

**REQUEST FOR QUOTATION SHORT FORM**

ATTENTION:	FROM:
ORGANISATION:	ORGANISATION: Burdekin Shire Council
ADDRESS:	ADDRESS: 145 Young Street AYR, QLD 4807
FACSIMILE NO:	FACSIMILE NO: (07) 4783 9999
TELEPHONE NO:	TELEPHONE NO: (07) 4783 9800
YOUR REF:	OUR REF: QBSC/18/007
EMAIL:	EMAIL:
NO PAGES SENT:	DATE:

QUOTATION TITLE: QBSC/18/007 INTERNAL AUDIT SERVICES AND THREE YEAR INTERNAL AUDIT PLAN

An invitation is extended to you to submit a written quotation for the following:

- a. Preparation of a Three-Year Internal Audit Plan for Council**
- b. Provide Internal Audit Services**

hereinafter called "the services"

Quotations must be in accordance with the attached Specification and Criteria. Please ensure your written Quotation is lodged prior to the Closing Time, being **Friday, 27 July 2018, 5pm EST**

Thank you in anticipation of receipt of your written Quotation. You will be advised if you have been selected as the successful Respondent in due course.

In the meantime, please direct any general and Specification enquiries to Director of Corporate and Community Services **Mr Nick O'Connor** or Executive Officer **Mrs Rebecca Stockdale** by phoning:(07)4783 9800.

Yours sincerely

Nick O'Connor
Director Corporate and Community Services
Burdekin Shire Council

CRITERIA

The criteria listed below must be addressed and detailed information provided as part of your written Quotation:

Item	Criteria Description
1	Completion of the attached Form of Quotation and Price Schedule (refer to Items 1 & 2).
2	Compliance with Special Conditions (refer to Item 3).
3	Compliance with Specification (refer to Item 4).
4	Timeframe for Delivery Date on Deliverables (Refer to Item 4.7).
5	Demonstrated experience in completing similar projects.
6	<p><u>Insurance</u></p> <p>The successful Respondent and any subcontractor(s) will be required to effect and maintain insurance policies in the following sums:</p> <p>(a) Public liability insurance in the sum of at least \$10M in respect of any one occurrence and for an unlimited number of claims.</p> <p>(b) Workers Compensation or Personal Accident Insurance cover as required by law (whichever may apply).</p> <p>(c) Professional indemnity insurance in the sum of at least \$2M in respect of any one occurrence and for an unlimited number of claims.</p>

The following Local Government documents will apply to the successful Respondent and may be viewed on request:

- **Work Health and Safety Policy**
- **Burdekin Shire Council Enterprise Risk Management Policy and Framework**
- **Burdekin Shire Council Risk Register**
- **Burdekin Shire Council Fraud and Corruption Control Policy**
- **Burdekin Shire Council Fraud and Corruption Control Plan**
- **Council's current Three-Year Internal Audit Plan**



1. FORM OF QUOTATION- QBSC/18/007

To: **The Chief Executive Officer
BURDEKIN SHIRE COUNCIL
PO Box 974
AYR, QLD 4807
Attention: Nick O'Connor**

I/We the undersigned hereby provide a Quotation for the goods and/or services requested. The quoted consideration is as provided in the Price Schedule submitted with this Quotation.

DATED this _____ day of _____ 20____

Name of Respondent: _____

Full Name of Company: _____

Address of Company: _____

Contact Details: Phone Number _____

Facsimile Number: _____

Mobile Phone Number: _____

E-mail: _____

2. PRICE SCHEDULE

Item No.	Description	Unit	Price quoted (ex GST)	GST Component	Price quoted (inc GST)

Signature: _____

Full Name: _____

Date: _____

3. SPECIAL CONDITIONS

3.1. Quoted prices

3.1.1 Quoted price is to be on the following basis:

- (a) lump sum basis (including GST) for part a) Preparation of a Three-year Internal Audit Plan; and
- (b) a schedule of hourly rates (including GST) for part b) Provide Internal Audit Services

3.1.2 Quotations must include a brief statement outlining the methodology to be applied in developing the Internal Audit Plan (part a).

3.1.3 The agreed hourly rates will be increased in line with CPI increases (if applicable) on 1 July each year of the contract from 1 July 2019.

3.1.4 Quoted prices must include Goods and Services Tax (GST).

3.1.5 If applicable, quotations are to include separate travel and accommodation charges. Any charge not stated in the Quotation as being additional will not be allowed as a charge for any transaction under any resultant Contract.

3.2. Acceptance of Quotations

3.2.1 The Local Government is not bound to accept the lowest or any Quotation.

3.2.2 The Local Government may accept part of a Quotation.

3.2.3 This Request for Quotation together with the Local Government's written acceptance of the Quotation shall constitute the Contract between the Local Government and the successful Respondent.

3.2.4 The Respondent agrees that the Quotation will remain open for acceptance for a minimum period of 60 days after the Closing Time, notwithstanding that there may have been negotiations in respect of any Quotation in the meantime.

3.2.5 A quotation will not be deemed to have been accepted unless and until a letter of acceptance is handed to the Respondent or is sent by prepaid post to, or is left at, the address stated in the offer form.

3.2.6 Council reserves the right to reject any quotation or an otherwise conforming quotation.

3.3. Contract Duration

- 3.3.1 The Contract will be in force for the period commencing on the date of the Local Government's written acceptance of the Quotation and expiring on 30 June 2021.
- 3.3.2 However, in the event of the successful Respondent failing in any manner to carry out the Contract to the Council's satisfaction, Council may forthwith determine the Contract by written notice to the successful Respondent.

3.4. Canvassing of Elected Members and Council Officers

- 3.4.1 Canvassing of elected members or Council officers will automatically lead to disqualification.

3.5. Indemnity

- 3.5.1 The successful Respondent must indemnify and keep indemnified the Local Government against:
- (a) any liability under the *Workers' Compensation and Rehabilitation Act 2003* as amended from time to time; and
 - (b) any other law in force or which during the term of this Contract may come into force, under which any person is entitled to claim or sue for compensation or recover any damages from the Local Government.

4. SPECIFICATION

4.1. Introduction

- 4.1.1 Council is seeking quotations from suitably qualified persons or companies for the review and development of a three-year Internal Audit Plan and the provision of Internal Audit Services for a period from the date of the Letter of Acceptance until 30 June 2021.

4.2. Background Information

Internal audit is an essential component of an effective governance framework for councils and helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Burdekin Shire Council has an established Audit Committee which provides independent advice and assurance to Council on the risk management, control and compliance frameworks and Council's external accountability responsibilities as prescribed in the Local Government Act and its Regulations. The current composition of the Audit Committee consists of three independent members (including an independent chair) and two elected members (Councillors). The Committee currently meets up to five times each year and adopts a meeting and work schedule at the beginning of each calendar year.

The *Local Government Act 2009* requires each Local Government to establish an efficient and effective internal audit function. The Audit Committee is responsible for monitoring and reviewing the activities of the internal audit function and the effectiveness and objectivity of the internal auditors.

Council's Risk Management Framework is based on the international standard *AS/NZ ISO31000:2018(E) - Risk Management Guidelines* and includes the Enterprise Risk Management Policy, Framework and Guideline Documents and Corporate and Operational Risk Registers. The Risk Management Framework has been used as the basis for developing Council's previous Internal Audit Plans.

Council's Internal Audit Function has been delivered by internal staff on a part-time basis over the past 3 financial years. Annual Internal Audit Plans have been developed each year to deliver a series of internal audits to comply with a three year rolling audit plan. An Internal Audit Charter was adopted by the Audit Committee in 2016. Each of the three-year rolling internal audit plans and annual audit plans have been developed in consultation with the Chief Executive Officer and have been adopted and endorsed by the Audit Committee.

4.3. Particulars of Services

- 4.3.1 Council wishes to engage an external contractor to fulfil the responsibilities of the internal audit function including the development of a three-year internal audit plan and the provision of internal audit services for a period up to 30 June 2021.

4.4. Specific Requirements of the Contract

- 4.4.1 Internal audit includes an assessment of Council's risks, identification of related internal controls and consideration of strategies and plans designed to mitigate such risks.
- 4.4.2 Internal audit activities may include but not be limited to:
- Review and revise a three-year internal audit plan.
 - Develop an annual work schedule for the Annual Internal Audit Plan.
 - Scope, plan, schedule and conduct internal audits within agreed timeframes and budget.
 - Consult proactively with management (relevant members of Council's Executive Leadership Group and Senior Leadership Group) in the development stage of audits to provide information and advice in the implementation of internal controls to minimize risk.
 - Evaluate and monitor the controls implemented by management to prevent, detect and respond to fraud and corruption.
 - Review the progress of agreed action items from previous internal audits to ensure improvements are implemented.
 - Attend Audit Committee Meetings and provide written briefings.

4.5. Constraints

- 4.5.1 Council has a budget of \$50,000 for the 2018/2019 financial year within which to undertake the identified internal audit activities. Allocation of the individual audit activities will be based on the options that provide Council with the optimum value for money based on risk assessment and programming of activities that are identified as priorities in the Internal Audit Plan.

4.6. Resources

Service Providers

- 4.6.1 Service providers are required to:
- Provide suitably qualified and experienced staff with demonstrable ability to deliver a high quality internal audit outcome to work with Council's Executive Leadership Group and Senior Leadership Group, in accordance with the details of this request for quotation document.
 - Ensure they treat all Council information and data as confidential and have access to their own computer with secure internet access, secure storage and analysis tools suitable to undertake the internal audit activities, independent of resources which may be provided to allow access to Council data and systems.
 - Comply with the International standards for the Professional Practice of Internal Auditing.
 - In particular throughout the life of the contract it is the internal auditor's responsibility to ensure independence and objectivity in accordance with the Standards is maintained at all times. Where there is likely to be a perceived or actual conflict of interest the auditor must advise the Chief Executive Officer immediately and take appropriate professional steps to protect the integrity and reputation of the Burdekin Shire Council.

Burdekin Shire Council

4.6.2 The following resources will be made available to the successful provider to assist in the timely completion of the internal audit activities:

The Chief Executive Officer will assist the service provider in:

- Obtaining access to information and personnel required for the purpose of conducting internal audits. Council personnel with functional or operational responsibility in the areas being examined will be required to cooperate fully with the provider in meeting all reasonable requests for information.
- Access to an office space and a land line phone (for Council business purposes only).
- Administrative information such as organizational structures and phone lists etc.
- Audit information already available from External Audit and any internal reports relevant to the audit activity.

4.7. Deliverables

4.7.1 The following minimum deliverables must be met:

- a) A three-year Internal Audit Plan
- b) A 12 month detailed program (Annual Internal Audit Plan) of internal audit activities based on the three-year Internal Audit Plan and compatible with resources available to the Council.
- c) A Briefing Paper is to be submitted one week ahead of each scheduled Audit Committee Meeting, providing an overview of the current status of each scheduled internal audit and giving details regarding follow up action items from previous internal audits. A representative of the provider is to attend each audit committee meeting to provide feedback to the committee. This attendance can be via teleconference.
- d) The following three items from the detailed 12 month program (Annual Internal Audit Plan):

I. Internal Audit Activity Plans

Internal Audit Activity Plan for each component of the Annual Internal Audit Plan which will outline the scope of the specific audit, the approach, activities, resources and timeframes of the service provider in addressing the scope and objectives of the internal audit activity.

II. Internal Audit Findings and Recommendation Reports

Following the completion of each internal audit, a draft set of findings and proposed recommendations, supported by detailed explanation, should be prepared and discussed with the relevant Director or Manager or the Senior Leadership Group prior to being submitted to the Audit Committee. Where appropriate the Chief Executive Officer will obtain management responses to the findings and recommendations.

III. Final Internal Audit Report

After Management have provided their feedback on the draft findings and recommendations and have agreed on responsible officers and due dates for completion of action items, the service provider will prepare a Final Internal Audit Report to the Chief Executive Officer for submission to the Audit Committee.

4.8. Timeframes

4.8.1 The following indicative timeframes will apply:

Activity	Date
Quotations Open	Monday, 2 July 2018
Quotations Close	Friday, 27 July 2018
Evaluation and Selection (indicative)	Friday, 3 August 2018
Contract Preparation and Signing	Friday, 10 August 2018
Commencement (indicative)	Monday, 3 September 2018

4.8.2 Council may request a face-to-face or web-based interview with the specific personnel being proposed to undertake the internal audit activities prior to finalising the selection process.

4.9. Conditions of Contract

Progress Reporting

4.9.1 Regular progress discussions are required between the Service Provider and the Director of Corporate and Community Services throughout the duration of each engagement. Formal meetings to review the Activity Plans are to be held at least once each month and may be conducted via teleconference or web conference.

Attendance at Audit Committee Meetings

4.9.2 The provider's representative will be required to report to the Council's Audit Committee at each meeting to present the Audit Plan update and any Audit Activity reports completed since the previous meeting. The service provider may report in person or by teleconference. The service provider is to nominate how it is to report and account for same in their quotation.

Annual Review of Performance

4.9.3 The successful provider will be subject to an annual performance review which will be conducted by the Director of Corporate and Community Services in consultation with the Service provider and a report will be provided to the Audit Committee. The review will consider the provider's conformance with mandatory internal audit requirements and whether Council and Audit Committee expectations of Internal Audit are being met.

5. GENERAL CONDITIONS OF QUOTATION

5.1. Submission of Quotation

- 5.1.1 Submit quotation only on the Form of Quotation provided.
- 5.1.2 Include an address for service of notices for the purpose of this quotation and subsequent contact.
- 5.1.3 Sign the Form of Quotation, or if the Respondent is a corporation or company sign the form with company seal.

5.2. Lodgement of Quotation

- 5.2.1 Quotations must be submitted duly signed and in a sealed package clearly endorsed with the Quotation Title and Reference Number.

“QBSC/18/007 – Internal Audit Services and Preparation of 3 Year Internal Audit Plan”

- 5.2.2 Lodge in the tender box at the Burdekin Shire Council Chambers:

145 Young Street
AYR QLD 4807

or post to:

**The Chief Executive Officer
Burdekin Shire Council
PO Box 974
AYR QLD 4807
Attention: Nick O'Connor**

- 5.2.3 Fax or email quotations received by the date and time for closing of quotations may be admitted for consideration subject to the concurrent submission of a written quotation.

Email address: enquiries@burdekin.qld.gov.au
Fax: (07) 4783 9999

- 5.2.4 Any quotation not received before the specified closing time will not be considered unless there is satisfactory evidence provided that the quotation:

1. Was delivered before the specified closing time; or
2. Was either posted or dispatched by a recognised carrier providing direct delivery service to the Council Chambers building in sufficient time for delivery before the specified closing time under normal circumstances, but was still in the course of delivery by post or by the recognised carrier at the specified closing time due to circumstances outside the control of the Respondent.

5.3. Quotation Closing Time

- 5.3.1 Quotations close at **5:00pm AEST Friday, 27 July 2018.**
- 5.3.2 Only those Quotations received by the Closing Time will be considered.
- 5.3.3 Quotations that are mailed will be dated and time stamped when received.
- 5.3.4 Council will accept no responsibility in the event that a Quotation is not received by the Closing Time.

5.4. Informal Quotation

- 5.4.1 Any Quotation may be rejected if it:
 - (a) does not comply with the requirements of the Specification or this Request for Quotation; or
 - (b) contains any provisions not required by this Request for Quotation.

5.5. Opening of Quotations

- 5.5.1 Quotations will be opened after the closing time.
- 5.5.2 Any quotation received through the post before the specified closing time will be kept sealed until tender opening time.
- 5.5.3 Quotations will not be opened publicly.

5.6. Obtaining Information

- 5.6.1 No fee is payable for the supply of the specification.
- 5.6.2 Any additional information required by a Respondent may be obtained from the contact person below:

General Enquiries can be directed to:

Mr Nick O'Connor
Director Corporate and Community Services
Burdekin Shire Council
Phone: 4783 9800
Email Nick.O'Connor@burdekin.qld.gov.au

Or

Mrs Rebecca Stockdale
Executive Officer
Burdekin Shire Council
Phone: 4783 9800
Email Rebecca.Stockdale@burdekin.qld.gov.au

- 5.6.3 If the Council makes information available to a Respondent, the Council reserves the right to distribute the information to each Respondent who has been provided with a copy of the specification.
- 5.6.4 A Respondents offer will not be considered if the Respondent or anybody on its behalf offers or gives anything to:
- (a) Any Councillor of the Council; or
 - (b) Any Officer or Agent of the Council, as an inducement or reward that could influence the actions of the person in relation to the offer.

5.7. Clarifications and Variations

- 5.7.1 The Council may issue to Respondents before the closing time:
- (a) Additional information; and
 - (b) Information clarifying or correcting information previously provided to assist them in preparing their quotation.
- 5.7.2 If the Council issues information to Respondents under clause 5.7.1, each Respondent must take the information into account in the preparation of its offer.
- 5.7.3 After closing time, the Council may (without limiting its options):
- (a) Request clarification or further information from any Respondent; and
 - (b) Invite all Respondents to change their offers in response to an alteration to the specification or any of the terms and conditions of the contract; and
 - (c) Negotiate with one or more Respondents upon any aspect of their offer.

5.8. Post Negotiations

- 5.8.1 If no conforming quotations are received, the Council may commence negotiations with Respondents. Negotiations will only be conducted for a duration of fourteen (14) days after the closing date.

5.9. Respondent to Inform Themselves

- 5.9.1 The Respondent is deemed to have:
- (a) Examined the quotation documents and other information made available.
 - (b) Examined information relevant to the risks, contingencies, and other circumstances having an effect on their quotation and which is obtainable by the making of enquiries.

- 5.9.2 A quotation, once submitted, is irrevocable and prospective parties are advised that quotations will remain open for acceptance by Council until the acceptance date, being fourteen (14) days after the closing date of quotations.

6. EVIDENCE OF CONTRACT

6.1. Contract Documents

- 6.1.1 The contract between Council and the Respondent is constituted by the following documents:
- (a) Letter of Acceptance;
 - (b) Request for Quotation;
 - (c) Offer; and
 - (d) Correspondence passing between Council and the Respondent clarifying any aspect of the Request for Quotations.
- 6.1.2 Where there arises any inconsistency or ambiguity between provisions in the different documents which constitute the contract, the order of precedence to resolve the inconsistency or ambiguity shall be from document (a) to (d) in Clause 6.1.1.
- 6.1.3 After formation of the contract, Council may deliver a completed contract to the Respondent. Within four days after the date of delivery of the completed contract to the Respondent, the Respondent must execute and return the completed contract to Council for execution. Council may extend the period for execution of the completed contract by giving written notice to the Respondent.

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