

Glasgow Kelvin College

Audit and Risk Committee Meeting of 14 May 2024

Internal Audit Contract

Report by Vice Principal Operations

1. Introduction

The purpose of this paper is to provide the Audit and Risk Committee with an update on the recent activity undertaken to appoint Internal Auditors for the College and to obtain approval on the proposed way forward.

2. Background

The College's current Internal Audit contract with Henderson Loggie commenced on 1 August 2019 for a period of three years and was extended on 17 May 2022 for a further period of two years to 31 July 2024.

At the Audit and Risk Committee on 20 February 2024 it was noted that this contract was coming to an end and that the Vice Principal Operations would consult with the Procurement Manager and the Chair of the Audit and Risk Committee to discuss and agree the most appropriate option to procure this service.

The new Internal Audit Framework went live on 29 February 2024 and BDO only signed the Framework terms and conditions on 25 April 2024. The six companies on the new Framework companies are presented below in order:

1	Henderson Loggie
2	Wylie & Bissett
3	BDO
4	Azets
5	Price Waterhouse Coopers (PWC)
6	KPMG

Henderson Loggie, our current Internal Auditor, is No.1 on the Framework, so we could choose to directly appoint them. However, although we are happy with Henderson Loggie, given the length of time we have been obtaining this service from the same organisation, and following discussions with the Chair of the Audit and Risk Committee, the Director of Estates and Corporate Services and the Procurement Manager, it was agreed that some Pre-Market Engagement would take place, to consider whether the College may benefit from a different approach and perspective.

The Vice Principal Operations, the Directors of Estates and Corporate Services and the Procurement Manager had Teams calls with:

- Wylie & Bisset – 17 April 2024;
- Azets – 26 April 2024; and
- BDO – 30 April 2024.

NOT IN THE PUBLIC DOMAIN

The College did not meet with PWC or KPMG due to the indicative cost of these organisations, which is transparent in the Framework. There was no need to meet Henderson Loggie as the College understands that organisation and the service it provides.

The calls with all three companies went well, with one company's responses being particularly impressive.

3. Procurement Options

The current options available to the College are outlined below:

- i) Direct Award under Internal Audit Framework to Henderson Loggie who are first ranked. This could be for three years, with an option to extend for a further two, or for a shorter period.
- ii) Carry out a desktop exercise, using one of two Framework approved methods, to re-evaluate the Framework submissions. One method allows for a change of scoring weightings and the other allows for focussing only on the scores of the key questions – both revisions to be decided by the evaluating organisation.
- iii) Carry out a Mini-comp under Internal Audit Framework with the following companies listed in the table in section 2 above.
- iv) Given the results of the Pre-Market engagement and the length of time that the College has worked with Henderson Loggie, the recommendation is that the College carries out a Mini-comp under the Framework. However, to ensure that there is continuation of Audit Service while this exercise takes place, the recommendation is to reappoint Henderson Loggie via a Direct Award under the Framework for a year to 31 July 2025.

4. Resource Implications

There may be resource implications arising from any change in Internal Auditor, potentially negative or positive. Rates are provided via the Framework. However, as part of a Mini-comp, companies may revise the actual Framework price to enhance their bid.

5. Impact on Students

There are no negative impacts on students identified as a consequence of anything within this report.

6. Risk and Assurance

If the College fails to award the Henderson Loggie Contract for one year, there is a possibility of a delay in completing the 2024/25 Internal Audit Plan while carrying out a Mini-comp to appoint a new Internal Auditor.

NOT IN THE PUBLIC DOMAIN

It is worth noting that the delay in the Internal Audit Framework going live is the reason that the College does not have sufficient time to carry out a Mini-comp before the current contract expires.

7. Equality

No adverse impacts on people with protected characteristics have been identified as a consequence of this report.

8. Data Protection

There are no data protection matters arising from the contents of this report.

9. Environmental and Sustainability

There are no new environmental and sustainability matters arising from the contents of this report.

10. Recommendations

Given the results of the Pre-Market engagement and the length of time that the College has worked with Henderson Loggie, the recommendations are to:

- i) approve a Direct Award to Henderson Loggie under the Internal Audit Framework for one year to 31 July 2025; and
- ii) approve that the College carries out a Mini-comp under the Internal Audit Framework to secure Internal Audit services for 2025 onwards.

11. Further Information

Members can obtain further information on the contents of this report from Jeanette Evans, Vice Principal Operations - jevans@glasgowkelvin.ac.uk.

JE
Glasgow Kelvin College
May 2024