

SCHEDULE 8.4

RECORDS PROVISIONS AND AUDIT RIGHTS

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Part A - Records Provisions

1 REPORTS

1.1 The Authority may require any or all of the reports set out in Annex 1.

2 RECORDS

- 2.1 The Supplier shall retain and maintain all the records (including superseded records) referred to in Annex 2:
- (a) in accordance with the requirements of the Public Records Office (PRO) and Good Industry Practice;
 - (b) in chronological order;
 - (c) in a form that is capable of audit; and
 - (d) at its own expense.
- 2.2 The Supplier shall make the records referred to in Paragraph 2.1 available for inspection to the Authority on request, subject to the Authority giving reasonable notice.
- 2.3 Where records are retained in electronic form, the original metadata shall be preserved together with all subsequent metadata in a format reasonably accessible to the Authority.
- 2.4 The Supplier shall, during the Term and a period of at least 7 years following the expiry or termination of this Agreement, maintain or cause to be maintained complete and accurate documents and records in relation to the provision of the Services including but not limited to all records (whether in electronic format or otherwise) referred to in Annex 2.
- 2.5 Financial records referred to in the Annex shall be retained and maintained in safe storage by the Supplier for a period of at least 7 years after the expiry or termination of this Agreement.
- 2.6 Without prejudice to the foregoing, the Supplier shall provide the Authority with the Supplier's audited accounts and if applicable, the consolidated audited accounts of the Supplier and its Affiliates in respect of that period together with copies of all related directors' and auditors' reports and all other notices/circulars to shareholders as soon as they shall have been sent to its shareholders in order to be laid before an annual general meeting of the Supplier, but not later than 130 Working Days after the end of each accounting reference period of the Supplier part or all of which falls during the Term.

PART B Audit Rights

1 AUDIT RIGHTS

- 1.1 The Authority, acting by itself or through its Audit Agents, shall have the right during the Term and for a period of 18 months thereafter, to assess compliance by the Supplier and/or its Key Sub-contractors of the Supplier's obligations under this Agreement, including for the following purposes:
- (a) to verify the integrity and content of any Financial Report;
 - (b) to verify the accuracy of the Charges and any other amounts payable by the Authority under this Agreement (and proposed or actual variations to such Charges and payments);
 - (c) to verify the Costs (including the costs of all Sub-contractors and any third party suppliers);
 - (d) to verify the Certificate of Costs and/or the Open Book Data;
 - (e) to verify the Supplier's and each Key Sub-contractor's compliance with this Agreement and applicable Law;
 - (f) to identify or investigate actual or suspected fraud, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Authority shall have no obligation to inform the Supplier of the purpose or objective of its investigations;
 - (g) to identify or investigate any circumstances which may impact upon the financial stability of the Supplier, the Guarantor and/or any Key Sub-contractors or their ability to perform the Services;
 - (h) to obtain such information as is necessary to fulfil the Authority's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
 - (i) to review any books of account and the internal contract management accounts kept by the Supplier in connection with this Agreement;
 - (j) to carry out the Authority's internal and statutory audits and to prepare, examine and/or certify the Authority's annual and interim reports and accounts;
 - (k) to enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;
 - (l) to verify the accuracy and completeness of any Management Information delivered or required by this Agreement;
 - (m) to review any Performance Monitoring Reports and/or other records relating to the Supplier's performance of the Services and to verify that these

reflect the Supplier's own internal reports and records;

- (n) to inspect the IT Environment (or any part of it) and the wider service delivery environment (or any part of it);
 - (o) to review the accuracy and completeness of the Registers;
 - (p) to review any records created during the design and development of the Supplier System and pre-operational environment such as information relating to Testing;
 - (q) to review the Supplier's quality management systems (including all relevant Quality Plans and any quality manuals and procedures);
 - (r) to review the Supplier's compliance with the Standards;
 - (s) to inspect the Authority Assets, including the Authority's IPRs, equipment and facilities, for the purposes of ensuring that the Authority Assets are secure and that any register of assets is up to date; and/or
 - (t) to review the integrity, confidentiality and security of the Authority Data.
- 1.2 Except where an audit is imposed on the Authority by a regulatory body or where the Authority has reasonable grounds for believing that the Supplier has not complied with its obligations under this Agreement, the Authority may not conduct an audit of the Supplier or of the same Key Sub-contractor more than twice in any Contract Year.
- 1.3 Nothing in this Agreement shall prevent or restrict the rights of the Comptroller and/or Auditor General and/or their representatives from carrying out an audit, examination or investigation of the Supplier and/or any of the Key Sub-contractors for the purposes of and pursuant to applicable Law.

2 CONDUCT OF AUDITS

- 2.1 The Authority shall use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services.
- 2.2 Subject to the Authority's obligations of confidentiality, the Supplier shall on demand provide the Authority and the Audit Agents with all reasonable co-operation and assistance (and shall procure such co-operation and assistance from its Sub-contractors) in relation to each audit, including:
- (a) all information requested by the Authority within the permitted scope of the audit;
 - (b) reasonable access to any Sites and to any equipment used (whether exclusively or non-exclusively) in the performance of the Services;
 - (c) access to the Supplier System; and
 - (d) access to Supplier Personnel.

- 2.3 The Supplier shall implement all measurement and monitoring tools and procedures necessary to measure and report on the Supplier's performance of the Services against the applicable Performance Indicators at a level of detail sufficient to verify compliance with the Performance Indicators.
- 2.4 The Authority shall endeavour to (but is not obliged to) provide at least 15 Working Days' notice of its intention to conduct an audit.
- 2.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Paragraph 2, unless the audit identifies a material Default by the Supplier in which case the Supplier shall reimburse the Authority for all the Authority's reasonable costs incurred in connection with the audit.

3 USE OF SUPPLIER'S INTERNAL AUDIT TEAM

- 3.1 As an alternative to the Authority's right pursuant to Paragraph 1.1 to exercise an audit either itself or through its Audit Agents, the Authority may require in writing that an audit is undertaken by the Supplier's own internal audit function for any of the purposes set out in Paragraph 1.1. The Supplier shall provide a quote for the work for acceptance by the Authority prior to commencement.
- 3.2 Following the receipt of a request from the Authority under Paragraph 3.1 above, the Supplier shall procure that the relevant audit is undertaken as soon as reasonably practicable and that the Authority has unfettered access to:
- (a) the resultant audit reports; and
 - (b) all relevant members of the Supplier's internal audit team for the purpose of understanding such audit reports.

4 RESPONSE TO AUDITS

- 4.1 If an audit undertaken pursuant to Paragraphs 1 or 3 identifies that:
- (a) the Supplier has committed a Default, the Authority may (without prejudice to any rights and remedies the Authority may have) require the Supplier to correct such Default as soon as reasonably practicable and, if such Default constitutes a Notifiable Default, to comply with the Rectification Plan Process;
 - (b) there is an error in a Financial Report, the Financial Model and/or the financial model of one of its Key Sub-contractors, the Supplier shall promptly rectify the error and the rectification of such error shall not entitle the Supplier to increase, but may result in a decrease to, the Charges paid or payable by the Authority;
 - (c) the Authority has overpaid any Charges (as a result of an error identified in 4.1(b) above or otherwise), the Supplier shall pay to the Authority:
 - (i) the amount overpaid;
 - (ii) interest on the amount overpaid at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a

daily basis from the date of overpayment by the Authority up to the date of repayment by the Supplier; and

- (iii) the reasonable costs incurred by the Authority in undertaking the audit,

and the Authority may exercise its right to deduct such amount from the Charges if it prefers; and

- (d) the Authority has underpaid any Charges as a result of an error identified in 4.1(b) above or otherwise), the Supplier shall not be entitled to increase the Charges paid or payable by the Authority.

ANNEX 1

REPORTS

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
Provide information and co-operation as reasonably requested for the purposes of ascertaining the Supplier's compliance with its obligations under the Agreement	Clause 5.5 (f)	information request	ad hoc	Ad hoc	Authority	No
Service Improvements	Clause 8.1	report	monthly as part of the Performance Management Board	monthly	Project Board	No
Contract Inception Report	Schedule 7.5	Initial baseline of the Financial Model for the Services	Contract Award	Once	Financial Representative	Contract not signed
Contract Amendment Report	Schedule 7.5	Financial Model updated to show the Charges and associated financial information both before	Within 1 month of a Material Change being agreed between the Supplier and the Authority	As required	Financial Representative	Payment for Material Change items withheld

COMMERCIAL IN CONFIDENCE

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
		and after the impact of the Material Change item.				
Quarterly Contract Report	Schedule 7.5	A Report detailing actual financial performance over the most recent Quarter, and in aggregate over the contract to date	Within 1 month of the end of each Quarter	Quarterly	Financial Representative	No

COMMERCIAL IN CONFIDENCE

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
Annual Contract Report	Schedule 7.5	A Financial Model incorporating detailed information in relation to actual financial performance over the Contract Year, and in aggregate over the contract to date. This Report shall include detail of the calculation of any Gain Share amounts due to the Authority, and shall include a forecast financial outturn position for the Contract	Within 1 month of the end of the Contract Year to which that Report relates.	Annually	Financial Representative	Hardware Milestone Payments withheld Gain Share Payment withheld

COMMERCIAL IN CONFIDENCE

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
		Period in full.				

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
Final Reconciliation Report	Schedule 7.5	A Financial Model detailing actual financial performance in aggregate over the Contract period including detail of all Charges, Costs incurred, adjustments to the Charges and Profit Margin earned by the Supplier, as well as any final payments due to the Authority as a result of the application of the Maximum Permitted Profit Margin provisions.	Within 3 months after the end of the Term	3 months after end of Term	Financial Representative	Final Gain Share Payment withheld

COMMERCIAL IN CONFIDENCE

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
Asset Register	Schedule 2.1	Asset Register	Created during Transition	Quarterly updates and ad hoc	Contract Manager	No
Disengagement Plan - Updates	Schedule 8.5	Updated draft of the disengagement plan (Control Document WPC-008)	Annually	Annual updates	Authority Project Board	No
Performance Monitoring Report	Schedule 2.2	Monthly Performance Monitoring Report	Within 10 working days of end of service period	Monthly	Authority Representative	Service Fee Payment
Operations - Service Reporting - Security Incident reporting	Schedule 2.2	Service Security Incident Reporting requirement	no less than monthly	upon occurrence and summarised monthly	Performance Management Board	No
BACS Input report	Schedule 2.1	Operational production as part of Payroll process	On production	Weekly / Monthly	Performance Management Board	No
Data Subject Access Requests	clause 23.2 (e.)	Data Subject Access Requests	Ad hoc		Data Subject	No

COMMERCIAL IN CONFIDENCE

Reporting Requirement	Where it is set out	What is it	When	Frequency for updates	Report provided to whom?	Link to milestone / Financial Regime
Freedom of Information Request	Clause 22	Freedom of Information Request			Project Board	No
Balanced Scorecard Report	Schedule 2.2	Balance Scorecard Report	Within 10 working days of end of service period	Monthly	Authority's Senior Responsible Officer	Payment delay
Balanced Scorecard Report	Clause 15.11 /	Quarterly - to be provided by supplier director regarding compliance with sub-contractor	Quarterly	Quarterly	Project Board	Payment delay
BCDR Review Report	Schedule 8.6	Review and maintenance of BCDR plan	Minimum of every 6 months	Minimum every 6 months	Performance Management Board	No
Insurance certificate	Schedule 2.5	Certificate providing evidence of cover	Upon each renewal	Upon renewal	Financial Representative	No

ANNEX 2

Records to be kept by the Supplier

The records to be kept by the Supplier are:

1. This Agreement, its Schedules and all amendments to such documents.
2. All other documents which this Agreement expressly requires to be prepared including Performance Records pursuant to Part B of Schedule 2.2.
3. Records relating to the appointment and succession of the Supplier Representative and each member of the Key Personnel.
4. Notices, reports and other documentation submitted by any Expert.
5. All operation and maintenance manuals prepared by the Supplier for the purpose of maintaining the provision of the Services and the underlying IT Environment and Supplier Equipment.
6. Documents prepared by the Supplier or received by the Supplier from a third party relating to a Force Majeure Event.
7. All formal notices, reports or submissions made by the Supplier to the Authority Representative in connection with the provision of the Services.
8. All certificates, licences, registrations or warranties in each case obtained by the Supplier in relation to the provision of the Services.
9. Documents prepared by the Supplier in support of claims for the Charges.
10. Documents submitted by the Supplier pursuant to the Change Control Procedure.
11. Documents submitted by the Supplier pursuant to invocation by it or the Authority of the Dispute Resolution Procedure.
12. Documents evidencing any change in ownership or any interest in any or all of the shares in the Supplier and/or the Guarantor where such change may cause a Change of Control; and including documents detailing the identity of the persons changing such ownership or interest.
13. Invoices and records related to VAT sought to be recovered by the Supplier.
14. Financial records, including audited accounts of the Guarantor and the Supplier.
15. Records required to be retained by the Supplier by Law, including in relation to health and safety matters and health and safety files and all consents.
16. All documents relating to the insurances to be maintained under this Agreement and any claims made in respect of them.
17. All other records, notices or certificates required to be produced and/or maintained by the Supplier pursuant to this Agreement.

18. All journals and audit trail data referred to in Schedule 2.4 (*Security Management Plan*).