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This piece has been put together following discussions with the suppliers of the Framework Agreement. **Background** Many Universities have reported that they have seen a reduced response rate to tenders published, both on and off Framework Agreement, over the past six to twelve months. This is something that is not specific to the NWUPC Framework Agreement but is being seen across the market. Quite often zero to two responses are being received. Those that are being received are seeing considerable price increases, this is also the case when repricing with the incumbent.  **The following factors are said to be contributors to the above:**   1. Resource Availability – organisations with a public interest such as Higher Education Institutions see an increase in requirements when completing an audit which can cause the audit to be resource heavy. There is also a recognised shortage in auditors in the market which is making it difficult for suppliers to take on further resource. 2. Reputation Consideration – Some auditors are becoming more critical when deciding when to bid due to potential impacts to reputation when working with high profile customers. 3. Conflicts of Interest/Firm Independence – restrictions on audit conflict mean that when a firm is employed on other non-audit work such as advisory it can mean that these firms are then unable to tender for audit work. This therefore reduces the number of firms that can respond. This can lead to suppliers deciding whether to tender for audit or non-audit work, the latter can be more lucrative currently. 4. Audit Complexity – those with Public Interest Entity status and public sector bodies can require more complex audits and extra specialist time that can increase the costs and time associated with completing their audits which can cause escalating fees to Institutions. 5. BEIS Consultation – consultation is currently taking place on audit and governance reform, a suggestion is to increase the number of organisations that are designated as a PIE (Public Interest Entity) – including a range of HE Institutions, if this is decided it could impact the audit market. Some who are an auditor to a PIE may be excluded from other work too and auditing more PIE’s could reduce the capacity that they have to audit smaller institutions in the long run.   Text  Description automatically generated A picture containing text, electronics  Description automatically generated **Tendering Tips**  * **Early Engagement –** engaging with the suppliers as early as possible to give an idea of the requirements to be met so that resource can be managed in advance. It is recommended that suppliers are asked at this point their likelihood to bid and reasoning if not in order to manage resource and expectations. * **Supplier Engagement -** suppliers have stated that it would help to have conversations with Members in advance to better understand the requirements, although this can be difficult to manage and ensure equal treatment and transparency, a way to overcome this could be to hold an open Webinar or open Q and A that is shared with all suppliers to provide further background to the requirement. * **Award in Advance –** allow sufficient time between the award and commencement of the work so that resource can be available and the likelihood of the supplier having the capacity to complete the works is increased. * **Sufficient Tender Publication Time** - allow for sufficient time on publication of the tender, if you are able to extend the time that the tender is open to suppliers this may improve the response quality and also response rate. There is no minimum or maximum time if it is a mini competition that it must be out to suppliers however it must be proportionate. * **Timings on Tender Publication –** September to November is often the time when Higher Education Institutions are in the audit process therefore representatives who would usually be part of the bid process may be occupied with the auditing which may mean that the supplier is unable to bid at that time. Please note that May is also a busy time due to audits in the Health sector. * **Tender Pricing -** when evaluating consider the full picture of the total audit cost, at framework stage day rates were evaluated due to a specific requirement bring difficult to price for. However, it is recommended to consider both day rates and number of days to complete the audit. * **Higher Education Experience –** although those awarded to the NWUPC agreement all have experience within the HE sector, when evaluating and putting high weightings focused on the sector experience the supplier has it can be off putting to those with less or no HE experience as the chance of being successful is low in comparison to the time and resource needed to bid. It is therefore recommended that these questions at this time are kept to a minimum or experience is evaluated in other ways to not further block the amount of bidders who are likely to respond.   For further information on the above agreement please see the following link to [HE Contracts](https://www.hecontracts.co.uk/agreements/764). You can also contact [Natasha Peacock](mailto:natasha.peacock@nwupc.ac.uk), NWUPC’s Professional Services Category Manager or call on 0161 800 8003. | | |  | | --- | |  | | | | |