Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

TRUST BOARD
29th March 2012

TITLE	**Internal Audit Tender**
EXECUTIVE SUMMARY	Standing Orders reserve the power to appoint internal auditors to the Trust Board. The Trust has carried out a joint procurement exercise with Frimley Park Hospital NHS Foundation Trust for the provision of internal audit services. The outcome of the process was that Parkhill Internal Audit Services were awarded the contract for both Trusts and will commence the service from 1st April 2012 for three years. The Trust's current provider of internal audit services, Chantrey Vellacott DFK, will therefore complete their 2011/12 work and present their final report to the Audit Committee in May 2012.
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Board seeks assurance on the Trust's risks and controls through the use of an effective internal audit service.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None obtained.
EQUALITY AND DIVERSITY ISSUES	None that I am aware of.
LEGAL ISSUES	Award of contract for three years with two one year extensions if required.
The Trust Board is asked to:	**Approve** the appointment of Parkhill Internal Audit Services as internal audit providers from 1st April 2012.
Submitted by:	Terry Price, Non-Executive Director/Audit Committee Chair John Headley, Director of Finance and Information
Date:	21st March 2012
Decision:	For Noting

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Internal Audit Tender

Introduction

The Trust's contract with its current internal audit service provider, Chantrey Vellacott, expires at the end of the 2011/12 financial year. Currently the Trust pays for 185 internal audit days under the contract.

Tender Process

The Trust has carried out a joint procurement exercise with Frimley Park Hospital NHS Foundation Trust for the provision of internal audit services from the 2012/13 financial year over a three year period.

Tenders were received and supplier presentations, with question and answer sessions, made to representatives of the two Trusts on 8th February 2012. The presentations were attended on behalf of the Trust by Terry Price, John Headley and Paul Doyle. Suppliers who presented on the day were: -

- Deloitte
- Parkhill
- RSM Tenon
- Chantrey Vellacott

The tenders were assessed by the Trusts on the following basis: -

- 20% = Technical
- 20% = Service
- 40% = Cost
- 20% = Presentation

Tender Outcome

The outcome of the process was that Parkhill Internal Audit Services were awarded the contract for both Trusts and will commence the service from 1st April 2012 for three years. The Trust's current provider of internal audit services, Chantrey Vellacott DFK, will therefore complete their 2011/12 work and present their final report to the Audit Committee on 23rd May 2012.

The new contract, which delivers a saving over current cost, provides for 160 audit days for each year of the contract which is lower than the current number of days. It should be noted that Chantrey Vellacott also tendered for a lower number of days (165) than currently provided.

Paul Doyle
Deputy Director of Finance
21st March 2012