

Wales Audit Office

Pre-qualification Questionnaire for

Provision of financial audit and related services

REFERENCE NUMBER 10514

TABLE OF DEFINITIONS:

“Unless the context otherwise requires, the following words and expressions used within this Invitation to Tender shall have the following meanings:”

TERM	MEANING
“Authority”	Means the Wales Audit Office
“Pre-qualification Questionnaire” or “PQQ”	Means this Pre-qualification Questionnaire documentation
“Invitation to Tender” or “ITT”	Means the Invitation to Tender documentation
“OJEU Contract Notice” or “OJEU”	Means the advertisement issued in the Official Journal of the European Union
“EIR”	Mean the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such regulations
“FoIA”	Means the Freedom of Information Act 2000 and any subordinate legislation made under such Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such legislation
“Prospective Suppliers”	Means all prospective suppliers who intend to submit a response to this PQQ
“Tenderers”	Means the organisations or persons invited to tender and responding to the ITT document in the next phase of this procurement
“Providers”	Means the organisation(s) awarded a contract following the procurement process
“PQQ Response”, “Response”	Means the Prospective Suppliers response to this PQQ
“Tender”, “Tender Response”, or “ITT Response”	Means the Tenderers formal offer in response to the ITT at the next stage of this procurement

Table of Abbreviations

ABBREVIATION	MEANS
PQQ	Pre-qualification Questionnaire
ITT	Invitation to Tender
AGW	Auditor General for Wales
WAO	Wales Audit Office
OJEU	Official Journal of the European Union
NHS	National Health Service
LG	Local Government
AB	Audited Body
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended.

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Section 1 – Overview of the Authority and Background Information

1. Introduction

- 1.1. The Wales Audit Office, the ‘Authority’ as named in the OJEU Notice, is looking for providers to be appointed for contracts for the supply of financial audit and related services to support the Auditor General for Wales (AGW). The Wales Audit Office (WAO) estimates that the total annual audit fees attributed will be about 2.2 million for the provision of such services under these contracts which form one part of its supply arrangements.¹
- 1.2. The Authority wishes to establish between three and five contracts for supply of financial audit and related services over three years, with an option to extend on an annual basis for up to two additional years. The Authority is managing this procurement process in accordance with the Public Contracts Regulations 2006 (the “Regulations”) using the Restricted Procedure.
- 1.3. The purpose of the Pre-qualification stage is to identify a number of suitably qualified and experienced suppliers of financial audit services who will be invited to submit a tender. The minimum number of Prospective Suppliers invited to tender will be 10 and the maximum 13 (of those suppliers that score 75 per cent or higher at the PQQ evaluation stage). Following evaluation of the compliant Pre-qualification Questionnaires (PQQs) the Authority will invite to tender those Prospective Suppliers that meet minimum requirements and that most closely match the Evaluation Criteria for selection to participate further in this procurement.
- 1.4. Following appraisal of tender submissions at the next stage of this procurement, the Authority intends to appoint between three and five Providers to enter into contracts. The Invitation to Tender (ITT) will be split into three Lots covering the whole of Wales.
 - Lot 1 – single Provider, predominantly covering North and West Wales, estimated annual WAO fees value of £1 million GBP.
 - Lot 2 – single Provider, predominantly covering South and Mid Wales, estimated annual WAO fees value of £1.0 million GBP.
 - Lot 3 – two to three Providers, covering the whole of Wales, estimated annual WAO fees value of £190,000 GBP in total. Contracts will be split evenly (as much as possible) between the Providers taking account of both number of audits and their fees.
- 1.5. Lots 1 and 2 include a mix of audits for a number of public sector organisations as determined by the AGW (which may include a mix of Unitary Authorities, Local Government Pension Funds, Fire Authorities, Central Government, Welsh Government sponsored bodies and NHS bodies) to include financial audit and grants certification but with scope to cover the whole of Wales at the Authority’s and AGW’s discretion.
- 1.6. Lot 3 includes a mix of community and town council audits across Wales.
- 1.7. All Lots also include an element of work across a range of other related services as required. The Lot figures above include the primary services WAO fees. The Lots also include a maximum of other work of up to £80,000 per annum per Provider in

¹ Auditor General for Wales Consultation: Contracting Strategy and the audit of Town and Community Councils.

Lots 1 and 2, and £40,000 per annum per Provider for Lot 3. If a Provider is appointed for more than one Lot then the maximum for that Provider will remain at £80,000.

- 1.8. Prospective suppliers that are selected to participate further in this procurement may respond to any or all Lots in the ITT. The award and allocation will be based on the most economically advantageous Tenders with respect to the award criteria, which is the same for all Lots. In the case where a single prospective supplier submits the most economically advantageous Tender response for both Lots 1 and 2, the Tenderer submitting the second most advantageous Tender response will be awarded one of the Lots. A prospective supplier awarded a contract under Lot 1 or Lot 2 may be eligible to provide services under Lot 3 as well. A prospective supplier under Lot 3 may only be awarded one contract under the Lot. The Wales Audit Office will use its discretion and judgement with due regard to the award criteria when determining the Lot to award and considering the suitability of suppliers against the size and nature of the audited bodies and mix of audit work in the respective lots.
- 1.9. The Authority reserves the right to purchase any services (including those similar to the services covered by this procurement) from any provider outside this contract. As explained earlier (in paragraph 1.1) these contracts are part of a wider supply strategy.

2. The Authority

- 2.1. The Wales Audit Office is the public sector audit agency for Wales. As of 1 April 2014, under the Public Audit (Wales) Act 2013, the Wales Audit Office, which is a corporate body, is responsible for providing resources for the exercise of the Auditor General for Wales' functions. This includes responsibility to secure services for the purposes of those functions. Contracts, rights and liabilities vest in the new corporate body.
- 2.2. Around 250 Wales Audit Office staff support the Auditor General across Wales. These staff comprise financial auditors (who examine the accounts of public bodies), performance auditors (who examine value for money in the use of public bodies' resources and improvement arrangements) and corporate staff (in services such as Human Resources). The Wales Audit Office uses a mixture of internal and external resources in the exercise of its functions; including specialist skills as required and contractors to cope with uneven demand.
- 2.3. The Wales Audit Office and the Auditor General have an overarching strategic aim – 'The people of Wales know whether public money is being managed wisely, and public bodies in Wales understand how to improve outcomes'. This aim is underpinned by four key objectives:
 - provide timely assurance on the governance and stewardship of public money and assets;
 - offer useful insight on the extent to which resources are used well in meeting people's needs;
 - clearly identify and promote ways by which the provision of public services may be improved; and
 - be an accountable, well-run and efficient organisation that provides a stimulating and rewarding environment to work.

Further information on the work of the Wales Audit Office is available in the [Strategy for the Auditor General for Wales and the Wales Audit Office 2013-2016](#).

3. The Auditor General's work

- 3.1. The Auditor General for Wales (AGW) is the statutory external auditor of the Welsh Government, its sponsored and related public bodies, the National Health Service and (subject to some transitional provisions) local government bodies in Wales. Statutory functions include:
- auditing the accounts of the Welsh Government and its sponsored and related bodies, NHS bodies and local government bodies in Wales (including police bodies, national parks, fire authorities and local government pension funds);
 - making arrangements for certifying certain European and domestic grant claims and other returns, such as that for local authorities' contributions for national non-domestic rates;
 - conducting value for money studies on Welsh public bodies, including those in the National Health Service, local government, and the further and higher education sectors; and
 - assessment of the compliance of relevant local government bodies with the improvement duties of the Local Government (Wales) Measure 2009.
- 3.2. Financial audit work undertaken on behalf of the AGW covers the devolved public sector in Wales, including health and social care, local and central government, the fire service, and national parks. The work involves annual statutory audits of public accounts.
- 3.3. Performance audit work ranges from examinations of particular issues, such as governance failures at individual bodies, to cross-sectoral national studies, such as support for older people across local government and the NHS.
- 3.4. The statutory audit reporting requirements vary by sector. A summary of the relevant legislation is available on the Wales Audit Office website: [A guide to the legislation relevant to the work of the Auditor General for Wales and the Wales Audit Office](#).

4. Approach to work

- 4.1. The AGW has prepared a [Code of Audit Practice](#) (the 'Code') which prescribes the way in which auditors are to carry out the AGW's functions, and embodies what appears to the Auditor General to be best professional practice. (An earlier Code remains extant in respect of appointed auditors under transitional provisions.)
- 4.2. Providers will be required to agree to and follow the Auditor General's Code and related guidance, and will be required to co-operate with his systems for quality monitoring and controls, including contract management and reporting. The successful Tenderers will undertake the financial audit work at the bodies assigned to them subject to the oversight arrangements put in place by the Auditor General, which includes oversight by senior staff of the Wales Audit Office.
- 4.3. As noted above, in addition to his financial audit work, the AGW undertakes governance and value for money audit work. This work includes a combination of work undertaken on a national basis across all bodies and work in response to specific risks at an individual body. Audit teams responsible for auditing the accounts of individual bodies may therefore be required to contribute to wider governance and performance audit work undertaken by Wales Audit Office staff or engagement teams.
- 4.4. In addition to the planned programme of audit work, flexible and responsive arrangements are needed to respond to in year work demands. These include specific reviews of issues arising, dealing with correspondence and investigating

issues raised by members of the public, National Assembly Members and whistle-blowers in relation to a body that they are assigned to audit. The nature and volume of these work demands cannot be predicted, and they often require resourcing at short-notice.

5. Procurement objectives and process

- 5.1. The primary objective of this procurement is to source and implement contracts with three to five Providers for the provision of financial audit and related services, and in order to assist the Authority and the Auditor General for Wales to meet the strategic objectives aforementioned.
- 5.2. Prospective Suppliers that meet minimum requirements and in the Authority's evaluation rank highest against the evaluation criteria of PQQs will be invited to participate in the next stage of this procurement. It is expected that between 10 and 13 Prospective Suppliers who score over 75 per cent will be invited to tender. The minimum requirements that will apply include:
 - eligibility, being a company auditor under Part 42 of the Companies Act 2006;
 - economic and financial standing and as relevant to size and nature of contracts in this procurement;
 - business activities and track record in relation to the types of audited bodies and services covered by this procurement;
 - having no grounds for mandatory and/or discretionary rejection; and
 - ability to address geographic and language issues and provide services throughout the whole of Wales.
- 5.3. The *Evaluation Criteria of PQQs for selection to next stage of procurement* in Section 2 sets out further information on the selection process, additional detail and weightings on criteria for selection. The section also sets out the grounds for mandatory and discretionary rejection.
- 5.4. Following evaluation of the PQQ responses, the Authority will invite to tender those eligible Prospective Suppliers that in its evaluation of PQQ responses most closely matched the criteria for selection to participate further. Those who are unsuccessful will be notified in writing with feedback provided.

6. Overview of the Lots

- 6.1. Lots 1 and 2 are split by geographical areas with work predominantly within regional areas and covering a mix of audits across a range of sectors and audited bodies (ABs). Work covers the whole of Wales and Providers within Lot 1 and 2 will provide backup for the other Lot as set out further in paragraph 7.
- 6.2. Lot 3 covers town and community council audit across Wales. Providers under this Lot will provide backup for other Provider(s) under Lot 3 and, in exceptional services, secondary backup where appropriate for Lots 1 and 2. All Lots also cover other services on an as required basis.

Lots 1 and 2 – Primary Services

- **Audit of financial statements** - for a number of public sector organisations as determined by the AGW (which may include a mix of Unitary Authorities, Local

Government Pension Funds, Fire Authorities, Welsh Government sponsored bodies and NHS bodies) in accordance with International Auditing Standards (IASs), legal and regulatory requirements and guidance issued by the AGW including the Code of Audit Practice. On completion of the audit, providers will give the AGW an appropriate audit opinion on the financial statements.

- **Grant certification** - certifying (on behalf of the Auditor General for Wales) claims and returns for grants and subsidies paid to audited bodies by the Welsh Government or other public bodies in accordance with guidance issued by the AGW.
- **Questions and objections raised** - specifically for Local Government bodies, dealing with correspondence, questions and objections raised in accordance with electors rights under the Public Audit (Wales) Act 2004 in accordance with AGW oversight arrangements.
- **Governance and Performance element of Local Government or NHS bodies** - supporting and contributing to the governance and performance work undertaken at each individual body in association with the WAO performance audit team for that body. It is estimated that this aspect would be in the region of 15 to 20 days work at the bodies that the Provider has been allocated for financial audit.

Lot 3 – Primary services

- **Town and community councils** – undertaking audit for town and community councils and other small bodies as applicable. Work includes a financial audit of accounts and considering the adequacy of the internal systems of control established for local councils across Wales in accordance with guidance issued by the AGW.
- **Grant certification** – certifying (on behalf of the Auditor General for Wales) claims and returns for grants and subsidies paid to town and community councils by the Welsh Government or other public bodies in accordance with guidance issued by the AGW.

Other Services – as required

- **Consultancy services, technical advice and audit support** - working in partnership with staff of the Wales Audit Office, using professional expertise and knowledge acquired through audit work and other related activities to provide consultancy services, technical advice and auditor support that will assist the Auditor General and the Wales Audit Office in the exercise of their functions.
- These services may include:
 - Local Government question and objection work;
 - Specialist tax advice to the WAO;
 - Pension fund advice;
 - Financial management advice;
 - Forensic accounting and/or ICT audit;
 - Special investigations, data matching and fraud review;
 - Research and technical support; and
 - Wider governance and Performance audit work.
- **Provision of temporary workers to support WAO audit teams** - Temporary assignments provide a key way for the WAO to meet additional, short-notice demands or to manage workload peaks. In addition to undertaking audit work

at specific audited bodies, Providers should have the ability to provide suitable staff to undertake work to support other WAO audit teams. The Authority uses multiple sources for its supply of temporary workers.

Estimated audit fees and allocated audits per annum

*Lots	**Estimated no. of Audits	***Estimated WAO fees per annum per Provider (exclusive of VAT)	*****Other services (as required basis) per Provider (exclusive of VAT)
Lot 1	6	£1,035,000	£0 - £80,000
Lot 2	8	£1,000,000	£0 - £80,000
Lot 3	245 - 370	£62,000 - £94,000	£0 - £40,000

*Lot 1 covers predominantly North and West Wales, Lot 2 covers predominantly South and Mid Wales. Lot 3 covers the whole of Wales and includes two to three suppliers.

** Some audits include pension and associated grants work.

*** Fees are estimated based on current fee scales (rounded to the nearest thousand) which are subject to change each year.

***** Other services are on an as required basis and cannot be estimated to any level of accuracy at this time as work is often based on external factors.

7. Work allocation

- 7.1. The primary services within each Lot will be allocated for the first three years initially at the start of the contract for the audit of the 2015-16 financial year. Financial audit planning work would normally commence in the Autumn of 2015 with the associated governance and performance work in relation to those bodies taking place at various points during the year. Any correspondence, questions or objections in relation to individual audited bodies will normally be undertaken by the audit team for that audit.
- 7.2. Other services will be awarded on an as required basis between the three Lots. The Authority cannot define the quantum of work or specification for such work at this time. Where a service relates to a particular Lot (e.g. geographically or in terms of audit allocation), a specification of work will be provided, number of days/skill mix required will be agreed as defined in the ITT rates schedule, and it will be awarded to the Lot Provider if they are able to undertake the work. If they are unable to undertake the work or the work is not agreed, all other Lot Providers will be approached where appropriate. If work spans more than one Lot or is unrelated to a Lot, then a competitive quote will be requested from all Lot Providers.
- 7.3. The Authority, using its discretion, may alter or reduce the contract mix and work within Lots as result of changes in its operating environment due to circumstances outside the Authority's control and other factors, which may include the following:
- Changes to the quantum of work or boundary changes –
 - Mergers, voluntary or otherwise, between audited bodies thereby reducing or increasing the quantity of audit work required.
 - Partnership work across boundaries that may blur or alter the lines of responsibility in relation to public audit.
 - Welfare reforms connected to Housing Benefit Subsidy, loss of European or local grant funding or audit requirements changing resulting in fewer audits needing to be undertaken.
 - The Welsh Government's review of audit, inspection and regulation may result in changes to audit practices.

- Where a supplier has declared a conflict of interest and so, for ethical or independence reasons cannot complete work related to a particular audited body.
 - Other reasons, such as justifiable client dissatisfaction for performance and quality reasons.
- 7.4. It is the Authority's intention to address the factors identified in paragraph 7.3 as below, and it is therefore important that all Providers are able to cover the whole of Wales.
- For factors which do not result in changes to the quantum of work required or audit practices, the Authority would seek to allocate work to another Provider awarded a contract. The other Provider will be provided the opportunity to accept or decline the additional work.
 - In the case of Lots 1 and 2, this would usually be between the two Lots.
 - In the case of Lot 3, to the Provider with the next most advantageous offer for that category of work or by competitive quote where appropriate.
 - In the case where there are valid reasons not to award the work to another Provider, such as when it is more economically advantageous for WAO to do so, or where other Provider(s) have independence issues or lack of capacity, then the Authority would retain the work or purchase services from a provider outside the contract.
 - Where there is a change to quantum of work (either increase or decrease), the Authority reserves the right to retain or 'claw back' the work but may also consider alterations to audit mix.
 - In all cases where there are changes proposed, the Authority will endeavour to consult with the Provider(s) in advance of decisions made or as soon as able and to ensure that adequate notice of three months or longer is provided wherever possible. The exception to this is for short-notice requests for work.

8. Fees

- 8.1. The Wales Audit Office has prepared and published a fee scheme which provides the basis on which the Wales Audit Office charges fees. The fee scheme has been prepared under section 24 of the Public Audit (Wales) Act 2013 and has been published following approval by the National Assembly.
- 8.2. The fee scheme sets out:
- the enactments under which the Wales Audit Office charges fees; and
 - the arrangements for setting those fees.
- 8.3. The arrangements for setting fees comprise either:
- fee scales that set out fee ranges for particular areas of audit work; or
 - fee rates for work not covered by fee scales.
- 8.4. For work for which fees are charged, resource requirements are converted into fees directly based on, and not exceeding, the full costs of carrying out that work. Those costs will include the direct costs of staff plus an appropriate proportion of overheads.
- 8.5. Auditors will use their professional judgment, informed by the Auditor General's Code of Audit Practice and Statement of Practice, relevant accounting and auditing standards, and other guidance issued by the Auditor General to determine the

amount of work that is necessary at a particular audited body to meet the Auditor General's statutory responsibilities. Providers will be required to discuss the fees and billing arrangements with the Authority.

- 8.6. The amount of work that is necessary is likely to depend on each body's circumstances. The total fee (performance, governance and accounts audit) must be sufficient to fund the work required taking into account considerations such as the governance environment, risk, financial and performance management arrangements, size, complexity and the body's track record on improvement. If unplanned or additional work is required as a result of failures by audited bodies to provide what auditors need for them to do their work efficiently, additional fees will be charged commensurate with the additional work involved.
- 8.7. Fee scales provide a framework within which auditors can discuss fees with audited bodies, and enable the Wales Audit Office to identify and challenge proposed fees that appear to be either too high or too low to enable auditors to properly discharge the Auditor General's responsibilities.
- 8.8. The Wales Audit Office is required to prescribe fee scales for:
 - work relating to the audit of local government bodies;
 - work carried out under the Local Government (Wales) Measure 2009; and
 - data matching work.
- 8.9. Providers must undertake audits within these scales, other than in exceptional circumstances, and the fee for each body will be agreed between the Provider and AGW each year. The fees set are inclusive of travel and subsistence costs and are therefore not differentiated based on the audited body's location in Wales.
- 8.10. Provider costs set out at the next stage of this procurement will be based on reductions or discounts from both (1) fee scales and (2) the proportionate hourly rates for other work that sits outside the fee scales². Key documents for reference:
 - [Wales Audit Office Fee Scheme](#)
 - [Auditor General for Wales' Code of Audit Practice and Statement of Practice](#)
 - [Wales Audit Office consultation document 'Local government audit and inspection fee scales 2014-15'](#)

² This other work is described on page 19 of the Local Government audit and inspection fee scales. As examples, other work includes grant certification, reports in the public interest, extraordinary audit and further work in relation to elector challenge and prevention of unlawful expenditure.

Section 2 – Instructions to Prospective Suppliers

9. Instructions to Prospective Suppliers

- 9.1. These instructions are designed to ensure that all Prospective Suppliers are given equal and fair consideration. It is important therefore that you provide all the information asked for in the format and order specified. Please contact Laurie Davies at Tenders@wao.gov.uk if you have any doubt as to what is required or will have difficulty in providing the information requested. The Authority will use the 'Tenders' e-mail address to communicate with Prospective Suppliers. Queries that relate to the PQQ or ITT in terms of clarification and for further information please visit the [Sell2Wales](#) site; a questions and answers page is set up for the duration of the procurement.
- 9.2. Prospective Suppliers should read these instructions before completing the PQQ documentation and submission of the PQQ Response. Prospective Suppliers are advised to acquaint themselves with the extent and nature of the services and contractual obligations.
 - 9.2.1. There is a short questionnaire in Section 3 to assist the Authority to assess compliance and review minimum requirements and a set of forms to submit in response to the PQQ. Section 4 includes a statement of good standing and discretionary grounds for rejection. See also section 5.2 which sets out minimum requirements.
 - 9.2.2. PQQ Responses which are deemed by the Authority to be compliant and meet minimum requirements will proceed to evaluation. These will be evaluated using the selection criteria and weightings detailed in the *Evaluation Criteria of PQQs for selection to next stage of procurement* in paragraph 23. Those suppliers that are considered to match the criteria for selection most closely in the Authority's view will be invited to participate further in the procurement.
- 9.3. All material issued in connection with this PQQ shall remain the property of the Authority and, subject to any legal requirements, shall be used only for the purpose of this procurement exercise.
- 9.4. The Prospective Supplier shall ensure that each and every sub-contractor, consortium member and adviser abides by the terms of these instructions.
- 9.5. The Prospective Supplier shall not make contact about this procurement with any other employee, agent or consultant of the Authority who are in any way connected with this procurement exercise during the entire period of this procurement exercise, unless instructed otherwise by the Authority. Prospective Suppliers also must not contact any member of the Authority in relation to this procurement. All queries related to this procurement must be directed to the named contact (see 9.1 above) only.
- 9.6. Prospective Suppliers shall accept and acknowledge that by issuing this PQQ the Authority shall not be bound to accept any PQQ or subsequent Tender and reserves the right not to conclude a contract for some or all of the services for which Tenders will be invited.
- 9.7. Prospective Suppliers shall acknowledge that the nature of services required may change over time and in response to the Authority's operating environment. The Authority reserves the right to alter the contract or substitute work at its discretion in accordance with paragraphs 7.3 and 7.4.

10. Confidentiality

- 10.1. Subject to the exceptions referred to in paragraph 9, the contents of this PQQ are being made available by the Authority on condition that:
 - 10.1.1. Tenderers shall at all times treat the contents of the PQQ, ITT and any related documents (together called the 'Information') as confidential, save in so far as they are already in the public domain;
 - 10.1.2. Tenderers shall not disclose, copy, reproduce, distribute or pass any of the Information to any other person (person, firm, body or association) at any time or allow any of these things to happen;
 - 10.1.3. Tenderers shall not use any of the Information for any purpose other than for the purposes of submitting (or deciding whether to submit) a Tender; and
 - 10.1.4. Tenderers shall not undertake any publicity activity within any section of the media.
- 10.2. Tenderers may disclose, distribute or pass any of the Information to the Tenderer's advisers, sub-contractors or to another person provided that either:
 - 10.2.1. This is done for the sole purpose of enabling a Tender to be submitted and the person receiving the Information undertakes in writing to keep the Information confidential on the same terms as if that person were the Tenderer; or
 - 10.2.2. The Tenderer obtains the prior written consent of the Authority in relation to such disclosure, distribution or passing of Information; or
 - 10.2.3. The disclosure is made for the sole purpose of obtaining legal advice from external lawyers in relation to the procurement or to any contract arising from it; or
 - 10.2.4. The Tenderer is legally required to make such a disclosure.
- 10.3. The Authority may disclose detailed information and any documents relating to Tenders to its officers, employees, or advisers. The Authority also reserves the right to disseminate information that is materially relevant to the procurement to all Tenderers, even if the information has only been requested by one Tenderer, subject to the duty to protect each Tenderer's commercial confidentiality in relation to its Tender (unless there is a requirement for disclosure under the Freedom of Information Act, as explained in paragraphs 11.1 to 11.3 below).

11. Freedom of Information

- 11.1. In accordance with the obligations and duties placed upon public authorities by the Freedom of Information Act 2000 (the 'FoIA'), the Authority may, acting in accordance with the Secretary of State's Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the said Act, or the Environmental Information Regulations 2004 (EIR) be required to disclose information submitted by the Prospective Supplier to the Authority.
- 11.2. In respect of any information submitted by a Prospective Supplier that it considers to be commercially sensitive the Prospective Supplier should:
 - 11.2.1. clearly identify such information as commercially sensitive;
 - 11.2.2. explain the potential implications of disclosure of such information; and
 - 11.2.3. provide an estimate of the period of time during which the Prospective Supplier believes that such information will remain commercially sensitive.

- 11.3. Where a Prospective Supplier identifies information as commercially sensitive, the Authority will endeavour to maintain confidentiality. Prospective Suppliers should note, however, that, even where information is identified as commercially sensitive, the Authority may be required to disclose such information in accordance with the FoIA or the EIR. In particular, the Authority is required to form an independent judgment concerning whether the information is exempt from disclosure under the FoIA or the EIR and whether the public interest favours disclosure or not. Accordingly, the Authority cannot guarantee that any information marked 'confidential' or "commercially sensitive" will not be disclosed.
- 11.4. Where a Prospective Supplier receives a request for information under the FoIA or the EIR during the procurement process, this should be immediately passed on to the Authority and the Prospective Supplier should not attempt to answer the request without first consulting with the Authority.

12. Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended

- 12.1. Prospective Tenderers should be aware of the possibility that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') could apply if services are transferred to a new Provider as result of this Procurement. In a case where TUPE does apply, the employees of the WAO's existing suppliers employed in the part of the service transferred to the new Provider could become employees of that Provider on their existing terms and conditions of employment.

13. Welsh Language Scheme requirements

- 13.1. The successful supplier must ensure that services provided through this contract are compliant with the Authority's Welsh Language Scheme and on their commencement the Welsh Language Standards³. As a minimum the WAO will expect:
- communication with public bodies (verbal and written) will be in accordance with the language preference of those bodies;
 - public communications in relation to this contract to be in both Welsh and English languages where this applies; and
 - standard letters and/or general communication to be available in either language.

14. General Equality Duty

- 14.1. Under the Equality Act 2010 ('the Act'), the Wales Audit Office is subject to the General Equality Duty. The supplier will assist the Wales Audit Office in meeting the General Equality Duty in exercising its functions and in exercising functions shall have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

³ The Welsh Government recently consulted on its future Standards relating to the Welsh Language. The consultation document may be found on the [Welsh Government](#) website.

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

15. Timescales

15.1. Set out below is the proposed procurement timetable. This is intended as a guide and while the Authority does not intend to depart from the timetable it reserves the right to do so at any stage.

DATE	STAGE
11 June 2014	PQQ to be issued by the Authority
24 July 2014	Closing date and time for receipt by the Authority of PQQ Responses to the PQQ
27 July 2014	Evaluation of PQQ Responses commences
8 September 2014	ITT to be issued by the Authority to Potential Suppliers selected to progress to the next stage of this procurement
9 September 2014	Clarification period opens
13 October 2014	Clarification period closes
24 October 2014	Closing date and time for receipt by the Authority of Tenderer Responses to the ITT
27 October 2014	Evaluation of ITT Responses commences
24-28 November 2014	Clarification meetings (shortlisted suppliers)
1-3 December 2014	References
8-12 December 2014	Moderation meetings
30 January 2015	Notification of proposed contract award
20 February 2015	Expiry of standstill period required under Regulation 32 of the Public Contracts Regulations 2006
25 February 2014	Appointment of Providers
1 April 2015	Commencement Date of Contract

16. Authority's Contact Details

16.1. Unless stated otherwise in these Instructions or in writing from the Authority, all communications from Prospective Suppliers and Tenderers (including their sub-contractors, consortium members, consultants and advisers) during the period of this procurement exercise must be directed to the designated Authority contact named in paragraph 9.1 above.

16.2. All communications should be clearly headed PQQ for Provision of Financial Audit and Related Services, Ref: 10514. and include the name, contact details and position of the person making the communication.

17. Preparation of PQQ Responses

- 17.1. Prospective Suppliers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of PQQ Responses and Tenders. Prospective Suppliers and Tenderers are solely responsible for the costs and expenses incurred in connection with the preparation and submission of their PQQ and/or Tender Response and all other stages of the selection and evaluation process. Under no circumstances will the Authority be liable for any costs or expenses borne by Prospective Tenderers, sub-contractors, suppliers or advisers in this process.

18. Submission of PQQ Responses

- 18.1. The PQQ Response, with the supporting forms, must be submitted to the Post box facility at sell2wales.gov.uk no later than **14:00 BST on 24 July 2014** (“**the Deadline**”). A [Suppliers Postbox user guide](#) is available under the ‘Help and Support’ section of the Sell2Wales website.
- 18.2. PQQ Responses received before this deadline will be retained unopened until after the closing time and date. Responses should be clearly labelled as instructed in the Suppliers Postbox guide (PQQ Ref:10514) Provision of financial audit and related services but should not include the name of the organisation/person submitting the PQQ within the subject line.
- 18.2.1. The Prospective Supplier is responsible for making their own internal checks whether a file was received by the Authority.
- 18.2.2. The Authority does not accept responsibility for the premature opening or mishandling of PQQ Responses that are not submitted in accordance with these instructions.
- 18.2.3. Any PQQ Response received after the Deadline may be rejected unless the Prospective Supplier can provide evidence that the PQQ was capable of being received by the due date and time.
- 18.3. The PQQ Response and any documents accompanying must be in the English or Welsh languages.
- 18.4. Any financial data provided must be submitted in or converted into pounds sterling and stated exclusive of VAT.
- 18.5. Prospective Suppliers should not include in the Response any extraneous information which has not been specifically requested in the PQQ including, for example, any sales literature, standard terms of trading, etc.

19. Disclaimers

- 19.1. While the information in this PQQ and supporting documents has been prepared in good faith, it does not purport to be comprehensive nor has it been independently verified.
- 19.2. Neither the Authority, nor its advisors, directors, officers, members, partners, employees, other staff or agents:
- makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the PQQ; or
 - accept any responsibility for the information contained in the PQQ or for their fairness, accuracy or completeness of that information nor shall any of them be liable for any loss or damage (other than in respect of fraudulent

misrepresentation) arising as a result of reliance on such information or any subsequent communication.

20. Queries Relating to PQQ

- 20.1. The Authority will endeavour to answer all questions as quickly as possible, but cannot guarantee a minimum response time. Clarification requests can be submitted via e-mail only using the Sell2Wales portal after registering an interest on the contract notice. By recording an interest you will be sent an e-mail and the notice will be saved to your supplier interest list which will assist in locating the notice and associated documents. Any updates made to the notice or communication will forward an e-mail prompt.
- 20.2. In order to ensure equality of treatment of Prospective Suppliers, the Authority intends respond to the questions and clarifications raised together with the Authority's responses (but not the source of the questions) on a regular basis using the Sell2Wales Questions and Answers (Q&A) tab. Prospective Suppliers will need to register an expression of interest on the Sell2Wales website in order to receive e-mail updates to questions and answers.
- 20.3. Prospective Suppliers should indicate if a query is of a commercially sensitive nature, i.e. a query where its disclosure and disclosure of the answer would or would be likely to prejudice its commercial interests. However, if the Authority at its sole discretion does not either; consider the query to be of a commercially confidential nature, or considers that it relates to an issue such that all Prospective Suppliers would potentially benefit from seeing both the query and Authority's response, the Authority will:
 - 20.3.1. invite the Prospective Supplier submitting the query to either allow rewording of the query to enable the query along with the Authority's response to be circulated to all Prospective Suppliers; or
 - 20.3.2. request the Prospective Supplier, if it still considers the query to be of a commercially confidential nature, to withdraw the query.
- 20.4. The Authority reserves the right not to respond to a request for clarification or to circulate such a request where it considers that the answer to that request would or would be likely to prejudice its commercial interests.

21. Right to Reject/Disqualify

- 21.1. In certain circumstances as a public sector body, the Authority is required by law to exclude organisations from participating in a tender. This includes when the organisation, any directors or partners who have powers of representation, decision or control have been convicted of offences related to the following:
 - conspiracy within the meaning of section 1 or 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal attempts and Conspiracy (Northern Ireland) Order 1983 where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of the Council Framework Decision 2008/84`/JHA;
 - corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906, where the offence relates to active corruption;
 - the offence of bribery, where the offence relates to active corruption or bribery within the meaning of section 1 or 6 of the Bribery Act 2010;

- fraud, where the offence relates to fraud affecting the European Communities' financial interests, including the offences of cheating the revenue, conspiracy to defraud, fraud, theft, fraudulent trading, fraudulent evasion, offences in connection with taxation in the EU, the offences of destroying, defacing or concealing documents or procuring the execution of a valuable security or the offences contained in the Fraud Act 2006;
- money laundering within the meaning of section 340(11) of the Proceeds of Crime Act 2002; and/or
- an offence in connection with proceeds of criminal conduct, drug trafficking, or any other offence within the meaning of Article 45(1) of Directive 2004/18/EC.

21.2. The Authority also reserves the right to reject or disqualify a Prospective Supplier or Tenderer where:

- the Prospective Provider or Tenderer fails to comply fully with the requirements of this PQQ or ITT or is guilty of a serious misrepresentation in supplying any information required in this document, or expression of interest; and/or
- the Prospective Provider or Tenderer is guilty of serious misrepresentation in relation to its Response, and/or the Tender process; and/or
- there is a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the Prospective Provider or Tenderer.

22. Right to Cancel, Clarify or Vary the Process

22.1. The Authority reserves the right to:

- amend the terms and conditions of the procurement process;
- cancel the evaluation process at any stage; and/or
- require the Prospective Provider or Tenderer to clarify its Response in writing and/or provide additional information.

23. Evaluation Criteria of PQQs for selection to next stage of procurement

23.1. Supplier Response to the questions contained in PQQ will be evaluated against the high level criteria in the Evaluation Criteria for Selection table below.

Table 3: Evaluation Criteria for selection to participate further in this procurement		
Criteria	Evaluation method	Weighting
Grounds for Mandatory or Discretionary Rejection	In some circumstances we are required by law to exclude you from participating further in a procurement. If you cannot answer 'no' to every question in the section on Mandatory Rejection it is very unlikely that your application will be accepted, and you should contact us for advice before completing this form. The Authority is entitled to exclude you from consideration if any of the Grounds for Discretionary Rejection apply but may decide to allow you to proceed further.	Pass/Reject

Economic and Financial Standing	<ul style="list-style-type: none"> The supplier must be in a sound financial position to participate in a procurement of this size as set out in Regulation 24 of the Regulations. The supplier's fee income must be sufficient to enable it to comply with Ethical Standard 4 of the United Kingdom Auditing Practices Board, which effectively prohibits auditors from accepting audit engagements if the fee income earned from the client concerned is expected to exceed 15 per cent of total fee income (and requires an independent external review of all audit work where the fees from one client are expected to amount to more than 10 per cent of total fee income). For this purpose, the Auditor General and the Authority is treated as a single client. The organisation name and registration number may be used to obtain a financial risk assessment report. If WAO is unable to obtain a suitable financial risk assessment report for a particular potential provider, or their nominated guarantor, the organisation may be required to provide additional financial information to enable an assessment to be carried out. 	Pass/Reject
Business activities and track record	<ul style="list-style-type: none"> The supplier (if a firm, the relevant partner(s)) must be qualified to audit public sector bodies being a company auditor under Part 42 of the Companies Act 2006 The supplier's demonstration of a successful track record of providing similar services to those listed in the OJEU contract notice and set out within this PQQ document; evaluated through response to Section 3. 	pass/reject 30
Ability to address geographical and language issues	<ul style="list-style-type: none"> Evidence of ability to cover the whole of Wales and support of bilingual environments 	pass/reject
Supplier capacity and capability	<ul style="list-style-type: none"> The supplier's demonstration that they meet the highest standards in audit quality assurance and arrangements. The supplier's demonstration of robust processes for information assurance, equality, and environmental matters. WAO will assess the responses to Section 3 in terms of resources and core competences, skills and experience available to the supplier, including arrangements to provide professional and technical support to auditors. 	20 20 30

24. Evaluation process

24.1. The PQQ evaluation process will be conducted to ensure that Prospective Suppliers are evaluated fairly to select suppliers to invite to the next stage of procurement. The evaluation criteria set out in Table 3 will be used to evaluate the PQQ submissions. Account will also be taken of any factors which may impact on the Prospective Suppliers suitability that emerge from the process. Following evaluation, those suppliers that are invited to tender will participate further in the procurement process.

24.2. The Tender evaluation process will take place at the next stage of this procurement to ascertain the most economically advantageous offers. A separate set of evaluation criteria will apply and will be included within the ITT and this will consist of quality and cost criteria on a 60/40 ratio. The Tenderers submitting the most economically advantageous offers with regard to the Tender evaluation criteria at the conclusion of the evaluation, will be awarded a contract.

25. Debriefing

25.1. Following the conclusion of the PQQ stage, all unsuccessful Prospective Suppliers will be written to with feedback on their Tender submission and afforded the opportunity of a further debriefing. Unsuccessful Prospective Suppliers should notify the Authority in writing that they wish for a further debriefing. The Authority will formally debrief the unsuccessful Tenderer within 15 days of receiving such a request.

Section 3: Commercial questionnaire

Please respond to the questionnaire below.

Name of the organisation:	
Contact name:	
Contact position (Job Title):	
Address for all correspondence:	
Telephone number:	
Mobile number (if applicable):	
E-mail address:	
Website address (if any):	
Company Registration number (if this applies):	
Charity/Other Registration Number (if this applies):	
Group (if the organisation is a member of a group of companies, please give the name and address of the ultimate parent company):	
Registered address if different from above:	
VAT Registration number (if this applies):	
State the type of legal entity of your organisation (e.g. partnership or LLP)	

Is this a consortium bid?

Consortium bid		Yes/No <i>(please delete)</i>
If yes, please provide details of the consortium members and their respective roles in the consortium. (Note: the responses in this tender are to cover ALL consortium members)		
Organisation name	Organisation address and contact details	Service provision role

Subcontracting

Do you intend to sub-contract any element of the work? <i>(This does not include the .)</i>	Yes/No <i>(please delete)</i>
If yes, please provide details of the elements of the subcontractors.	

Please provide an indication of the Lot(s) you are interested in and any secondary services where you have experience and would like to be considered for

Primary Services	Yes / No	Other Services	Yes / No
Lot 1		Specialist tax advice	
Lot 2		Forensic accounting and/or ICT audit	
Lot 3		Pension fund advice	
Other Services		Special investigations, data matching and fraud review	
Wider governance and performance audit		Research and technical support	
Local Government question and objection work		Provision of staff to support appointed auditors who are members of WAO	
Financial management advice			

ECONOMIC AND FINANCIAL STANDING

Accounts information – please provide the following:

Your organisation's total turnover for the last 2 trading years (or period of trading if less than 2 years) for which account have been prepared	£..... for the year ended.../.../....	£..... for the year ended.../.../....
--	--	--

An analysis of the income attributable to audit fees and/or audit and advisory work for public sector clients in each of the last three financial years.

Where a consortium or association is proposed, the information is requested for each member. The Authority reserves the right to request a copy of the full report and audited accounts for the last 3 financial years.

Has your organisation met all of its obligations (in its state) to pay its creditors and staff during the past year?

	Yes/No (<i>please delete</i>)
If no, please explain why not.	

Has your organisation met the terms of its banking facilities and loan agreements (if any) during the past year?

	Yes/No (<i>please delete</i>)
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If no, what were the reasons, and what has been done to remedy the situation?	
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Name and address of principal bank

Bank name	
Address	
Town/City	
Postcode	

Please provide a statement of any material threatened, pending, current or recent litigation or other legal proceedings against your organisation and any of your supply chain members that may affect delivery of the requested services.

Disclosure of legal proceedings (not more than 200 words) <i>Either insert required details or state 'None'</i>

Insurance

Please provide evidence of the employers' liability, public liability insurance [and professional liability or indemnity if appropriate] insurance held by the Potential Provider.

	Employers Liability	Professional Indemnity	Public Liability / Other
Name of insurer			
Policy numbers			
Expiry date			
Limits of indemnity (per occurrence and aggregate)			
Excess (if any)			
Self-insurance (if any)			

BUSINESS ACTIVITIES AND TRACK RECORD

Please provide a brief description of your primary business activities and main services (300 words max).

Please provide a brief description of your experience in the last three years of providing services similar to those required by this procurement (400 words max).

Is your business registered with the appropriate trade or professional register(s) in the UK or other EU member state where it is established under the conditions laid down by that member state.

Professional register or body (please state name(s))	Indicate with Yes or leave blank

Please provide details of three major recent contracts you have been awarded by public sector bodies in the local government, central government, and health or criminal justice sectors for the provision of services similar to those described in this procurement.

CONTRACT 1

INFORMATION REQUIRED	RESPONSE
Name and Address of Body	
Contact Name and Telephone Number	
Email address (if available)	
Details of Service Provided	
Value of Contract	
Duration of Contract	

CONTRACT 2

INFORMATION REQUIRED	RESPONSE
Name and Address of Body	
Contact Name and Telephone Number	
Email address (if available)	
Details of Service Provided	
Value of Contract	
Duration of Contract	

CONTRACT 3

INFORMATION REQUIRED	RESPONSE
Name and Address of Body	
Contact Name and Telephone Number	
Email address (if available)	
Details of Service Provided	
Value of Contract	
Duration of Contract	

Prospective Tenderers please note that the contracts provided above will also serve as references for the Invitation to Tender (ITT) stage of this procurement. References will only be taken up at the Tender stage of this procurement following approval from the Prospective Tenderers that are invited to participate further in this procurement.

ABILITY TO ADDRESS GEOGRAPHICAL AND LANGUAGE ISSUES

Please describe your organisation's experience of providing services to rural or remote areas in Wales within a bilingual (Welsh/English) environment. (200 words max)

Considering your response above, please describe arrangements for meeting the needs of audited bodies and citizens whose preference is to communicate in Welsh, including locations in Wales and level of competence of those staff or workers that are able to communicate in Welsh.

CAPACITY AND CAPABILITY

Please provide the number of staff currently involved directly in the provision of (1) public sector audit ⁴ and (2) all other audit and advisory services (full-time equivalent)	
Staff turnover as a percentage of your workforce for the last two years	

Expanding on your response above, please provide a brief overview of the skills and experience that are available generally.

Type of audit	Role(s)	Professional status	Relevant skills and experience	Other

⁴ For the purposes of this PQQ, public sector audit is defined as audit work on the financial statements of local government bodies, NHS bodies, and central government bodies (whether for the whole UK or any of the devolved administrations). Central government bodies include government departments, arms-length non-departmental agencies and probation trusts.

Is any director or partner of the organisation a relative of the Auditor General for Wales, or a relative of a member or senior employee of the Wales Audit Office? (If yes, please supply details)

Does any director or partner of the organisation have a business relationship, or other material connection with the Auditor General for Wales of a member or a senior employee of the Wales Audit Office? (If yes, please supply details)

Please describe your overall arrangements for providing technical and professional support and, continuing professional development to your financial staff on your organisation's financial audit work (400 words max)

Please describe in brief the specialist skills, tools and techniques that would be available and other technical and developmental capacity, including capacity for innovation.

Please provide details of your organisation's measurements for ensuring quality in relation to your overall financial audit services provided e.g. such as quality management systems and controls in place (ISQC1 or equivalent). Please also include details of any quality assurance certification i.e. ISO9001 or equivalent? (350 words max).

Please provide details on your organisation's information security arrangements and methodologies in particular as it relates to ICT systems.

Data Protection

Please provide details of the procedures in place within your organisation to ensure compliance with the Data Protection Act 1998, including:

Maximum 300 words in total	
<p>how your organisation ensures that your staff maintain the confidentiality of the information from third parties and its electronic and physical security at all times;</p> <p>the technical and organisational measures your organisation has in place in order to safeguard personal data supplied by third parties;</p> <p>how your organisation ensures the data from third parties is not processed in such a way that damage or distress is caused, or likely to be caused, to any data subject.</p>	
<p>If you are registered under the Data Protection Act please state your registration number.</p>	
Registration No:	

Equal Opportunities

Do you have a written equal opportunities or equalities policy and code of conduct?	Yes/No (<i>please delete</i>)
In the last 3 year has any finding of unlawful discrimination in the employment field been made against you by the employment appeal tribunal or any court or in comparable proceedings in any other jurisdiction?	Yes/No (<i>please delete</i>)
If the answer to the previous question is 'yes', please outline the issues and explain the steps have you taken as a result of that finding.	

[If you have been found to have committed a serious breach and are unable to demonstrate that you have taken appropriate action to remedy the situation, you will be disqualified from the procurement.]

Environmental Management

Does your organisation operate in accordance with a formally documented and implemented environmental management system? (e.g. BS/EN/ISO 14001 or equivalent)	Yes/No (<i>please delete</i>)
Does your organisation have a formally documented and implemented sustainability or environmental policy?	Yes/No (<i>please delete</i>)
Please explain how your organisation would aim to reduce its environmental impacts through this contract.	

Section 4: Statement Relating to Good Standing

STATEMENT RELATING TO GOOD STANDING – GROUNDS FOR OBLIGATORY EXCLUSION (IN ELIGIBILITY) AND CRITERIA FOR REJECTION OF CANDIDATES in accordance with Regulation 23 of the Public Contracts Regulations 2006 (as amended)

We confirm that, to the best knowledge, our organisation is not in breach of the provisions of Regulation 23 of the Public Contracts Regulations 2006 (as amended) and in particular that:

Grounds for mandatory rejection (ineligibility)

Our organisation (or its directors or any other person who has powers of representation, decision or control of the named organisation) has not been convicted of any of the following offences:

- a) conspiracy within the meaning of section 1 or 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983 where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of the Council Framework Decision 2008/841/JHA;
- b) corruption within the meaning of section 1(s) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906 where the offence relates to active corruption;
- c) the offence of bribery, where the offence relates to active corruption;
- d) fraud, where the offence relates to fraud affecting the financial interests of the European Communities as defined by Article 1 of the Convention relating to the protection of the financial interests of the European Union, within the meaning of:
 - i. the offence of cheating the Revenue;
 - ii. the offence of conspiracy to defraud
 - iii. fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;
 - iv. fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;
 - v. fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;
 - vi. an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993; or
 - vii. destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;
 - viii. fraud within the meaning of section 2, 3, or 4 of the Fraud Act 2006; or
 - ix. making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of the Fraud Act 2006;
- e) money laundering within the meaning of section 340(11) of the Proceeds of Crime Act 2002;
- f) money laundering within the meaning of the Money Laundering Regulations 2007; or
- g) any other offence within the meaning of Article 45(1) of the EC Directive 2004/18 as defined by the national law of any relevant state;
- h) an offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996; or

- i) an offence in connection with the proceeds of drug trafficking within the meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994.

Organisation's name	
Signed	
Position	
Date	

Discretionary grounds for rejection

Our organisation (or our directors or any other person who has powers of representation, decision or control of the named organisation) confirm that it:

- a) being an individual is not bankrupt or has not had a receiving order or administration order or bankruptcy restrictions order made against him or has not made any conveyance or assignment for the benefit of his creditors or does not appear unable to pay or have no reasonable prospect of being able to pay, a debt within the meaning of section 268 of the Insolvency Act 1986, or article 242 of the Insolvency (Northern Ireland) Order 1989, or in Scotland has not guaranteed a trust deed for creditors or become otherwise apparently insolvent, or is not the subject of any similar procedure under the law of any other state;
- b) being a partnership constituted under Scots law has not granted a trust deed or become otherwise apparently insolvent, or is not the subject of a petition presented for sequestration of its estate;
- c) being a company or any other entity within the meaning of section 255 of the Enterprise Act 2002 has not passed a resolution or is not the subject of an order by the court for the company's winding up otherwise than for the purpose of bona fide reconstruction or amalgamation, nor had a receiver, manager or administrator on behalf of a creditor appointed in respect of the company's business or any part thereof or is not the subject of similar procedures under the law of any other state;
- d) has not been convicted of a criminal offence relating to the conduct of his business or profession;
- e) has not committed an act of grave misconduct in the course of his business or profession;
- f) has fulfilled obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the relevant State in which the organisation is established;
- g) has fulfilled obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the relevant State in which the economic operator is established;
- h) is not guilty of serious misrepresentation in providing any information required under regulation 23 of the Public Contracts Regulations 2006 (as amended);
- i) in relation to procedures for the award of a public services contract, is licensed in the relevant State in which he is established or is a member of an organisation in that relevant State when the law of that relevant State prohibits the provision of the services to be provided under the contract by a person who is not so licensed or who is not such a member.

Organisation's name	
Signed	
Position	
Date	