



## **TENDER INFORMATION**

Invitation to Tender for External Audit Services

## 1.0 Overview

### 1.1 Organisational Structure

The Kaleidoscope Plus Group (KPG) was established in 1973 and has become one of the leading health and wellbeing charities in the Midlands.

Working with individuals, organisation and schools across the UK, we are a charity focussed on promoting positive health and wellbeing and tackling the stigma attached to mental ill health.

The organisation has a board of voluntary trustees who are responsible for the overall management and direction of the charity and its services.

KPG is also part of a four-way consortium called Health for Living holding a 25% share in the organisation and have a dormant company called Sandwell Mind.

### 1.2 Objective and Services

KPG's objectives are to promote and support better health and wellbeing across our area of operation.

The primary activities of the charity are:

- **Kaleidoscope Plus Support** – Supporting people to maximise their potential through a range of 1-1 floating support and group based activities, which encourages positive mental wellbeing through flexible and person centred approaches.
- **Kaleidoscope Plus Wellbeing** – Services focussed on improving and maintaining positive emotional wellbeing. These are based on the five ways to wellbeing which are Connect, Be Active, Keep Learning, Take Notice and Give. We also provide a range of suicide prevention and bereavement support services.
- **Kaleidoscope Plus Care** – Person centred flexible care services for people who require care and support within a residential environment or who require 24/7 care and support within the community.
- **Kaleidoscope Plus Talking Therapies** – Therapeutic services for children, young people and adults including Improving Access to Psychological Therapies (IAPT), psychological and emotional wellbeing services.
- **Kaleidoscope Plus Training** – High quality and flexible approaches to learning. We offer both accredited and bespoke training packages to suit the needs of individual and organisations across the UK.

KPG also receives rental income from an office building, which is managed by a property management company who deal with the rents and service charges. The building was purchased on a long term lease.

### 1.3 Finance Team and Systems

The finance team comprise of four personnel, as follows;

- Finance Manager
- Management Accountant
- Payroll Officer
- Finance Office

The financial year runs from 1<sup>st</sup> April to 31<sup>st</sup> March. The accounting system is Sage 200, the payroll is monthly and produced on Sage Payroll 50.

## **2.0 External Audit Tender Specification**

### **2.1 Contract Term**

The contract for the provision of external audit services will officially commence on the 1<sup>st</sup> January 2019 and the appointment of the auditor will be confirmed at the AGM in December 2018.

The external audit service will be subject to an annual performance review by the Finance & General Purpose Committee. The external auditor will be appointed for an initial term of three years but, subject to satisfactory performance, may be re-appointed for a maximum period of up to five years.

### **2.2 Scope of Audit**

The external auditor will be required to attend board meetings to present the audit findings/management letter.

The audit team will need to work closely with finance team to review and plan the scope of the audit prior to the interim for preparation for the final audit.

The audit methodology should be detailed annually in the audit plan. The external auditor should adopt a methodology that ensures an efficient and robust approach to auditing and be able to demonstrate a process of continuous improvement and the ability to produce quality reports to a high standard and on time.

### **2.3 Audit and Sector Experience**

The composition of the external audit team should include staff at all levels with suitable knowledge and experience of the charitable / third sector and organisations of a similar nature to KPG.

The external audit team should be of a sufficient size to effectively manage the audit in a timely manner, in particular the completion of the final audit process. We would envisage the external auditor's team being on site for one week during the final audit and would welcome suggestions as to how the audit process can be managed to ensure the minimum disruption to the on-going financial management of the organisation.

Your tender submission should include details of the audit team that you would propose using on this audit, including as a minimum the lead partner and audit managers / seniors.

In addition, your tender submission should also include details of similar and appropriate work in the sector.

### **2.4 Technical Issues**

Your submission should include views on any technical issues effecting KPG and the Charity sector as well as your approach to dealing with emerging accounting issues and overall approach to quality assurance.

### **2.5 Taxation**

This tender specification is primarily for the provision of external audit services. We would however be interested to know how you would be able to assist the Charity with:

- Corporation tax – submission of annual corporation tax returns for KPG and general tax and VAT planning
- Submission of the financial statements to Companies House

Your tender document should include details on how you would envisage being able to manage this work and separate this from the main audit work and any additional charges.

## 2.6 References

As part of your tender submission we would like you to provide contact details for two referees that you would be happy for us to contact as part of the tender evaluation process

## 2.7 Insurance Cover

The external auditor should have suitable cover in place for professional indemnity and public liability cover. Your tender should include details of the level of cover currently in place within your firm.

## 2.8 Tender Price

Your tender submission should provide clarity and transparency on the fee that you are proposing to undertake this service. It should therefore include details on the following:

- Number of audit days allowed for within the tender price broken down by audit team
- The number of audit days that you would envisage being on site for the interim and final audits
- Details on which staff would attend board meetings
- Time allowed within your tender price, for meetings with the finance team staff and Board members outside of the interim and final audits
- Travel and disbursement costs if any
- Charges for the additional activities outlined in 2.5 and for any work outside of the external audit.
- Basis for agreeing fees in future years

## 3.0 Submission of Tender Evaluation Process

### 3.1 Tender Response

To confirm your participation in the tender process please email Monica Shafaq, [Monica.Shafaq@Kaleidoscopeplus.org.uk](mailto:Monica.Shafaq@Kaleidoscopeplus.org.uk) by close of business on Tuesday 18<sup>th</sup> September. On receipt of your interest, you will be provided with a copy of our annual accounts and annual review.

### 3.2 Timetable

The following table sets out the process for the submission and evaluation of tenders:

Task	Date / Deadline
Specification sent to Prospective Tenderers	21 <sup>st</sup> September 2018
Closing date and time (Electronic and Hard copies)	Friday, 5 <sup>th</sup> October 2018 <u>Electronic Copies</u> – 5.00pm <u>Hard Copies</u> 5.00pm
Analysis	8 <sup>th</sup> October 2018 to 12 <sup>th</sup> October 2018
Interviews	25 <sup>th</sup> October 2018
Decision	1 <sup>st</sup> November 2018
Appointment	1 <sup>st</sup> January 2019

### **3.2 Return of Tender Documents**

A minimum of three hard copies plus an electronic copy of your proposal should be sent to KPG no later than close of business on **Friday 5 October**. Return to the following:

**Electronic submissions to:**

[Monica.Shafaq@Kaleidoscopeplus.org.uk](mailto:Monica.Shafaq@Kaleidoscopeplus.org.uk)

**Paper submissions to:**

**Monica Shafaq  
The Kaleidoscope Plus Group  
First Floor  
Hawthorns House  
Halfords Lane  
West Bromwich  
West Midlands  
B66 1BB**

### **3.3 Evaluation of Tenders**

Kaleidoscope Plus Group will evaluate tenders based on a combination of the quality of the submissions received in respect of the specification identified above, experience in the sector and overall pricing.

Following the evaluation of tenders, a minimum of three audit firms will be invited for interview on 25<sup>th</sup> October 2018.