



**Specification for Quality Assurance Work  
2023/24 to 2026/27**

**29 Feb 2024**

## Introduction

1. SAAA Ltd has been responsible for overseeing the delivery and quality of audit suppliers' work on limited assurance reviews for smaller authorities since the 2017/18 financial year. SAAA has successfully completed its second procurement exercise and has now let a new five-year contract to four suppliers, with 2022/23 being the first year of the five-year period.
2. SAAA developed a proportionate assurance framework to fulfil its role as the specified person and report on the limited assurance regime. SAAA has determined its assurance approach by considering principles which reflect the lighter touch regime envisaged by the legislation and associated regulations. These principles say that the assurance framework should be:
  - proportionate.
  - efficient in deriving its assurance;
  - risk based;
  - add value through improvement recommendations and sharing of good practice; and
  - supportive of market sustainability and supplier relationships.
3. The assurance programme is entitled the Quality and Contract Assurance Programme (QCAP) and covers both the quality of the reviews and aspects of contract compliance and performance.
4. The contract management, compliance and delivery oversight element of the assurance programme are the responsibility of SAAA's internal management. SAAA is now seeking an appropriately qualified and experienced individual or firm to undertake the delivery of the quality assurance element of the Assurance Programme for the remainder of this second contract period, building on learning from the first cycle of work and the first year of the current contract. This appointment is called the Quality Assurance (QA) provider hereafter.
5. The first year of work will be examination of the quality of limited assurance reviews for 2023/2024 at each of the four audit suppliers and will span 4 years of testing until 2026/2027. The testing approach, results and reports from 2022/2023 will be made available to the successful applicant.
6. The QA provider will submit reports and provide advice to SAAA CEO and Board as required, to ensure SAAA has a comprehensive understanding of the quality of audit supplier's work. The QA provider will adopt a risk-based approach, tailored to each individual supplier.

## SAAA's Approach to Assurance Work

7. The QCAP comprises the assessment of three key elements:

What	Who
Quality of the limited assurance reviews	External QA provider ( <i>this opportunity</i> )
Contract management, performance, and delivery	SAAA management
Key aspects of the suppliers' underpinning systems, data quality and overall processes for managing delivery of the contract	Light touch review by SAAA management each year with External QA provider to undertake in final year of contract

8. Overall ratings are assigned for each firm. These final ratings comprise two elements:

- quality of limited assurance review work. These are assessed as high, medium, or low assurance – these ratings are assigned by the QA provider
- contract management, contract compliance and data quality (DQ). These are assessed as satisfactory or unsatisfactory – these ratings are assigned by SAAA management.

9. In assessing the quality of review work SAAA places a high level of reliance on suppliers' own internal quality control review (IQCR) and other, general quality control processes. The QA provider will undertake this work adopting a risk based approach approved by the Board by:

- reviewing the firm's IQCR approach for this contract;
- analysing the IQCR report and its findings;
- re-performing a sample of reviews (basic and intermediate) to test the outcomes of the IQCR as needed;
- assessing any hot review process;
- checking the sampling methods used to select reviews for IQCR; and
- testing training and other records for a sample of staff.

10. Contract management and performance is reviewed and tested by SAAA management. This considers, as needed:

- contract delivery;
- contract compliance;
- management of objections;
- arrangements for managing stragglers/non-responding authorities; and
- complaints, other feedback, and satisfaction surveys.

11. The assessment of data quality and systems focuses on any key changes to prior year processes and is informed by SAAA's understanding of:

- the management information (MI) returns;
- database management;
- the sampling methods used for identifying up to 5% of basic reviews requiring intermediate review; and
- data quality aspects of fee banding and billing.
- A review of follow up of any previous year recommendations.

12. This work was completed comprehensively in 2023 and will be refreshed annually by SAAA management. The work is completed in two stages. In spring (April/May) an interim return is issued alongside a review of underpinning systems and any changes to these. This is intended to identify any early concerns at the planning stage with recommendations made as needed. This is undertaken by SAAA management.

13. This feeds into the risk assessment for the second stage of the QCAP work in the autumn once the suppliers have received and responded to their internal quality control reports (IQCR). This work focuses on the quality of the IQCR and the reviews, the staff delivering the work and contract performance and delivery. This is the work undertaken by the QA provider in liaison with SAAA CEO.

14. Throughout the year the MI information returns are monitored by SAAA management to identify any indications of contract delivery or quality risk.

### **Delivery of the QA work**

15. It is expected that the commissioning of QA provider for remainder of the contract cycle to work alongside using internal SAAA management resource on the contract management/delivery work and systems refresh will provide consistency, support the development of strong client relationships, develop specialist expertise, build better cumulative supplier knowledge, and support informed assessment of risk.

16. Audit and limited assurance review knowledge are required to carry out the assessment of the quality of limited assurance work. This work covers that as set out in paragraph 9 above plus assessment of training and auditor guidance materials, an assessment of staff qualifications and training and the management of threats to auditor independence.

17. A person with some public sector external audit knowledge and capacity to learn about or knowledge of the limited assurance regime is considered ideal for this work.

## Summary of Qualifications, Requirements and Outcomes

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Experience of public sector external audit</li> <li>• Knowledge of the limited assurance regime</li> <li>• Ability to write comprehensive, accurately and timely reports</li> </ul>
<b>Requirements</b>	<p>QA work for 23/24 to 26/27 – 4 years</p> <ul style="list-style-type: none"> <li>• review the firm’s IQCR approach and make recommendations for improvement where needed;</li> <li>• analyse of the IQCR report and its findings;</li> <li>• re-perform a sample of reviews (basic and intermediate) to test the outcomes of the IQCR as needed, applying a mixed model of sample re-performance work ranging from no re-performance in some years to more regular re-performance depending on supplier risk, with NAO guidance</li> <li>• assess any hot review process;</li> <li>• check the sampling methods used to select reviews for IQCR; and</li> <li>• test the training and other records for a sample of staff, where assessed as a risk for a supplier.</li> </ul> <p>• The approach adopted will need to be reconsidered each year and tailored to the supplier, depending on the results of QCAP work in the previous year.</p>
<b>Outcomes</b>	<p>Timely and accurate reporting to SAAA CEO and Board covering the details of testing carried out, the finding of tests and reviews, any improvement points identified and recommendations for discussion and agreement with audit supplier</p>

### Application

18. Providers to the services shown above are invited to apply by email to SAAA CEO as shown below.

19. The application should show:

- a. Qualification and experience of individual(s) who will undertake this work
- b. An estimated total cost to carry out the work specified above with a breakdown of how the sum is calculated
- c. An estimated of hours required to fulfil the requirements

20. Applicants are strongly encouraged to meet with the CEO to discuss the requirements to better understand the likely time required to complete the tasks set out in this specification.

21. Applications should be received by **1200 on Fri 29 Mar 2024** and sent to Annie Child, CEO SAAA, [ceo@saaa.co.uk](mailto:ceo@saaa.co.uk), 0208 148 7866