.
- A local public notice for the tender was published in the West Australian on 28 August 2021, at the City of Swan Libraries and on the City of Swan website, and notices were sent via email from Tenderlink.
- Submissions were received from each of the following:
 1. Moore Australia (WA) Pty Ltd, Perth WA
 2. Paxon Business and Financial Services Pty Ltd, Perth WA
 3. RSM Australia Pty Ltd, Perth WA
 4. Stantons International Audit & Consulting Pty Ltd, West Perth WA
 5. William Buck Consulting (WA) Pty Ltd, South Perth WA
- The submission from William Buck Consulting (WA) Pty Ltd is the preferred submission based on the City's tender evaluation.
- The value of this tender is within the threshold for award by the Chief Executive Officer as per the Delegation of Authority Register and Council Policy POL-C-116 Procurement.
- In accordance with the Management Practice MP-170 Internal Audit Charter, an update on the appointment of the external appointed internal audit service provider is provided to the Audit Committee, prior to award of the contract by the Chief Executive Officer under delegated authority.

- At the November Audit Committee meeting, it was recommended that Council selects the preferred tenderer.

The Audit Committee recommends that the Council resolved to select the tender submission by William Buck (WA) Pty Ltd for RFT21TC48 - Provision of internal audit services.

BACKGROUND

The Internal Audit Function (IAF) is established by authority of the Chief Executive Officer (CEO).

The City utilises an outsourced with in-house management methodology for the conduct of the IAF. The internal audit plan is delivered by an externally appointed internal audit service provider.

The Principal sought tenders for the provision of internal audit services which include; internal audit planning, conducting internal audit engagements, attendance at Audit Committee meetings, and other associated duties.

DETAILS

ITEM	RESPONSE
Scope:	The Principal sought tenders for the provision of internal audit services. This will include; internal audit planning, conducting internal audit engagements, attendance at Audit Committee meetings, and other associated duties.
Contract term:	Initial: Twenty four (24) months Extension option(s): Twenty four (24) months period to a maximum total period of thirty six (36) months.
City approval to proceed to request:	Chief Executive Officer
Request closing date:	15 September 2021
Offer validity expiry date:	24 December 2021
Expiry date of any existing contract:	August 2021
Anticipated contract commencement date:	On award

TENDER SUBMISSIONS

The pre-qualification requirements for this request: NIL

Tenders were received from the following organisations:

- a) Moore Australia (WA) Pty Ltd, Perth WA
- b) Paxon Business and Financial Services Pty Ltd, Perth WA
- c) RSM Australia Pty Ltd, Perth WA
- d) Stantons International Audit & Consulting Pty Ltd, West Perth WA
- e) William Buck Consulting (WA) Pty Ltd, South Perth WA

EVALUATION PANEL

The tender evaluation panel comprised of three voting members with representatives from two business units in accordance with the City's evaluation panel process requirements.

All evaluation panel members provided declarations of conflicts of interest with nil conflicts declared.

PRELIMINARY ASSESSMENT (COMPLIANCE ASSESSMENT)

The compliance and disclosure requirements for this request were:

Description of compliance criteria
Compliance with the requirements contained in the Request
Compliance with the conditions of tendering contained in the Request
Compliance with the delivery date/time of lodging the Tender
Compliance with and completion of the price schedule(s)
Compliance with the requirement to provide the relevant occupational safety and health documentation within the required timeframe as specified in Schedule A
Compliance with the requirement of Senior Consultants to hold professional qualifications necessary for professional membership of the Institute of Internal Auditors - Australia

All tenderers were deemed to be compliant and, therefore, passed through to the qualitative assessment.

QUALITATIVE ASSESSMENT

The qualitative requirements for this request were:

Description of compliance criteria	Weighting
Demonstrate your organisations experience in supplying similar works and services	30%
Demonstrate the skills and experience of key personnel to be used in this project	40%
Provide an outline of the methodology to be used in supplying the Requirements	30%

EVALUATION SUMMARY

Tenderer	Price ranking	Qualitative ranking	Marginal cost benefit ranking
Stantons International Audit & Consulting Pty Ltd	1	5	1
Paxon Business and Financial Services Pty Ltd	2	4	2
William Buck Consulting (WA) Pty Ltd	3	1	3
Moore Australia (WA) Pty Ltd	4	2	4
RSM Australia Pty Ltd	5	3	5

CONSULTATION

A local public notice for the tender was distributed as follows:

- Publication on City of Swan website
- Publication in the City of Swan libraries
- Publication in The West Australian, 28 August 2021
- Email notifications via Tenderlink

ATTACHMENTS

Confidential Report RFT21TC48 - Provision of internal audit services

STRATEGIC IMPLICATIONS

Strategic Community Plan 2021-2031

Objective: G2.1 Improve capability and capacity

Council Policy POL-C-116 Procurement

STATUTORY IMPLICATIONS

Local Government Act 1995

Local Government (Administration) Regulations 1996

Local Government (Functions and General) Regulations 1996

Delegation of Authority Register 2021

FINANCIAL IMPLICATIONS

As part of the internal audit process, all internal audits are scoped prior to commencement and, this process considers budgetary restraints and operational/audit requirements.

Budget item description:	Consultants
Budget account / job no:	1420.66603
Budget item amount:	\$135,000
Total expenditure to date:	\$2,500
Available budget balance:	FY2021/22 \$132,500
Forward estimated amount*:	FY2022/23 \$135,000

*Forward estimated amount is a provisional amount and is subject to Council approval through the annual budgeting process.

The preferred tenderers submission was within the budgeted amount and the forward estimate.

VOTING REQUIREMENTS

Simple majority

RECOMMENDATION

The Audit Committee recommends that the Council resolve to:

- 1) Select William Buck Consulting (WA) Pty Ltd as the preferred tenderer for RFT21TC48 - Provision of internal audit services.
- 2) Allow the option to extend the contract by a further twelve (12) months.
- 3) Upon award of the contract, advise all tenderers and update the City's public tender register accordingly.

CARRIED EN BLOC