Crown Commercial Service

Call Off Order Form for Management Consultancy Services

PART 1 – CALL OFF ORDER FORM

SECTION A

This Call Off Order Form is issued in accordance with the provisions of the Framework Agreement for the provision of RM3745 Management Consultancy Framework Lot 3: Audit dated 4th September 2017.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract.

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Call Off Order Form and the Call Off Terms.

Order Number	
From	**Agriculture and Horticulture Development Board ("CUSTOMER")**
To	**RSM Risk Assurance Services LLP ("SUPPLIER")**

SECTION B

CALL OFF CONTRACT PERIOD

1.1.	**Commencement Date**: **1st April 2021**
	Expiry Date: End date of Initial Period: 31st March 2023 End date of Extension Period: 31st March 2025 Minimum written notice to Supplier in respect of extension: 3 months

SERVICES

2.1.	**Services required**: In Call Off Schedule 2 (Services) **Introduction** **<u>AHDB</u>** The Agriculture and Horticulture Development Board (AHDB) is a non-departmental government body, funded by levy income from farmers, growers and others in the supply chain, and managed as an independent organisation (independent of both commercial industry and of Government). The role of the AHDB is to help improve the efficiency and competitiveness of various agriculture and horticulture sectors within the UK. Our statutory functions encompass meat and livestock (cattle, sheep and pigs) in England; horticulture, milk and potatoes in Great

Britain; and cereals and oilseeds in the UK. Our purpose is to inspire our farmers, growers and industry to succeed in a rapidly changing world.

As AHDB is funded in this manner, value for money is paramount, we welcome suppliers who can offer innovative and cost-efficient solutions to meet our needs, whilst also offering superlative service that will enable us to create a world-class food and farming industry. Solutions should look to help us not only reduce costs but increase business flexibility, lift productivity, bring people together to collaborate, innovate and drive change throughout.

Further information about AHDB can be found here: https://ahdb.org.uk/

The Service

This agreement covers the Services of an Internal Audit partner that can perform audits on a range of both generalist and specialist subject areas that reflects the cross-cutting variety of services that AHDB performs for the farming industry. This includes both the performance of audits across a broad range of subjects and reporting to the Audit and Risk Assurance Committee and Accounting Officer.

The agreement is for a contract period of 2 years followed by an option to extend by 2 more years on an annual extensions basis (2+1+1). Thereafter the opportunity will be put out to tender again.

Background

AHDB carries out support activities across a broad range of the farming industry which includes external field work, scientific research, knowledge exchange, market development and education in addition to the traditional organisational activities such as Finance, IT Development, HR and Governance.

AHDB has a requirement for circa 75 days per annum of Internal Audit services. These days will include the time for management of the service and carrying out the actual audits.

The core range of audit skills required comprises generalist internal audit approaches and skills. The specialist audit skills required will vary from year to year but are likely to include the need for expertise and knowledge of:

- Information systems
- Project and programme management and assurance
- Health and safety
- Business continuity planning
- Information security
- Fraud, forensic accounting and investigation skills
- Regulatory compliance (Procurement, GDPR etc.)
- Operational performance monitoring and reporting

The Supplier must have the capacity and depth of skills base to respond at short notice to unplanned demands for specialist resources and resources in excess of indicative or planned requirements at varying degrees of seniority.

	Previous Internal audits/reviews over the past three years have included:
	
	• 2017/2018
	    • Research and Development
	    • Financial Management
	    • Succession planning/talent management
	    • Communications – Internal
	    • Review of EU GDPR Readiness Project
	    • Procurement
	• 2018/2019
	    • IT Core Controls
	    • Levy Income & Collection Processes
	    • Operational Reporting Framework
	    • Key Financial Controls
	    • Internal Audit Follow-up
	    • Livestock Information Programme (additional assignment - advisory)
	    • Project Management Controls (advisory)
	    • Risk & Assurance Management Framework (advisory)
	• 2019/2020
	    • External Communications & Engagement
	    • Market Intelligence
	    • Sector/Matrix Structure - Impact Reporting - Theory of Change (advisory)
	    • Key Financial Controls (Payroll)
	    • Forecasting & Budgeting
	    • Legal Compliance (advisory)
	    • Internal Audit Follow-up
	
	The Supplier's work will also be used to support the Defra Group Chief Internal Auditor (GCIA) in delivering a group assurance function and in providing a consolidated emerging assurance opinion to the Defra ARAC. The Supplier will also provide an annual opinion to the Accounting Officer on the effectiveness of the governance, risk management and internal controls within AHDB.
	
	Scope
	AHDB carries out an ongoing programme of audits to support AHDB. To enable this, AHDB require a partner organisation to deliver a range of Internal Audit services that include:
	
	• A full programme of risk-based fieldwork;
	• An identified appropriate person to fulfil the role of Head of Internal Audit;
	• A named Manager to oversee fieldwork and quality control assignment outputs;
	• Generalist and specialist auditors appropriate to each assignment;
	• Attendance by key supplier staff at Audit and Risk Assurance Committee (ARAC) meetings (quarterly);
	• Delivery of assignment reports and the annual audit opinion and report;
	• Delivery of the annual Internal audit plan as agreed by the Audit & Risk Assurance Committee;
	• Liaison with Defra, Group Chief Internal Auditor, and National Audit Office as needed.

In addition, there may be a requirement for additional days to carry out a handover from the previous contract incumbents during the initial mobilisation period. Between 2023 and 2025, at the end of the contract, there may be a need for a few additional days' work to provide attendance at ARAC meetings, to complete the Annual Report and Accounts and to undertake an appropriate handover to other internal auditors which may be appointed at that time, or deal with other residual matters.

The Supplier will be:

- Flexible and adaptable, working with AHDB to schedule assignments at times convenient to staff and able to cope with required changes to timing and scheduling as necessary
- Able to provide consistency and continuity of audit providers, in particular at management level delivering assurances and annual audit opinions
- Able to deliver a range of specialist skills and to be a source of best practice internal audit, with the ability also to share best practice in risk management, control and governance
- Able to carry out work both locally and remotely from AHDB in accordance with government guidelines on social distancing

Crucially, AHDB are not looking for a "vanilla" checklist auditing service. We wish to have a service that adds real value, constructively challenges the organisation and supports its development.

Grade	Role	Number of days*
Partner/Director of Audit	Account Management	4
Senior Audit Manager	Specialist Skills	11
Audit Manager	Specialist Skills	0
Senior Auditor	Generalist	40
Lead Auditor	Generalist	0
Junior Auditor	Generalist	10
Specialist Auditor	Specialist	10

* Estimate based on 2019-2020

Place/Location:

The contract will be carried out primarily at the main AHDB address:

Agriculture and Horticulture Development Board
Stoneleigh Park
Kenilworth
Warwickshire
CV8 2TL

	It is possible that the Supplier may need to visit remote offices across England, Wales and Scotland to carry out a small proportion of the task. When this is the case, travel expenses will be paid by AHDB in line with AHDB and HMRC expense rates as presented in section 9: Pricing. It is also a requirement that during periods of "lockdown" due to the Coronavirus (or other) epidemic, staff will be able to carry out a large proportion of the tasks required from a remote location using teleworking. **Mandatory Requirements** The Supplier must comply with Public Sector Internal Audit Standards and any elements of Managing Public Money and the Audit and Risk Committee Handbook relevant to internal audit. From time to time, these will be supplemented by best practice guidance issued by the Head of Internal Audit Profession for Government; the supplier will also be expected to adopt such guidance on a "comply or explain" basis. AHDB would also expect the successful bidder to have a structured business continuity and succession plan for any unforeseen circumstances (such as long term power shortage, flooding, illness or incapacity of key staff). **Technical Materials and Equipment** AHDB will not provide any technical equipment with which to carry out any audits apart from documentation and reports required to fulfil the audit scope(s). It is expected that the Supplier will provide its own equipment including IT and transport, if required, to complete any audit. The Supplier must provide facilities to enable its employees to carry out audit tasks on a remote basis including network connectivity and video conferencing facilities. **Key Customer Personnel** Key Customer Personnel involved in the contract; • Operational use of the contract – the contract will be used by ARAC and the Accounting Officer where required to carry out the requirements of the contract • Management of the contract – the management of the contract will be carried out by the AHDB Chief Finance & Operations Officer (CFOO) Key Supplier Personnel involved in the contract; • Account Management – it is expected that the successful supplier will provide a central contact for account management purposes **Account Management** **Tasking** All tasks under this contract will be formally requested by the AHDB Chief Finance & Operations Officer at least 14 days in advance. This request will contain expectation of scope, a timeline of delivery (including time for re-drafts) and appropriate reporting channels. **Reporting**

	The supplier will provide reporting on both audits and management of the audit contract directly to the AHDB Chief Executive Officer (CEO), the AHDB Chief Finance & Operations Officer and the Audit and Risk Assurance Committee when required.
	
	The Internal Auditors will be able to contact and report to the ARAC Chair at any time.
	
	Complaints/escalation
	
	Any complaints and/or escalation activity is to be carried out initially with the AHDB Chief Finance & Operations Officer.
	
	Change of contract terms and conditions
	
	Any changes in contract terms and conditions, whether in or out of the authority and supplier control, which require the terms and conditions to be changed (such as a change in legislation) are to be agreed at least 4 weeks before the required contract change.
	
	KPI's and SLA's
	The Supplier shall compile complete, accurate and valid data relative to its performance of the contract which is sufficient to report in compliance with the mandatory framework of Key Performance Indicators ("mandatory KPIs") issued for the time being by the Head of the Internal Audit Profession in Government, and any other KPIs which may be agreed between AHDB and the Supplier's appointed representative.
	
	If requested by AHDB, the Supplier shall report the periodic mandatory Treasury KPIs to the Defra GCIA in sufficient time for the Defra GCIA to report to Treasury in accordance with the requirements and timetable set out by the Head of Profession for Government. Data required from the Supplier in support of KPI reporting to Treasury includes:
	
	• Percentage of planned number of audit outputs delivered to final stage within the quarter
	• Actual days charged in the quarter
	• Percentage of 'highest' and 'second' level recommendations past agreed target date, which are assessed by internal audit as fully implemented in addressing the original risk identified as at the date of follow-up
	• Results of external quality assessment results in the period
	• Customer satisfaction, to include:
	    ▪ average "score" for service provided
	    ▪ percentage coverage of satisfaction surveys; and
	    ▪ percentage response rate
	• Total actual contract cost for the quarter and the average number of Suppliers in the period.
	• Ratio of actual time spent on: core systems, strategic risks and consulting activity.
	• The service levels and KPIs which will be monitored will be agreed with the supplier and the Audit Risk and Assurance Committee and will include the following observations;
	
	• Determination if the contract is being met
	• Determine if Innovative methods, procedures are being used to provide the service

	• Determine if there is continuous improvement being delivering in Audit services and reporting • Determine whether the supplier is providing added value through its services **Sustainability** AHDB's Environmental and Sustainability Strategy was introduced in March 2017 to help reduce AHDB's carbon footprint. A Green Forum of staff members has now been established to help drive and review progress on the strategy, as well as to act as a champion in raising awareness around the organisation. We have worked to introduce recycled paper in all of the printers, use of recycled paper notebooks and flip chart paper, and reduced the use of energy from unsustainable sources. The supplier is given the opportunity to report in the response how they have provided efforts in the sustainability for their own company and how they would align with AHDB to provide an ongoing sustainable methodology within this contract. **Mobilisation** Mobilisation will take place between contract award and contract commencement. It is expected that both outgoing and incoming internal audit partners will complete a handover to the satisfaction of the AHDB board. Any disputes will be arbitrated by AHDB and AHDB's decision is final.

PROJECT PLAN

3.1. Project Plan:

In Call Off Schedule 4 (Project Plan)

Delivery of the audit service will commence on 1 April 2021. This will include attendance at the March 2021 Audit & Risk Assurance Committee meeting and at meetings with AHDB senior managers to discuss and agree audit strategies and plans.

The Supplier shall comply with the following project milestones that the Customer will measure the quality of delivery against:

Milestone	Description	Timeframe
1	Attendance at each ARAC Meeting	Each quarter
2	Production of Internal Audit Annual Plan	Each March ARAC meeting
3	Delivery of Annual Internal Audit Opinion	Draft - by 3rd week of April each year Final – May/ June each year
4	Completion of annual internal audit plan	Materially complete by 3rd week of April in subsequent year

CONTRACT PERFORMANCE

4.1.	**Standards**: In Call Off Schedule 2 (Services) The Supplier must comply with Public Sector Internal Audit Standards and any elements of Managing Public Money and the Audit and Risk Committee Handbook relevant to internal audit. From time to time, these will be supplemented by best practice guidance issued by the Head of Internal Audit Profession for Government; the Supplier will also be expected to adopt such guidance on a “comply or explain” basis.
4.2	**Service Levels/Service Credits**: In Call Off Schedule 2 (Services)
4.3	**Critical Service Level Failure**: Not applied
4.4	**Performance Monitoring:** In Call Off Schedule 2 (Services) Satisfactory levels of performance will be required in accordance with this call off agreement. (Reviewed formally on an annual basis)
4.5	**Period for providing Rectification Plan:** In Clause 39.2.1(a) of the Call Off Terms – 10 working days

PERSONNEL

5.1	**Key Personnel**: [redacted] [redacted]
5.2	**Relevant Convictions** (Clause 28.2 of the Call Off Terms)

PAYMENT

6.1	**Call Off Contract Charges** (including any applicable discount(s), but excluding VAT): In Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)

	[redacted] **Invoicing** The Supplier's invoices shall agree regarding the days charged with the Supplier's staff timesheets. To any extent that timesheets are not properly authorised or do not agree with invoices, parties to the contract shall be entitled to require the correction of invoices or the issue of credit notes to the sum of the values of the un-evidenced hours. Rates will be charged at the tendered rates for each grade of staff. Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs. It is anticipated that number of days required will be around the current level of 75 days per annum, although this may be slightly higher or lower depending on the final audit plan for each year. The Supplier shall be required to submit invoices to the CFOO. When submitting the invoice the supplier is to: • Ensure its personnel maintain accurate records of time spent on each assignment covered by the contract, in the form of timesheets • If requested, supply timesheets authorised by management in support of any invoices it submits, setting out the assignments worked on and the grades of personnel employed • Ensure they have a purchase order number from AHDB prior to submission of any invoice • Submit within the deadline required by the purchase order, • Ensure invoices itemise the work on any assignment including analysing each such itemisation by the grade of staff supplied. Invoice lines relating to management activities which are not directly attributable to assignments shall be likewise analysed by the grade of staff employed. Any exceptional travel and subsistence expenses (see below) shall also be itemised on the invoice • Quote a valid purchase order reference number on each invoice
6.2	**Payment terms/profile** (including method of payment e.g. Government Procurement Card (GPC) or BACS): In Annex 2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)
6.3	**Reimbursable Expenses**:

	These are not permitted for services provided at AHDB Head Office, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TL
6.4	**Customer billing address** (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Accounts Payable, Finance Team AHDB, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2TL apteam@ahdb.org.uk
6.5	**Call Off Contract Charges fixed for** (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): 2 Call Off Contract Years from the Call Off Commencement Date
6.6	**Supplier periodic assessment of Call Off Contract Charges** (paragraph 9.2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on: 3 months prior to each Call Off Contract Year during the Call off Contract Period .
6.7	**Supplier request for increase in the Call Off Contract Charges** (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Pricing must be fixed for the initial two year contract period from 1 April 2021 to 31 March 2023. Having regard to the relative seniority and cost of individual personnel, the Supplier may charge rates which are less than the quoted maximum daily rate for the relevant grade but may never charge more than the quoted maximum daily rate. Prices shall be inclusive of all supplier travel and expenses for work carried out in performance of the services at the designated base location. Travel Expenses Rates away from the designated location (such as outlying offices) will be limited to those set in the AHDB travel guide which is a reflection of government rates as per the following link: https://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances/travel-mileage-and-fuel-rates-and-allowances. Any overnight stays required must be in line with the AHDB expense policy. Any price review must be requested within 3 months of the end of the initial contract period and is to be settled prior to any contract extension. In addition any price review shall not exceed any increase in the Consumer Price Index (CPI). Any price increase shall not apply unless agreed by AHDB.

LIABILITY AND INSURANCE

7.1	**Estimated Year 1 Call Off Contract Charges**: The sum of £53,550.00
7.2	**Supplier's limitation of Liability** (Clause 37.2.1 of the Call Off Terms); In Clause 37.2.1 of the Call Off Terms
7.3	**Insurance** In Clause 38.3 of the Call Off Terms

TERMINATION AND EXIT

8.1	**Termination on material Default** (Clause 42.2.1(c) of the Call Off Terms)): In Clause 42.2.1(c) of the Call Off Terms
8.2	**Termination without cause notice period** (Clause 42.7.1 of the Call Off Terms): In Clause 42.7.1 of the Call Off Terms
8.3	**Undisputed Sums Limit**: In Clause 43.1.1 of the Call Off Terms
8.4	**Exit Management:** In Call Off Schedule 9 (Exit Management)

SUPPLIER INFORMATION

9.1	**Supplier's inspection of Sites, Customer Property and Customer Assets:** **Not Applicable**
9.2	**Commercially Sensitive Information**: **As detailed in this agreement**

OTHER CALL OFF REQUIREMENTS

10.1	**Recitals** (in preamble to the Call Off Terms): Recitals B to E Recital C - date of issue of the Statement of Requirements: 08/09/2020 Recital D - date of receipt of Call Off Tender: 12/10/2020
10.2	**Call Off Guarantee (Clause 4 of the Call Off Terms):** Not required
10.3	**Security**: Not applied
10.4	**ICT Policy:** Not applied
10.5	**Testing**: Not applied
10.6	**Business Continuity & Disaster Recovery**: Not applied The Supplier must have a structured business continuity and succession plan for any unforeseen circumstances (such as long term power shortage, flooding, illness or incapacity of key staff).

10.7	**Confidentiality** Clause 35.3.3 b(i) shall be removed and replaced with the following: “ any legal challenge or potential legal challenge involving either Party arising out of or in connection with this Call Off Contract”
10.8	**Protection of Customer Data** Clause 35.2.3 of the Call Off Terms
10.9	**Notices** (Clause 56.6 of the Call Off Terms): Customer’s postal address and email address: AHDB, Stoneleigh Park, Kenilworth, Warwikcshire, CV8 2TL procurement@ahdb.org.uk Supplier’s postal address and email address: RSM Risk Assurances Services LLP, 6th Floor, 25 Farringdon Street, London, EC4A 4AB
10.10	**Transparency Reports** Not Applicable
10.11	**Alternative and/or additional provisions (including any Alternative and/or Additional Clauses under Call Off Schedule 14 and if required, any Customer alternative pricing mechanism):** Not Applicable
10.12	**Call Off Tender**: In Call Off Schedule 16 Refer to “2020-449_Internal_Auditors_Quality_Response_Form_RSM” at the end of this document.
10.13	**Publicity and Branding (Clause 36.3.2 of the Call Off Terms)** See clause 36.3
10.14	**Staff Transfer** Annex to Call Off Schedule 10, List of Notified Sub-Suppliers (Call Off Tender). Not Applicable
10.15	**Processing Data** Call Off Schedule 17 **GDPR/DPA/IPR** The Supplier’s personnel must not connect the Supplier’s ICT equipment or their personal ICT equipment (including mobile phones) to AHDB’s ICT network. Suppliers may connect their own equipment to AHDB’s visitors Wi-Fi where this service is available and has been agreed by the relevant body. If the Supplier’s staff are required to access IT systems (for example, when they are using an in-house team’s audit tool), AHDB will supply laptop

	computers on loan to the Supplier's personnel for the exclusive purpose of their engagement on the contract. Any and all personal or sensitive personal information collected by the auditor must be returned and/or destroyed in line with the European General Data Protection Regulation and the Data Protection Act 2018. For the activities laid out within this contract, the Supplier will be considered to be a data processor of AHDB data and will be required to return or delete information as necessary when requested by AHDB as the data owner, or at the very latest at the end of the contract period. All data and information whatsoever which originates from AHDB or its personnel and which enters the Supplier's custody pursuant or incidental to any engagement or office under the contract, remains the sole property of AHDB and shall not be disclosed to anyone outside the confines of AHDB and the business area under audit without the proper authorisation of the relevant information asset owner other than where there is a legal or professional obligation to do so. It is expected that the Supplier's working papers for assignments performed under the contract will invariably contain data or information which is proprietary to AHDB. They will therefore remain the property of AHDB and must not be retained by the supplier after the contract is terminated other than for the minimum time required demonstrate compliance with laws, regulation or formal professional standards.
	1. The contact details of the Customer Data Protection Officer is: 2. [redacted] 3. The contact details of the Suppliers Data Protection Officer is: 4. [redacted] 5. The Processor shall comply with any further written instructions with respect to processing by the Controller. 6. Any such further instructions shall be incorporated into this Schedule.

Contract Reference:	**2020-449**
Date:	
Description Of Authorised Processing	**Details**

Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Legislation the Parties are independent controllers of Personal Data under this Framework Agreement.
Use of Personal Data	Managing the obligations under the Call Off Contract Agreement, including exit management, and other associated activities.
Duration of the processing	For the duration of the Framework Award plus 7 years.
Nature and purposes of the processing	Performance of the Services covered by this Call-off order form
Type of Personal Data	Full name Workplace address Workplace Phone Number Workplace email address Names Job Title Compensation Tenure Information Qualifications or certifications Nationality Education & training history Previous work history Personal Interests

			References and referee details Driving license details National insurance number Bank statements Utility bills Job title or role Job application details Start date End date & reason for termination Contract type Compensation data Photographic facial Image Biometric data Birth certificates IP address Details of physical and psychological health or medical condition Next of kin & emergency contact details Record of absence, time tracking & annual leave
		Categories of Data Subject	AHDB staff, suppliers and levy payers
10.16	**MOD DEFCONs and DEFFORM**		

	Call Off Schedule 15 Not Applicable

FORMATION OF CALL OFF CONTRACT

BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.

The Parties hereby acknowledge and agree that they have read the Call Off Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.

In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.

For and on behalf of the Supplier:

Name and Title	[redacted]
Signature	
Date	

For and on behalf of the Customer:

Name and Title	[redacted]
Signature	
Date	