

## 6.4.2 Contract 20/05 - Internal Audit Tender

**File Reference:** Nil  
**Responsible GM:** Tom McQualter  
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### Recommendation(s)

- That Council accept the schedule of rates tender submitted by Findex (Aust) Pty Ltd trading as Crowe Australasia for the provision of Internal Audit Services for an initial term of 1 year with 4 x 1 year extension options.

### Attachments

1. Confidential Memorandum - Circulated to Councillors only [6.4.2.1 - 2 pages]

### Executive Summary

Council is required to have an internal auditor in accordance with the Local Government Act.

This tender was structured as a schedule of rates tender with an estimate of five audits to be conducted per annum. The rolling single year terms is designed to allow flexibility within the internal audit service if required.

An evaluation panel, including the Internal Audit Chair was formed to evaluate the five responses received and the tender offering best value for money and service to Council is that provided by Findex (Aust) Pty Ltd trading as Crowe Australasia Crowe Australasia Pty Ltd ("Crowe").

### Background

Council's internal audit program is designed by the internal auditor and Council's Internal Audit Committee. The internal auditors are required to undertake fieldwork, complete audit reports and attend audit committee meetings 4-5 times per year.

The Internal Audit program is a critical control in ensuring Council is managing its risk and audit functions appropriately and provides a strong line of defence in risk management theory.

The contract term is for an initial period of 1 year with 4 x 1 year extension options available. However, the overarching Strategic Audit Program is designed for four years with the audit committee.

The tender was advertised on Saturday 22nd February 2020 and closed on Tuesday 24th March 2020. Tender responses were received from five companies:

- Pitcher Partners Consulting Pty Ltd
- KPMG
- Crowe
- HLB Mann Judd (Vic) Pty Ltd
- NTT Australia Digital Pty Ltd

• The tenders were assessed against the weighted criterion; Capability and quality of proposed staff, Relevant Experience and Past Performance, Proposed Program, Customer Service and

Compliance with Specification. Non weighted Criterion were also assessed on a pass/fail basis.

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- Interviews were held with three shortlisted candidates being Crowe, HLB Mann Judd and Pitcher Partners which the entire assessment panel attended. The assessment panel included the Chair of the Internal Audit Committee.

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Based on the assessments, the interviews and a financial assessment, the tender submitted by Crowe is recommended as it provides best value for money against the overall assessment criteria.

### **Policy Implications**

There are no policy implications as a result of this report.

### **Relevance to Council Plan**

5.2.1 Embrace and demonstrate effective governance and transparency, notwithstanding that on occasions, matters under consideration will be confidential.

### **Climate Emergency Consideration**

Nil.

### **Consultation/Communication**

Interviews were held with short listed candidates and referee checks were undertaken on the preferred tenderer Crowe. Those referee checks were satisfactory.

### **Financial and Resource Implications**

The tender received is within budget for 2021-22 financial year and future years.

### **Conclusion**

It is recommended that the tender submitted by Crowe be accepted for Internal Audit Services for an initial term of 1 year with 4x1 year extension options.