

ORDER FORM

SECTION A

This Order Form is issued in accordance with the provisions of the Internal Audit Services for the Government Internal Audit Agency Framework Agreement (RM 4167). The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract and for the avoidance of doubt this Call Off Contract consists of the terms set out in this Order Form and the Call Off Terms.

DATE 12/2016

ORDER NUMBER 1/PwC/GIAA/16-17/02

FROM Mike Barrett, Deputy Head of Internal Audit, 100 Parliament St,
London SW1A2BQ, Tel: 07718159228 "**CUSTOMER**"

TO PricewaterhouseCoopers LLP 1 Embankment Place, London WC2N
6RH A/C manager: rachel.z.taylor@uk.pwc.com Work Manager:
chris.oxborough@uk.pwc.com and victor.y.tsui@uk.pwc.com

SECTION B

1. CALL OFF CONTRACT PERIOD

1.1 Call Off Commencement Date:

09/01/2017

1.2 Call Off Expiry Date:

End date of Call Off Initial Period

30/04/2017

End date of Call Off Extension Period

To be defined at a later date, as required.

2. CUSTOMER CORE SERVICES REQUIREMENTS

2.1 Services required

Background

Internal audit has a review on the approved IA Plan for 2016/17 concentrating on the re-organisation of HMRC customer data; regarding Data Integrity. The review is intrinsically linked to the Enterprise Data Hub project. We also have a review of Change Management on the audit plan, that is a follow up audit to the COBIT5 assurance project.

Due to short term lack of in house resources regards IT audit specialists, we require external assistance to ensure we complete our audit plan for this year.

Review 1 – EDH Data Integrity / Quality

The EDH Programme is a key enabler allowing the organisation to migrate its data to one source for exploitation to meet its current and future business objectives. The Programme has required a change of mind-set from the delivery team, its partners and key stakeholders. The EDH has been established and the first data sets were copied

to it in February 2015. Some 100Tb (25%) of historic data has already been copied from the current warehouses and 'Heads of Duty' updates are acquired each day. Three live services have been delivered and the team has to meet a challenging programme to fully acquire all data and decommission legacy warehouses by July 2017. The EDH is to be an 'inclusive' data store.

The Programme faces a number of delivery challenges including:

- Agreeing and implementing a plan to manage future effective delivery, with a critical path to inform decision making should further delays and challenges occur,
- Defining and establishing appropriate capability for the Data Engineering Centre (DEC)
- Identifying, communicating and managing migration of the business to the EDH,
- Establishing effective governance of business change post EDH closure,
- Ensuring sufficient skilled resource is available for EDH delivery and exploitation of the new capability for the business.

Audit Scope

Data Quality - The governance of data. Look at data ingestion plan, provide assurances as to how critical dependencies are being managed, and how is data integrity assured now and in future, once the Hub is live and part of BAU.

Review 2 - Change Management

Change Management has been identified by the CDIO as a priority process. As such this was assessed in the COBIT 5 maturity assessments carried out in Phase 2 of the COBIT 5 project. The assessed maturity level was 'performed', and a number of improvement activities were identified. A follow up audit of the Change Management process will be carried out in Q4, 2015-16, in accordance with the approved audit plan.

As with the EDH Data Quality audit, IA requires IT audit expertise to deliver this review.

Summary of PwC involvement

The role of PwC staff on this audit will be to provide an end to end audit service, effectively acting at the Lead Auditor(s) in addition to being able to provide subject-matter relevant specialist insights. HMRC will oversee the reviews to ensure PwC are compliant with HMRC & Public Sector IA standards. Unless specifically otherwise agreed to in writing, PwC's involvement on this audit will be limited to the time commitment outlined in section 5 of this document and will broadly include the following tasks:

- PwC (with HMRC oversight) to plan the audits. This includes:
 - Preparation of the fieldwork documentation request; and
 - Preparation of questionnaire to support the fieldwork meetings
- PwC to complete the fieldwork. This includes:
 - Setting up and attending key meetings (with HMRC assistance to facilitate);
 - Perform testing in specific technical areas as agreed; and
 - Provide ongoing technical advice.

- PwC to produce the draft and final report. This includes:
 - Identifying key findings, risk themes and providing insights on recommended industry good practices at conclusion of fieldwork. This may be in a workshop style session, if appropriate and efficient
 - Draft relevant technical findings for inclusion in the draft report
 - Review the overall draft audit report, providing feedback to the HMRC team and support in making any updates to the reports as agreed.
 - In addition to PwC own internal quality control mechanisms, there will be QA from HMRC at various points in the Audit Life Cycle. This will be shared with the PwC team
 - All products including Draft and Final reports will not be branded i.e. they will be in exactly the same format as if produced by HMRC internal audit team.

Please note that the PwC (with assistance from HMRC audit liaison contacts), will be responsible for maintaining the interview schedule, documenting interviews / meetings / testing procedures, capturing emerging findings and drafting the audit report. PwC staff will maintain their own record of the tasks performed and / or support provided for future reference and compliance with relevant engagement documentation standards.

This section 2.1 replaces Schedule 2, Annex 1(The Services) of the Call Off Terms.

2.2 NOT USED

2.3 NOT USED

2.4 NOT USED

2.5 Location/Sites of Delivery

Fieldwork to be primarily undertaken in London with visits to site in Telford as applicable.

2.6 Implementation Plan

This section 2.7 replaces Schedule 4 of the Call Off Terms.

2.7 Standards

The Supplier shall comply with Clause 11 (STANDARDS AND QUALITY) of the Call Off Terms.

2.8 Service Levels

The Supplier shall conform to Part A of Schedule 6 (Service Levels and Performance Monitoring) of the Call Off Terms.

2.9 Not Used

2.10 Business Continuity and Disaster Recovery (Schedule 9)

Not Used

2.11 Performance Monitoring

As per Annex 1 to Part B (Additional Performance Monitoring Requirements) of Call Off Schedule 6 (Service Levels and Performance Monitoring),

2.12 Security

The Supplier shall conform to Call Off Schedule 8 (Security), 'SHORT FORM'.

SC required and vetting certificates provided.

2.13 Period for providing the Rectification Plan

5 Working Days.

2.14 Exit Management (Schedule 10)

Not Used.

3. SUPPLIER'S INFORMATION

3.1 Supplier's inspection of Sites, Customer Property and Customer Assets

Not Used.

3.2 Commercially Sensitive Information

All information viewed or extracted must be held secure at all times and not left unattended. Any papers, documents, emails with information relating to the documents sent should be deleted or destroyed on completion of the audit work. All documents classified as Official Sensitive are exchanged via gsi email accounts, with prior approval from Internal Audit.

4. CUSTOMER RESPONSIBILITIES

4.1 Customer Responsibilities

As per Part B of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel), N/A.

This section 4.1 replaces Part B of Schedule 4 of the Call Off Terms.

5. CALL OFF CONTRACT CHARGES AND PAYMENT

5.1 Call Off Contract Charges payable by the Customer (including any applicable Milestone Payments and/or discount(s), but excluding VAT) and payment terms/profile including method of payment (e.g. Government Procurement Card (GPC) or BACS)

As per Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)

The resource required is 40 days in total; Split equally between both audit reviews. This will be at 2 Days at Partner level, 8 Days at Senior Manager level and 30 days at Manager level which equates to an estimated budget of £49,886

Breakdown as per page 14 Our Fees of Tender Document dated October 2015.

Expenses will be charged for all work not at the base location (London)

5.2 Estimated Year 1 Call Off Contract Charges

As above for period stated

5.3 Undisputed Sums Limit

For the purposes of Clause 42.1.1 the Undisputed Sums Limit shall be fifty three thousand, five hundred and ninety six pounds (£49,886).

This section 5 replaces Annexes 1 and 2 of Schedule 3.

The Supplier shall submit invoices directly to

Helen Barry <mailto:helen.barry@hmrc.gsi.gov.uk>

SECTION C

6. CUSTOMER OTHER CONTRACTUAL REQUIREMENTS

6.1 Call Off Guarantee

Not used

6.2 Key Personnel

HMRC: <mailto:helen.barry@hmrc.gsi.gov.uk>

HMRC <mailto:mike.j.barrett@hmrc.gsi.gov.uk>

PwC: chris.oxborough@uk.pwc.com

PwC: victor.y.tsui@uk.pwc.com

6.3 Relevant Convictions

Clause 27.2.1 of the Call Off Terms shall apply.

6.4 Failure of Supplier Equipment

Not used

6.5 Protection of Customer Data

Not used

6.6 Testing

Not used. Clause 12 and Schedule 5 are therefore deleted.

6.7 Limitations on Liability

Clause 36 (LIABILITY) of the Call Off Terms shall apply.

6.8 Insurance

Clause 37 (INSURANCE) of the Call Off Terms shall apply.

6.9 Termination without cause notice period

The minimum number of days for the purposes of Clause 41.7 (TERMINATION WITHOUT CAUSE) of the Call Off Terms shall be ten (10).

7. ADDITIONAL AND/OR ALTERNATIVE CLAUSES

7.1 Supplemental requirements to the Call Off Terms

7.1.1 The Contractor shall at all times comply with the Value Added Tax Act 1994 and all other statutes relating to direct or indirect taxes.

7.1.2 Failure to comply may constitute a material breach of this Contract and the Client may terminate the Contract.

7.1.3 The Contractor shall provide to the Client the name and, as applicable, the Value Added Tax registration number, PAYE collection number and either the Corporation Tax or Self-Assessment reference of any agent, supplier or sub-contractor of the Contractor prior to the commencement of any work under this Contract by that agent, supplier or sub-contractor. Upon a request by the Client, the Contractor shall not employ or will cease to employ any agent, supplier or sub-contractor.

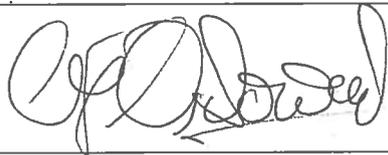
7.2 Amendments to/refinements of the Call Off Terms.

7.3 Alternative and/or Additional Clauses (select from Call Off Schedule 14 (Alternative and/or Additional Clauses)).

8. FORMATION OF CALL OFF CONTRACT

- 8.1 BY SIGNING AND RETURNING THIS 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.**
- 8.2 The Parties hereby acknowledge and agree that they have read the Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.**
- 8.3 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 Order Form from the Supplier within two (2) Working Days from receipt.**

For and on behalf of the Supplier:

Name and Title	Chris Oxborough, Partner
Signature	
Date	

For and on behalf of the Customer:

Name and Title	Mike Barrett, HMRC Internal Audit
Signature	
Date	

