

This Agreement is made on

1<sup>st</sup> January 2023

BETWEEN:

**The Parties:**

- (1) The **Chartered Quality Institute**, incorporated by Royal Charter in England and Wales with charity number 259678 whose registered office is 2<sup>nd</sup> Floor North, 10 Furnival Street, Chancery Exchange, EC4A 1AB (hereafter referred to as “CQI” when specifically referenced); and
- (2) **The Military Aviation Authority** is an independent organisation responsible for regulating air safety across defence. (hereafter referred to as “MAA” when specifically referenced);

Hereafter referred to individually as a “**Party**” and collectively as the “**Parties**”.

**BACKGROUND**

- (A) IRCA is a division of the CQI. IRCA certifies management system auditors.
- (B) The MAA wishes to secure external recognition for its management system auditors. Where such competence is demonstrated, MAA will confer Approved Auditor status on those individuals who meet the IRCA endorsed qualification criteria as set out in Schedule 3.
- (C) This agreement sets out the requirements for recognising such individuals and the respective responsibilities of the contracting parties for managing this contract.

**AGREED TERMS**

**1. Definitions**

1.1 The definitions and rules of interpretation in this Clause apply in this Agreement:

- 1.1.1 “**Business Day**” means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
- 1.1.2 “**Confidential Information**” any information (including, without limitation, in written, oral, visual or electronic form, or on tape or disk) which is not publicly available including, but not limited to, any information specifically designated by the disclosing Party as confidential; any information supplied to the disclosing Party by any third party in relation to which a duty of confidentiality is owed or arises; and any other information which each Party has indicated to the other Party that, if disclosed by the other Party, would cause the Party significant commercial disadvantage or material financial loss. This includes know-how and information about design, development, specifications, manuals, instructions, customer lists, sales, marketing, promotion, distribution, business plans, forecasts, and technical or other expertise;
- 1.1.3 “**Effective Date**” means 1<sup>st</sup> January 2023;
- 1.1.4 “**Senior manager**” is an MAA employee who holds a permanent Group or Deputy Head role with responsibility for overseeing MAA assurance activity.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.
- 1.5 Unless the context otherwise requires, words in the singular include the plural and, in the plural, include the singular.
- 1.6 This agreement shall be binding on, and ensure to the benefit of, the Parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any Party shall include that Party's personal representatives, successors and permitted assignees.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any obligation on a Party not to do something includes an obligation not to allow that thing to be done.
- 1.9 Any words following the terms including, or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## **2. Term**

- 2.1 This agreement shall commence on the Effective Date and shall continue for 5 years, unless terminated earlier in accordance with Clause 6 or until either Party gives to the other Party three months written notice to terminate. Prior to the 5 year point the MAA will review this agreement and seek funding for a further 5 years if required. This refreshed MOU ensures continuation of agreement between both organisations without any break of service.
- 2.2 Either Party may give notice as set out in Clause 6.1 below in relation to any or all the Products.

## **3. CQI's Obligations**

- 3.1 CQI undertakes and agrees at all times during the term of this Agreement to:
  - 3.1.1 Recognise verifications of work and audit experience by the MAA of its auditor personnel performed by a senior manager as acceptable for meeting Approved Auditor criteria detailed in Schedule 3. Recognition is dependent on the MAA being able to demonstrate to IRCA satisfactory performance of the verification requirements defined in Schedule 3, and on any changes to these arrangements being agreed by IRCA;
  - 3.1.2 Perform scheduled surveillance visits every 2 years to establish that MAA and IRCA are meeting the responsibilities described in this document and to identify the remedial action required where this is deemed not to be the case;

- 3.1.3 Provide a certificate template to the MAA to allow the MAA to produce Approved Auditor certificates for individuals satisfying the IRCA Generic Auditor competence requirements as set out in Schedule 3;
- 3.1.4 Accept Approved Auditors who successfully completed the previous MAA Audit Practitioner Course (MAPC) (as defined in Schedule 3) as IRCA Certificated auditors on leaving the MAA subject to their satisfactory completion of an IRCA Certified Conversion course, the satisfying of any Certificated Auditor audit requirements that may be in place at the time of transfer, and the payment of any associated fees;
- 3.1.5 Accept Approved Auditors who successfully complete the IRCA accredited Lead Auditor course (as defined in Schedule 3) as IRCA Certificated auditors on leaving the MAA subject to their satisfying any Certificated Auditor audit requirements that may be in place at the time of transfer, and the payment of any associated fees.

#### **4. MAA's Obligations**

- 4.1 MAA undertakes and agrees during the term of this Agreement to:
  - 4.1.1 Act at all times in its relations with CQI dutifully and in good faith;
  - 4.1.2 Operate a system that manages auditor training requirements and ensures that auditors are awarded qualifications based on IRCA approved training courses as set out in Schedule 3;
  - 4.1.3 Assign responsibility for endorsing the training, work, audit experience and CPD claimed by each Approved Auditor to appropriately qualified senior managers. Senior managers can delegate day to day management of this endorsement activity to their Heads of Branch via a formal Letter of Delegation, but they remain accountable for its correct completion;
  - 4.1.4 Retain auditors' training, audit, CPD records, and records of any complaints made against them for the duration of their MAA employment;
  - 4.1.5 Submit to IRCA or alternatively make available for inspection by IRCA from time to time such personnel and audit records as IRCA considers are necessary to provide assurance of proper performance of the verification activities performed by the MAA;
  - 4.1.6 Use the certificate template and stationery provided without modification except to the extent of incorporating the Approved Auditor name and their qualification level;
  - 4.1.7 Pay all fees due in accordance with IRCA's standard payment terms as detailed in Schedule 2 of this document;
  - 4.1.8 Make clear to its Approved Auditors that they will need to meet transition requirements in order to be registered on non-MAA IRCA registers;
  - 4.1.9 Consider and allocate individuals to Auditor training (in accordance with Schedule 3) on the basis of:
    - i) clear indication of requirement in their role Terms of Reference, and
    - ii) appropriate auditing experience.
  - 4.1.10 Ensure that Approved Auditors are aware of and abide by the CQI/IRCA Code of Conduct (see Schedule 4), or an acceptable equivalent; and

4.1.11 Inform IRCA Approved Auditors of their option to transfer to Certificated status once the additional requirements identified in paragraphs 3.1.4 and 3.1.5 (above) are met.

## **5. Commission and Payments**

- 5.1 MAA shall submit statements (“**Auditor numbers**”) to CQI within 10 days of the start of each calendar quarter (1<sup>st</sup> January 1<sup>st</sup> April 1<sup>st</sup> July 1<sup>st</sup> December) which will include, a breakdown of auditor numbers by grade.
- 5.2 Within seven days of receipt of the auditor numbers, CQI shall invoice MAA through EXOSTAR for the auditor fees as set out in Schedule 2. Such invoices will be payable within 30 days of the date of invoice as per Ministry of Defence payment policy.
- 5.3 A bi-annual fee for surveillance audits will be charged as set out in Schedule 2.
- 5.4 If MAA fails to make any payment due to the CQI under this agreement by the due date for payment, MAA shall pay interest on the overdue amount at the rate of 4% per annum above Barclays Bank’s base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgement. MAA shall pay the interest together with the overdue amount.
- 5.5 Where appropriate, VAT at the prevailing rate shall be added to any payments required to be made under this Agreement.

## **6. Termination**

- 6.1 Without affecting any other right or remedy available to it, either Party may terminate this Agreement, as provided for in Clause 2 or with immediate effect by giving written notice to the other Part if:
- 6.1.1 either Party commits a material breach of any term of this Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so;
- 6.1.2 the other Party suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of the other Party’s business;
- 6.2 For the purposes of Clause 6.1.1, material breach means a breach (including an anticipatory breach) that is serious in the widest sense of having a serious effect on the benefit which the terminating Party would otherwise derive from:
- 6.2.1 a substantial portion of this Agreement; or
- 6.2.2 any of the obligations set out in this Agreement.
- 6.3 Termination of this Agreement shall not affect any rights, remedies, obligations or liabilities of the Parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.

## **7. Force Majeure**

- 7.1 Neither Party shall be in breach of this Agreement or be under no liability for any failure, delay or omission on its part to provide the Services under this Agreement if such a failure, delay or omission arises as a result of any reason beyond its control (a “Force Majeure Event”), including but not limited to acts of God, compliance with any law or governmental order, industrial disputes, power failure, failure of telecommunication or data lines,

connections or equipment or failures or defects in any hardware or software owned or supplied by third parties.

## **8. Confidentiality**

- 8.1 Each Party undertakes that it shall not disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other Party, except as permitted by Clause 8.2.
- 8.2 Each Party may disclose the other Party's confidential information:
- 8.2.1 to its employees, officers, representatives, subcontractors or advisers who need to know such information for the purposes of carrying out the Party's obligations under this Agreement. Each Party shall ensure that its employees, officers, representatives, subcontractors or advisers to whom it discloses the other Party's confidential information comply with this Clause 8; and
  - 8.2.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
- 8.3 No Party shall use any other Party's confidential information for any purpose other than to perform its obligations under this Agreement.

## **9. Entire Agreement**

- 9.1 This Agreement constitutes the entire Agreement between the Parties and supersedes and extinguishes all previous Agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 9.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

## **10. Variation**

- 10.1 Except where expressly stated, no variation of this Agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).

## **11. Waiver**

- 11.1 A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not:
- 11.1.1 waive that or any other right or remedy.
  - 11.1.2 prevent or restrict the further exercise of that or any other right or remedy.

## **12. Severance**

- 12.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause shall not affect the validity and enforceability of the rest of this Agreement.

**13. Notices**

- 13.1 Any notice or other communication given to a Party under or in connection with this Agreement shall be in writing or via email, addressed to that Party at its registered office or such other address as that Party may have specified to the other Party in writing in accordance with this Clause, and shall be delivered personally, or sent by pre-paid first-class post or other next working day delivery service or commercial courier.
- 13.2 A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to at the start of the Agreement; if sent by pre-paid first-class post or other next working day delivery service, at 9:00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed, if delivered by email within 24 hours of the time of the email.
- 13.3 The provisions of this Clause shall not apply to the service of any proceedings or other documents in any legal action.

**14. Third party rights**

- 14.1 No one other than a Party to this Agreement, their successors and permitted assignees, shall have any right to enforce any of its terms.

**15. Governing Law & Jurisdiction**

- 15.1 This Agreement, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of England and Wales.
- 15.2 Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

**Signed by**

**Duly authorised on behalf of the Chartered Quality Institute**

.....

**Dated:**.....

**Signed by**

**Duly authorised on behalf of Military Aviation Authority**

.....

**Dated:**.....

**Schedule 1- Contacts**

**Principal Contact (CQI/IRCA)**

(overall responsibility for the performance of this contract from a CQI/IRCA perspective).

- Name:
- Position:
- Email:
- Phone:

**Principal Contact (MAA)**

(Overall responsibility for the performance of the contract from a MAA perspective).

- Name:
- Position:
- Email:
- Phone:

**Day to day contract administration (CQI/IRCA)**

- Name:
- Position:
- Email:
- Phone:

**Day to day contract administration MAA)**

- Name:
- Position:
- Email:
- Phone:

**Billing contact (CQI/IRCA)**

- Name:
- Position:
- Email:
- Phone: +

**Billing Contact (Military Aviation Authority)**

- Name:
- Position:
- Email:
- Phone:

**Schedule 2 – Fees**

The following fees shall apply:

- 1) Bi-Annual surveillance audit fee of £1,000 plus travel and subsistence expenses to be invoiced in January of that year (of the year for which the surveillance audit is being conducted)

Note- this fee is payable for the current year on contract commencement to cover the cost of surveillance work already carried out

In the event that this contract is cancelled prior to the annual surveillance for that year being carried out, the annual surveillance fee will be refunded in its entirety.

- 2) Fees for auditors will be charged at the rates in Table 1 below, (i.e. 15% discount).

Table 1:

Calculation of Fees

Fees will be invoiced on a quarterly basis in advance, based on the auditor numbers on the last working day of the previous quarter.

The MAA is required to submit a statement containing the auditor numbers of Level 2 and Level 3 auditors as at 1<sup>st</sup> January 1<sup>st</sup> April, 1<sup>st</sup> June, 1<sup>st</sup> September. The statement should be received within 10 days of the end of the calendar quarter.

- 3) Annual review of fees

Towards the end of each calendar year a review of fees will take place and IRCA will notify the MAA of any changes to the fees for future years.

Fees are payable within 30 days of receipt of invoice

Fees are non-refundable



### **Schedule 3- Course and Auditor criteria**

#### **Auditor Equivalences**

1. IRCA recognises the following Approved Auditor grade equivalences;
  - a. IRCA Generic Level 2 Auditor (Auditor) – MAA Audit Practitioner;
  - b. IRCA Generic Level 3 Auditor (Lead Auditor) – MAA Lead Auditor.

#### **Course equivalences**

2. IRCA Recognises the following training course equivalences;
  - a. Defence Academy Audit & Evaluations Skills (DA AES) – IRCA/PT236 – ISO 9001:2015 Internal Auditor (QMS);
  - b. MAA Auditor Practitioner Course (MAPC) – IRCA/PR328 – ISO 9001:2015 Lead Auditor (QMS). **[This is grandfathered for 5 years from the date of successful course completion].**

#### **Process management**

3. As required by Clause 4.1.2, the MAA management system details the requirements and ensures that delegates complete the mandated training and audit experience prior to being assessed for competence and subsequent award (if successful) of the appropriate Approved Auditor status. The MAA Business Compliance Team Leader (TL) or deputy TL will scrutinise all applications for attendance on (or waivers from) IRCA approved training courses and exercise due diligence prior to approving any requests.
4. MAA delegates who successfully complete the DA AES course will satisfy IRCA's training requirements for entry into the MAA auditor training programme. MAA delegates may be exempt from attending the DA AES course if they have already undertaken a similar recognised industry course or Military equivalent and can evidence their attendance.
5. MAA delegates who successfully complete the audit experience and relevant training (as required by the MAA management system) up to and including a pass on the external IRCA accredited Lead Auditor course (ID 17954, delivered by Bywater) will satisfy the requirements for IRCA Generic Level 2 Auditor (MAA Audit Practitioner). Further demonstration of experience and competence will satisfy the training requirements for IRCA Generic Level 3 Auditor.
6. MAA delegates who can evidence completion of a Lead Auditor training course equivalent to ID 17954 within the previous 5 years may be exempted from repeating the training subject to the scrutiny process described in para 3 above; IRCA will be consulted in the event of any doubt regarding course criteria.
7. Successful completion of the MAA Audit Practitioner Course within the 5 years prior to 2023 negates the need to complete a further Lead Auditor training course.

#### **Review of MAA Courses**

8. The MAA will operate and IRCA will monitor the MAA courses in accordance with the requirements of the currently applicable version of the Approved Training Partner Quality Handbook (see Schedule 4).

**Changes to MAA Courses**

9. Should any substantive change be made to the DA AES course by the Defence Academy the MAA will notify IRCA so that content can be assessed accordingly.

**Withdrawal of MAA course recognition**

10. Should IRCA conclude that the equivalency of courses no longer exists, it will offer MAA the opportunity to revise its course(s) to re-establish equivalency. If the MAA elects not to review its courses, then recognition of the courses as equivalents will be withdrawn.

**Transfer of certification**

11. The MAA will advise auditors that leave the scheme of how to transfer to an alternative IRCA certification.

**Schedule 4 - Attachments**

1. The following documents are attached to this agreement and their content forms part of this agreement:
  - a. IRCA Approved Training Partners Quality Handbook (V1 Oct 2019);
  - b. Course criteria for IRCA/PT236 – ISO 9001:2015 Internal Auditor (QMS);
  - c. Course criteria for IRCA/PR328 – ISO 9001:2015 Lead Auditor (QMS);
  - d. Course Certification Application form (V2 Oct 2019);
  - e. Approved Training Partners Brand Terms of Use (V2 Oct 2019);
  - f. The CQI Professional Code of Conduct;
  - g. IRCA handbook for video training courses.
2. Should any of these documents be updated, revised versions will be supplied.