

Notification of upcoming external audit service provider panel qualification

1 Purpose

VAGO wishes to re-establish a panel of suitably qualified Audit Services Providers (ASPs) to deliver financial audit services (audit jobs) for Victorian public sector entities.

This document provides advance information on the timeline of the panel application process and key features for potential panel applicants.

2 Objectives

The objectives of the new panel arrangement are to:

- obtain access to audit service providers with due regard for audit quality and value for money
- achieve continuous improvement towards best practice in delivering financial audit services
- engage services providers who have a strong cultural fit with and can develop strong working relationships with VAGO
- achieve process efficiencies and effectiveness in the delivery of VAGO audits

3 Panel qualification process

3.1 Key Dates

There are several key activities and dates for the panel qualification process:

Activity	Planned dates
Release Request for Application (RFA) with Tenders Victoria	October 28 th 2019
Briefing meeting for all applicants	November 7 th , 2019
Submissions due for RFA	5 p.m., November 27 th , 2019
Complete initial submission screening and evaluation	January 31, 2020
Complete interviews, presentations and other due diligence for shortlisted applicants	February 21 st , 2020
Notification of successful panellists	Week of March 2 nd 2020
Panel arrangements finalised	March 31 st 2020

3.2 Qualification criteria

Panellists will be assessed against several criteria:

Criteria Type	Description
Screening Criteria <i>(Criteria which will be used to screen out applicants prior to detailed Weighted Criteria assessment)</i>	<ul style="list-style-type: none"> • Audit quality control and assurance • Data governance and protection
Scored Criteria <i>(Criteria used for shortlisting and ranking – some of these may also be used for screening if required e.g. large pool of Applicants)</i>	<ul style="list-style-type: none"> • Capability and experience (30%) • Capacity to deliver (30%) • Understanding of VAGO and commitment to 'One Voice' (20%) • Culture of innovation (including data analytics and technology) and knowledge transfer (20%)
Unweighted Risk Factors <i>(Factors that will be considered as part of an overall risk assessment of an Applicant)</i>	<ul style="list-style-type: none"> • Compliance with draft contract conditions • Compliance with relevant legislation • Financial viability • Insurance requirements • Other risks identified

Panellists wishing to qualify for Category A audit jobs (see 4.2 Panel configuration below) will be assessed against the scored criteria of 'Capability and experience for specialist entities'.

3.2.1 Data governance and protection

VAGO will introduce 'Data governance and protection' as a qualification criterion for the new panel. For further information, please refer to the [Data Protection Fact Sheet](#).

4 Panel arrangement

4.1 Term

Once the new panel is established, it will not be open for qualification of new applicants until 2026 unless VAGO determines that new panellists are required during this time.

4.2 Panel configuration

The new panel will consist of up to 10 providers. Potential applicants can apply to qualify for either Category A and B OR Category B only types of work.

- Category A: High-risk, complex audits requiring specialist expertise (e.g. insurers and treasury type public sector entities)
- Category B: All other audits outside of Category A

4.3 Panel approach and work allocation process

It is expected that a total of approximately 400 audits will be delivered by this panel. These audits will be awarded through a Request for Quotation (i.e. a quote round) process. The first one will be in 2020 and the second one in 2022.

Audit jobs will be released as follows to the panel for quotation:

- Category A: High-risk, complex audits requiring specialist expertise (i.e. insurers or treasury type public sector entities)
Category A audits will be issued to select ASPs on the Panel who have qualified to conduct this work
- Category B: All other audits outside of Category A
Category B audits will be issued to all ASPs on the Panel for quotation

VAGO may adjust the panel approach process during the term of panel.

Work allocated through the quote rounds will be determined by an assessment of the quotation against the following criteria:

Criteria Type	Description
Core criteria	Value for money as assessed by: <ul style="list-style-type: none"> • Proposed quantity of audit hours • Allocation of audit hours by audit team proposed (by team member level and phase project project)
	<ul style="list-style-type: none"> • Proposed price
Other considerations	<ul style="list-style-type: none"> • Capacity risk assessment • Panellist preference for specific audits • Other value adding proposals

4.4 Audit Contract Term

Audit jobs will be awarded to successful ASP for a 3 + 3 year term (initial three year contract period with an option for a further three year extension).

5 Frequently Asked Questions

5.1 I am a provider on the current ASP panel – what happens to my existing contracts?

All existing contracts will run until the end of the initial three years contract period. Any three year contracts expiring at the end of the 18/19 cycle or are under an annual extension will only be renewed for 19/20.

5.2 How do I respond to the Request for Application through Buying for Victoria?

The Request for Application will be published on the Buying for Victoria portal on Monday 28th October.

Applicants will need to set up an account on this portal, if they do not have one already, in order to respond (more information at www.tenders.vic.gov.au/tenders/index.do)

At this time, please register your interest with fapanel@audit.vic.gov.au so that you can be notified of the publication of the Request for Application on the portal.

5.3 When will the next quote round take place?

The next quote round will commence at the end of March 2020 when the panel qualification process is completed.

5.4 I have further questions about the upcoming process

Contact fapanel@audit.vic.gov.au for any further questions.