

Request for Tender The Specification

Provision of Internal Audit Services

Issue Date: 28 September 2018

Aspire Support Services Limited
220 Borella Road, Albury, NSW 2640

Telephone: (02) 60 58 4000
Facsimile: (02) 60 58 4050
Email: Max.Wang@aspire.com.au
Chief Finance Officer

1 Introduction

Aspire Support Services Limited is a Not for Profit Organisation providing disability support services within Albury, Wodonga and surrounding areas. Aspire works alongside people with a disability and their families to achieve their goals and aspirations, our head office, is located at 220 Borella Road Albury NSW.

The Audit and Finance Committee, a sub-committee of the Board of Aspire, is responsible for the management of Aspires Internal Audit function. The Committee's Terms of Reference is attached for reference.

Aspire, via its Audit & Finance Committee, seeks to appoint on a contract basis a suitably qualified person or service provider who has the capacity to enhance the internal audit culture in the organisation and maximise the delivery of practical business process improvements for three years. The contract would commence in November 2018.

2 Key Objectives of the Contract

The service provider would be required to provide advice to the Audit and Finance Committee on Aspires annual internal audit programs, and perform internal audits of Aspires business control systems in specified functional areas as required. The audits are expected to include, but are not limited to:

- Financial systems management and reporting including:
 - corporate budgeting
 - costing and review of existing services
 - new services.
- Compliance with legal and statutory requirements and guidelines.
- Effectiveness of and compliance with internal policies including:
 - risk management
 - asset management
 - information systems
 - knowledge management.

3 Contact with the Audit and Finance Committee

The Audit and Finance Committee meets at least three times a year and comprises three members of the Board of Aspire. The Committee is appointed by the Board and is currently chaired by Nicholas Moore.

It is anticipated that the Internal Auditor will attend meetings of the Audit and Finance Committee at least once per year or, as required, to:

- discuss and present the proposed annual internal audit program
- present internal audit progress reports
- discuss management responses to internal audit reports.

4 Coordination with External Auditor

The Internal Auditor must ensure that works done with respect to reviews of internal control systems are recorded in such a way as to enable the Audit and Finance Committee and the Internal Auditor to liaise effectively with the External Auditor on matters of mutual interest. The information recorded should detail:

- the outcomes of any review
- any recommendations flowing from any review
- the monitored and reported progress towards implementation of any recommended changes.

5 Service Scope

The contract for the provision and delivery of the service will be for a period of three years or otherwise as may be mutually agreed. The contract will commence from the 9 November 2018, subject to satisfactory performance as determined by the Audit and Finance Committee following a formal annual review of the Internal Auditor's performance.

6 Information to be Provided

Respondents must be able to demonstrate an established record for the provision of quality and timely internal audit services. Tender submissions must include a documented proposal including the following information as a minimum:

- a) the proposed overall framework and approach to the implementation of internal audit services including the scope of activities in relation to the three-year audit plan provided, and reporting methodologies.
- b) details of the personnel who would be delivering the service, including relevant professional competence and experience, qualifications, and professional affiliations.
- c) details of the Tenderer's experience and capability in delivering internal audit services including an outline of any experience with asset intensive industries subject to substantial external regulation.
- d) contact details of at least three current or former clients as referees.

Audit and Finance Sub-Committee

1. PURPOSE

- 1.1 The Finance Subcommittee supports the Board with its governance responsibilities and makes recommendations to the Board to ensure that Aspire efficiently conducts and manages its affairs under its Constitution.
- 1.2 The purpose of the Sub-Committee is to assist the Board in fulfilling its corporate governance responsibilities in regard to audit, financial reporting, financial management and procurement including:
 - (a) maximises its financial and other resources and uses these resources efficiently and effectively in support of the achievement of Aspire's Strategic plan;
 - (b) has adequate financial management systems and internal control structures to discharge their corporate governance and financial management responsibilities;
 - (c) oversight and performance monitoring of the external and internal audit functions;
 - (d) Complies with accounting policies and standards, applicable laws and regulations and with Aspire's policies and procedures.

2. RESPONSIBILITIES

The Audit and Finance Sub-Committee:

- (a) recommends the appointment of the Internal Auditor;
- (b) recommends the Internal Audit Plan to the Board for approval;
- (c) assesses the performance of the Internal Auditor and makes recommendations to extend or terminate the service contract;
- (d) provides oversight on the adequacy of internal audit outcomes and the appropriateness of Management actions reviewing all internal audit findings to assure the appropriate completion of identified corrective actions and that any identified strategic deficiencies in internal controls are adequately addressed and resourced;
- (e) previews all external audit findings to assure the appropriate completion of identified corrective actions and that any identified strategic deficiencies in internal controls are adequately addressed and resourced.

2.1 Financial Reporting:

- (a) the Sub-Committee reviews and recommends to the Board the adoption of Aspire's financial statements prior to the signing of the certification.

2.2 Financial Management:

- (a) the Sub-Committee reviews the annual Budget including the half year financial forecasts and recommends the adoption of the budget to the Board;
- (b) the Sub-Committee provides oversight of the strategic direction and policy established for financial management with any strategic changes prompting a review;
- (c) ensure that financial and resource management practices, controls and systems are in accordance with Government, Treasury, NDIA, FACS, DHHS and other applicable professional standards;
- (d) provide advice and recommendations to the Board to support the Board's ability to consider the impacts of its decisions on key stakeholders, constituencies and the organisation;
- (e) the Sub-Committee reviews the annual insurance renewal program.

3. MEMBERSHIP

- 3.1 The Board will appoint the Chair of the Sub-Committee (Treasurer) who will be a Director other than the Chair of the Board.
- 3.2 Sub-Committee members will be Aspire Board Directors.
- 3.3 Membership of the Sub-Committee will comprise:
 - (a) at least two Board Director, with the Treasurer nominated by the Board to act as the Chair of the Sub-Committee;
 - (b) the Subcommittee may invite others with relevant expertise to attend meetings as required;
 - (c) all Board Directors and the Chief Executive Officer may be in attendance.
- 3.4 Following in-principal agreement by the Board, the Sub-Committee may recommend the appointment of (an) independent external Committee members(s) to assist the Sub-Committee with its obligations. There shall be no more than one independent external member.
- 3.5 The Chair of the Sub-Committee must have the appropriate expertise in financial accounting or auditing which may have been developed from one or a combination of:
 - (a) relevant or past employment experience in an accounting profession;
 - (b) requisite professional qualification in accounting; or
 - (c) comparable experience with financial oversight responsibilities.

4. MEETING PROCESS

- 4.1 A quorum for any meeting of the Sub-Committee is two (2) Non-Executive Sub-Committee members.
- 4.2 Sub-Committee members may attend meetings in person or via telecommunications.
- 4.3 The Audit and Finance Sub-Committee will meet at least four times a year.
- 4.4 In the absence of the Chair of the Sub-Committee, the Chair of the Sub-Committee or the Chair of the Board of Directors will appoint a proxy Chairperson, who will be a Board Director.
- 4.5 There is no provision for proxies should members be unable to attend the meeting.
- 4.6 Minutes of the meeting will be recorded, endorsed and signed by the Chair of the Sub-Committee and included in the agenda of the next available Board meeting.
- 4.7 The external and external auditors may request a meeting if they consider it necessary.
- 4.8 The Sub-Committee may request the opportunity to meet with the internal and external auditors in a Director's Only Session.

5. ASSESSMENT OF THE SUB-COMMITTEE PERFORMANCE

The Audit and Finance Sub-Committee will participate annually in a Board evaluation of its performance.