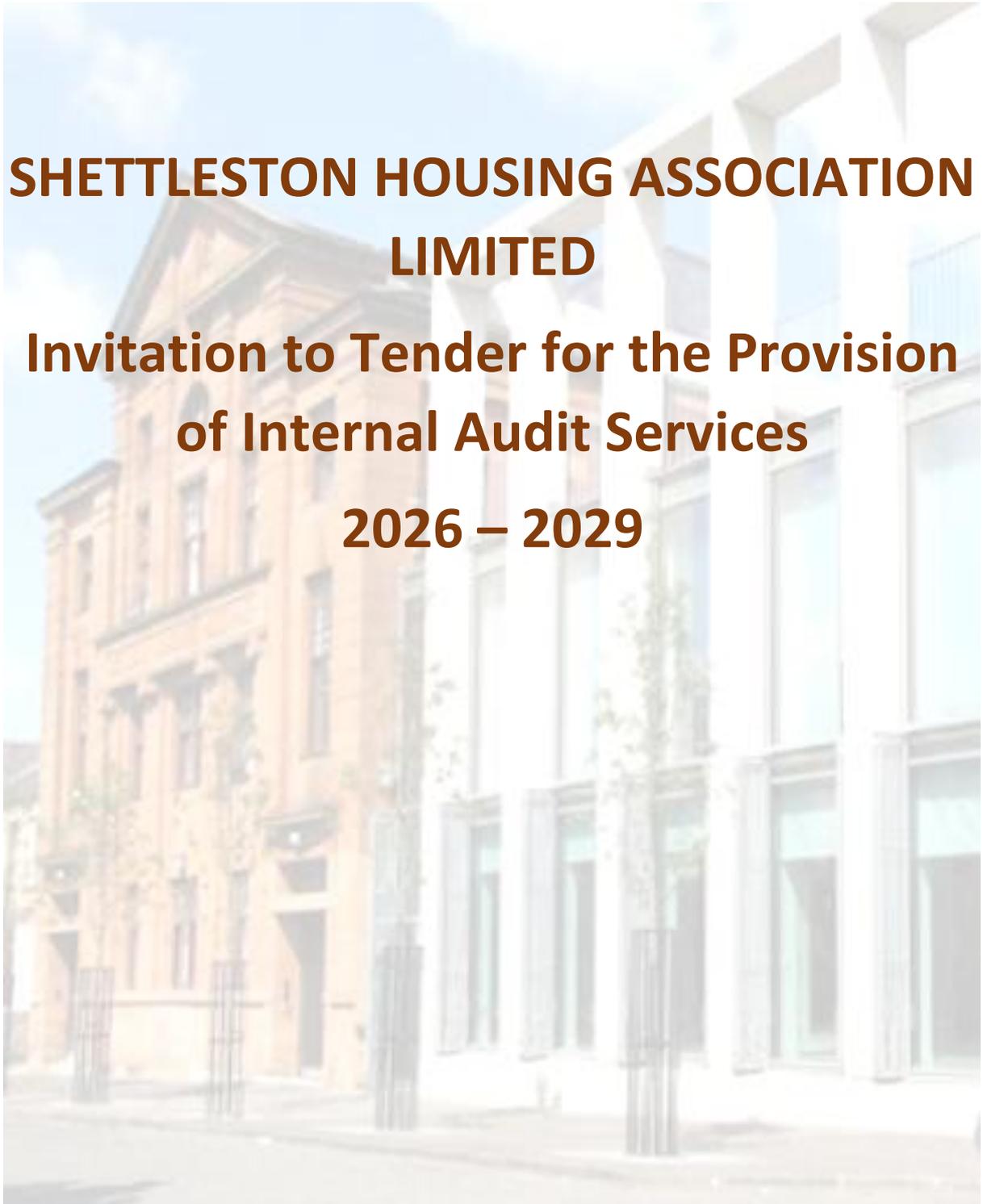




# SHETTLESTON HOUSING ASSOCIATION LIMITED

## Invitation to Tender for the Provision of Internal Audit Services

### 2026 – 2029



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## 1. Introduction

The Shettleston Housing Group wishes to invite tenders for the provision of internal audit services commencing for the 2026/27 year.

## 2. Background & contextual information

Shettleston is a community-based housing association in the East End of Glasgow, formed in 1976. We are a Registered Social Landlord (RSL) and a Scottish Charity, overseen by a volunteer Management Board of tenants, other local residents and co-optees. The Association now operates with two sub-committees: Audit & Corporate and Operations.

The Association's staff structure now includes 41 full-time and 5 part-time staff (45.1 FTE). The staff team is led by an Executive Team comprising Chief Executive Tony Teasdale; Director of Finance and Corporate Services, Kirsty Brown; Director of Property Services, Colette McKenna and Director of Customer and Community Services, Craig Russell. The staff all operate from the Association's offices at 65 Pettigrew Street, Shettleston.

We now own and manage nearly 2,500 homes for rent throughout Shettleston and the surrounding areas of Budhill, Springboig, Greenfield and Sandyhills. We also offer factoring services to over 1200 local owners, with an ongoing management factoring service provided to around 350 privately-owned homes.

Our current loan portfolio comprises a £45 million facility from Royal Bank of Scotland, with £41.6m of this drawn down. We are expecting to draw down a further £3.4m over the next three years. This is to support the planned investment in our existing stock of £19.4m: major repairs (£10.1m), planned and cyclical maintenance (£3.9m) and reactive and void repairs (£5.4m).

This business plan now assumes 2 new build development projects and viability assessments are now underway. These two sites combined will deliver around 66 new units. New finance of approximately £4.5m will need procured to deliver this objective alongside grant funding from GCC.

- Former Telephone Exchange site on Wellshot Road (which we own)
- Old Shettleston Road site (currently owned by Clyde Gateway)

Our purpose is as follows: *"We are a community-controlled housing association providing quality affordable homes and related services for the people and communities of Shettleston, Greenfield, Springboig and Sandyhills."*

The Association is the parent of a Group structure which also includes two wholly owned subsidiaries. Both subsidiaries have their own Boards and operate in accordance with an Independence Agreement with the Association and a Service Sharing Agreement which sets out the arrangements for staff support from SHA.

#### Upkeep Shettleston Community Enterprises Limited:

'Upkeep' is a commercial trading company, led by John Thomson, Head of Operations. It has a turnover of around £3m and is the Association's principal subsidiary, employing 51 staff (47.45 FTE) and providing the Association with a range of services including:

- Day to day and cyclical maintenance
- Void works and Major Repairs
- Stair cleaning and back court maintenance
- Landscape gardening

It was established in 2005 as a 'social firm' whereby at least 25% of its employees had experienced physical or social disadvantage. It has recently reviewed its social purpose, in conjunction with SHA, and one of its strategic priorities for the coming period is to deliver employability support and opportunities in the local area. In addition to Shettleston, Upkeep provides services to other RSL's and private clients.

Upkeep has issued one share which is owned by the Association. Its Board is appointed by the Association's Board.

#### East End Housing Development Company Limited:

'East End Housing' is a commercial trading company set up in 2007 to engage in both the private rented market and home ownership. It has a turnover of around £300k. To date it has acquired a number of tenement flats with a loan from SHA, which are let at market rents. It also manages the Association's portfolio of mid-market rent properties through a leasing arrangement. The Association is registered as a Lettings Agent in order to provide staffing services to East End.

As with Upkeep, it has issued one share which is owned by the Association. Its Board is appointed by the Association's Board.

The Association's stock comprises a wide range of house types and ages, having been acquired / developed through a variety of routes over the Association's

lifetime. The origins of the Association are in the refurbishment of the sandstone tenements on Shettleston Road, and these have been supplemented through a series of stock transfers (from Scottish Homes and GHA) and new build activity over many years.

### **3. Our internal audit service requirements**

The Association's Management Board is responsible for putting in place an effective internal audit strategy and invites tenders from experienced internal auditors.

The internal auditors will report to the Audit & Corporate Sub-committee and will present their findings to this Committee, as and when required.

The Association's current internal auditors will reach the end of their 5-year appointment at the end of the 2025/26 financial year.

The purpose of this tendering exercise is to select internal auditors for an initial period of three years, commencing April 2026, with a possible extension, depending on performance, to five years by negotiation during year 3.

The following is a list of our internal audit service requirements:

- The annual internal audit program usually requires 16 internal audit days. The aim is to cover 3 new internal audit review areas annually with a follow-up review of past audit recommendations conducted on an annual basis.
- The internal auditor must comply with all relevant legislative and regulatory requirements, professional auditing practice, accounting standards and all guidance issued by the Scottish Housing Regulator.
- The internal auditor will be expected to be familiar with the social housing operating environment and be pro-active in the provision of advice to the Association as a result of relevant changes in legislative requirements.
- The internal auditor will liaise effectively with the external auditors, management team and any other staff as required to ensure efficient and effective delivery of internal audit services.
- The internal auditor should meet with the Audit & Corporate Sub-Committee at least once a year without the presence of any staff members.
- The internal auditor should identify, test and evaluate key systems and controls, confirming that they are in place and are appropriate and effective.

- If weaknesses are found, the internal auditor should propose ways of improving the Associations systems, procedures and controls, considering value for money at all times.
- The internal auditor should provide an overall annual assessment of the effectiveness of the risk management, control and governance processes in place at the Association. In addition they should provide an opinion as to whether or not the Association has proper arrangements in place to promote and secure value for money.
- Draft risk assessments, audit plans, audit findings reports and annual review reports will be prepared for presentation to the Audit & Corporate Sub-Committee in a timely manner. Committee reports are issued 7 days prior to the meeting date, with reports required from the internal auditor 3 days before issue to allow manager review.
- The internal auditor will be required to attend the Association's Audit & Corporate Sub-Committee evening meetings to present and discuss their findings to them.
- The internal auditor should consider the Shettleston Housing Group position in its reviews, and not just the Association as a standalone entity. Some review areas, governance for example, will cover all three group companies whereas factoring, for example, would be specific to the Association.
- There will be times that the Association seeks independent reviews from specialist contractors / consultants. We feel strongly that internal auditors are not always best placed to deliver reviews of certain subject matters, an example being our recent in-depth review to our control system for dealing with damp, mould and condensation. We would expect the internal auditor to review the internal audit reports provided by such specialist contractors / consultants and incorporate any significant findings into their annual report. If there is a costly / time consuming review by an external contractor / consultant, there may be a need to reduce the number of internal audit days with the appointed internal auditor for the year in question however it is unlikely to be on an annual basis and would be agreed with the internal auditor in advance of the audit plan being agreed for the year ahead where possible. *Note that there may be no need for such external reviews over the contract period.*
- The selected auditors may be asked from time to time to provide additional services beyond the scope of internal audit, which could involve investigative work and value for money reviews. Precise requirements, audit firm personnel and fee rates, would be agreed

between the Audit & Corporate Sub-Committee and the selected auditors before any work is undertaken.

- The Association will be responsible for preparing any information requirements prior to the internal audit visits.
- The internal auditor will have access to all the Association's records, information, and assets which it considers necessary to meet the terms of the contract.
- Once appointed, both parties will agree to a list of key performance indicators for the successful delivery of the internal audit function.
- The basis of appointment will be a formal letter of engagement.

#### **4. Information to tenderers & timetable**

Your tender documentation should be emailed by 12 noon on Tuesday 17<sup>th</sup> March 2026 to: [kirsty.brown@shettleston.co.uk](mailto:kirsty.brown@shettleston.co.uk)

Alternatively completed tender documentation may be sent or delivered to our office at 65 Pettigrew Street, Shettleston, G32 7XR by 12 noon on Tuesday 17<sup>th</sup> March 2026.

Please mark sealed envelopes – **Private and Confidential**, Internal Audit Tender Documentation, FAO Kirsty Brown.

#### **Confidentiality of Information**

All information contained in the Invitation to Tender (ITT) is confidential. Likewise, all information included by the tenderer in their proposals will be treated in confidence.

All documents and correspondence entered into must be in English and all prices quoted must be in UK Sterling net of VAT.

Shettleston Housing Association will not be liable to reimburse any costs incurred by you during this tender process.

The timetable for the tender process is as follows:

Issue ITT	Wednesday 25 <sup>th</sup> February 2026
Return ITT	Tuesday 17 <sup>th</sup> March 2026
Shortlisting	Tuesday 17 <sup>th</sup> - Thursday 19 <sup>th</sup> March 2026
Interviews	W/C 23 <sup>rd</sup> March 2026
Contract Award	W/C 30 <sup>th</sup> March 2026

## 5. Information to be included in your tender submission

The following quality criteria will be used to evaluate submissions and should therefore be included as part of your tender submission:

- Full details of your firm and its range of services provided.
- Experience of providing services to other Registered Social Landlords.
- How you would aim to ensure the continuity of audit staff involved in carrying out the internal audit.
- A list of other RSL's for whom you provide internal audit services.
- Details of two RSL's who could be contacted for references if required and who have received services similar to those proposed in the last two years.
- Details of how your firm ensures the delivery of a quality service by staff.
- Details of training you provide to your staff.
- Details of your overall internal audit approach and methodology.
- A draft letter of engagement / terms of reference setting out the scope and terms and conditions of your work etc.
- Details of the estimated number of days required each year to carry out the internal audit work for an organisation of our size.
- Details, including experience and qualifications, of the senior audit staff member and the staff who would be responsible for the internal audits.
- Details of daily rates for all staff engaged in the audits.
- Information on other services which you may be able to provide and are relevant to the Association should also be included within your proposals.
- Details of your company's Insurances including professional indemnity, employer's liability and public liability.
- Any other information you feel may be of interest to us.

## 6. Pricing

Please provide the following information as part of your tender submission:

Name of firm:	
Fee bid – year 1:	£
Fee	X
Expenses	X
VAT	<u>X</u>
Total	<u>X</u>
Expected annual inflationary uplift:	
Fee (daily) rates for any non-internal audit work:	

**The proposals should clearly state whether the fees are fixed over the three-year appointment or if not the basis of increase for inflation.**

Any proposed variation in fees over and above an inflationary increase (e.g. as a result of changes in scale or external requirements) will require to be fully justified and mutually agreed.

Expenses should be separately detailed.

## **7. Selection process**

The shortlist selection criteria will be based on the following information:

- The reputation of the firm
- References obtained from the firm's other clients
- Relevant experience of the firm in carrying out RSL audits
- Resources available
- Ability to provide services beyond the basic audit
- Whether the staff carrying out the audit work have sufficient knowledge and experience
- The number and level of staff who will be used
- Staff continuity
- Internal quality assurance processes
- Involvement in housing association movement
- What is included in the audit fees
- How fees for additional services would be calculated
- Expense rates
- The reasonableness and competitiveness of the fees
- A final assessment based on a price and quality split of 60% and 40% respectively

The Association will not be obliged to accept the lowest or any tender submitted. The Association reserves the right to negotiate after the receipt of tenders.

## **8. Closing date**

As a reminder, one copy of your tender proposal should reach the Association **by 12 noon on Tuesday 17<sup>th</sup> March 2026**. Late submissions will not be accepted.

The preference is for tenders to be received by email; however paper copies will also be accepted within the same timeframe.

## **9. Contacts**

The key contact for this tender is:

Kirsty Brown  
Director of Finance & Corporate Services  
Shettleston Housing Association  
Helen McGregor House  
65 Pettigrew Street, Shettleston  
Glasgow, G32 7XR

Email : [kirsty.brown@shettleston.co.uk](mailto:kirsty.brown@shettleston.co.uk)

Reception: 0141 763 0511

Direct Dial: 0141 763 2803