

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 1 December 2016

ORDER NUMBER RM4167/GIAA/Mazars/2016/Lot 3/CCFI16A07

FROM -, Department for Communities and Local Government,
-.
- "**CUSTOMER**"

TO -, Mazars LLP, -.
- "**SUPPLIER**"

SECTION B

1. CALL OFF CONTRACT PERIOD

1.1 Call Off Commencement Date:

01/12/2016

1.2 Call Off Expiry Date:

End date of Call Off Initial Period

30/11/2020

End date of Call Off Extension Period

Not Used

2. CUSTOMER CORE SERVICES REQUIREMENTS

2.1 Part A: Services required

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

PURPOSE

The Department for Communities and Local Government or "DCLG" (here after referred to as "The Authority") requires a First Level Controller (FLC). The FLC will check and sign off claims the Authority will be submitting to the European Union (EU) for costs already incurred in regards to Contact Point employees working for the European Territorial Cooperation (ETC) Programme.

BACKGROUND TO THE CONTRACTING AUTHORITY

The Department for Communities and Local Government (DCLG)'s job is to create great places to live and work, and to give more power to local people to shape what happens in their area.

DCLG is a ministerial department, supported by 11 agencies and public bodies.

The ETC Programme is part of the European Programmes Team which sits within the Authority.

ETC, better known as Interreg, provides an environment and opportunities for sharing solutions, aiding the implementation of joint actions and policy exchanges between national, regional and local actors from the 28 different European Union Member States.

The overarching objective of ETC is to promote a harmonious economic, social and territorial development of the Union as a whole. Interreg is built around three strands of cooperation: cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C).

The funding is provided by the European Commission and the Programmes are managed by Member States. Beneficiaries participating in Territorial Co-operation Programmes are required to procure a FLC to verify the eligibility of the expenditure they have incurred in the project so that it can be reimbursed by the Programme authorities.

BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

The FLC work is a requirement of the ETC Operating Programme manuals and of the associated EU Regulations. The aims and objectives of the work are to sign off the technical assistance claims that are to be submitted to the EU so that the Authority can recover the costs of the Contact Points that have already been incurred for salaries and expenses. The activities of the ETC Programmes are aligned to the growth agenda of the Authority and will contribute to the work already undertaken and in recovering costs already incurred by the Authority.

FLC sign off is a regulatory requirement for the Authority to reclaim its technical assistance costs for the ETC Contact Points. The value of the claim submission to the EU will be circa £100,000 including VAT per year for each of the 4 Contact Points (£400,000 per year over 4 years for a total of £1.6m). These figures are based on the claims through Capita by the Contact Point's for the year 2015/16.

The purpose of the ETC Programme is to encourage growth by breaking down social and economic barriers between EU member states and by the sharing of knowledge.

DEFINITIONS

Expression or Acronym	Definition
Contact Point	means one or more professionals who have been appointed to assist the European Secretariat in the delivery of UK ETC Programmes
EC	means European Commission
ETC	means European Territorial Cooperation
EU	means European Union
FLC	means First Level Controller, also referred to as the Supplier
FLC Framework	means the rules and regulations which First Level Controllers must adhere to in order to validate expenditure. These are enforced by the EU and must be carried out in accordance with EC Regulations

SCOPE OF REQUIREMENT

The FLC will be checking claims for the UK Contact Points for North West Europe (NWE) and the 2 Seas Programme areas. For each Contact Point, there will be two claims a year, plus a further spot check during the life of the programme. This will apply for each programme running until the end of 2020. This is not an audit. 100% of the claim must be checked using a methodology that the FLC deems fit for purpose and is in line with the Authority's requirement.

THE REQUIREMENT

Upon Contract commencement the Authority will send to the FLC the necessary guidance for the programme. The FLC will be sent the relevant claim submission by the Authority biannually. The FLC will check the claim for correctness and eligibility, make any necessary adjustments before sign off and make a submission to the EU to reclaim the Authority's costs already incurred.

The on-the-spot check will entail checking original documentation, IT systems, recording of documentation in line with the programme rules and that payments have been made out of DCLG's bank account. Full details of what is expected during the on the spot check will be provided by the Authority at the point the on-the-spot check is instigated by the Authority.

The FLC will be provided with work instructions and templates once they have been approved by the Authority's Compliance Officer.

The work of the FLC can be undertaken by others in the FLC's organisation but the sign off and responsibility must come from the approved FLC.

Documentation on the workings of the FLC and the methodologies used must be retained by the FLC for audit purposes for 7 years.

100% of the claims must be checked by the FLC and be 100% correct.

KEY MILESTONES

Programming period 2016 to 2020

The contract term will be for four years. The work undertaken by the FLC will be continuously monitored and reviewed as laid out below.

Claims will be made biannually - in June and December.

These deadlines and periods are driven by the Programme Manuals and EU Regulations.

Progress and quality checks are also carried out by the Programme Joint Secretariat and Certifying Authorities.

The claims must be completed and signed off within 1 month of the FLC receiving the claim submission, noting any adjustments or ineligible expenditure to the claim.

AUTHORITY'S RESPONSIBILITIES

It is the responsibility of the Authority to provide the FLC with a completed claim submission to meet the deadlines set by the Programme and for the claims to be in line with the standards set by the Programme Manual.

REPORTING

Any errors picked up by the Joint Secretariat or the Certifying Authority will be reported back to the FLC. All of the FLC's findings will be monitored as part of the wider FLC Framework.

VOLUMES

There will be 4 claims per year, 2 for NWE and 2 for the 2 Seas Programme. There will be an additional 2 on the spot checks, one for each Contact Point, which must be carried out during the life of the programme finishing 2020. The on-the-spot checks will take place on site at DCLG and will contain checks on source documentation, archiving and IT systems. Each claim will be circa 400 line items of salaries and expenses.

CONTINUOUS IMPROVEMENT

The checks the FLC undertake will be monitored as part of the wider FLC Framework. How the FLC undertakes the work is at their discretion but must use the FLC Framework and follow EU guidance.

The FLC will continually improve the way in which the required Services are to be delivered throughout the Contract duration and present new ways of working to the Authority during yearly Contract review meetings.

Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

QUALITY

While not an audit this work can only be undertaken by an accredited financial accountant. 100% of the claim must be checked by the FLC and be 100% correct.

STAFF AND CUSTOMER SERVICE

There must be a sufficient level of resource by the Supplier throughout the duration of the Contract in order to consistently deliver a quality service to all Parties.

Staff assigned to the First Level Controller Contract must have the relevant qualifications and experience to deliver the Contract as set out below.

Professional Qualifications

The FLC should be a practicing certificate holder meeting the Companies Act requirements to be a company auditor. The FLC should belong to one of the following professional bodies:

The institute of Chartered Accountants in England and Wales
The Institute of Chartered Accountants of Scotland
The Association of Chartered Certified Accountants
The Chartered Institute of Public Finance and Accountancy
The Institute of Chartered Accountants in Ireland
The Association of Authorised Public Accountants
The Association of International Accountants.

SERVICE LEVELS AND PERFORMANCE

The Authority will measure the quality of the Supplier's delivery by:

KPI	Service Area	KPI description	Target
#1	Submitted Claim check	100% Claim checked, with all incorrect or ineligible expenditure removed.	100% of claim checked, with 100% incorrect or ineligible expenditure removed.
#2	Delivery timetable	Submitted claims to have been 100% checked and submitted to the EU within 1 month of receiving the claim from the Authority.	100% of claims to be delivered on time.
#3	On the spot check	1 on the spot check for each Contact Point to be carried out at the Authority's offices at 2 Marsham Street, checking by sample a claim already signed off by the FLC. This must be undertaken during the lifetime of the programme finishing 2020.	Sign off of claim plus removal of any incorrect or ineligible costs relating to the check.

In the event that these Service Levels are not met, the Authority will deem this to be a material Default of the Call Off Contract and will seek to terminate the Contract in accordance with Section 41.2 of the call-off terms and conditions.

SECURITY REQUIREMENTS

The FLC will be checking employee salaries and will adhere to the rules of the Data Protection Act whilst processing claims.

LOCATION

The Services will be carried out at the Supplier's premises, with the exception of the on-the-spot checks which will take place on site at DCLG premises.

2.1 Part B: Supplier's Proposal

The following sets out the Supplier's approach to the delivery of the services. This section, 2.1b, will follow the Call-Off Terms in the order of precedence as set out in paragraph 7.1 of this Order Form.

<REDACTED>

2.2 Not Used

2.3 Not Used

2.4 Not Used

2.5 Location/Sites of Delivery

The Services will be carried out at the Supplier's premises, with the exception of the on-the-spot checks which will take place on site at DCLG premises.

2.6 Dates for Delivery of the Services

As set out in the Service Requirements in 2.1 above.

2.7 Not Used

2.8 Standards

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

2.9 Service Levels

The Supplier shall conform to the Service Requirements set out in 2.1 above and to Part A of Schedule 6 (Service Levels and Performance Monitoring) of the Call Off Terms.

2.10 Not Used

2.11 Not Used

2.12 Performance Monitoring

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

2.13 Security

The Supplier shall conform the Security Requirements set out in section 2.1 above and to Call Off Schedule 8 (Security).

2.14 Period for providing the Rectification Plan

5 Working Days.

2.15 Not Used

3. SUPPLIER'S INFORMATION

3.1 Not Used

3.2 Commercially Sensitive Information

Information relating to methodology, expertise and clients - commercially sensitive information, restriction applies for 2 years.

Information relating to price - commercially sensitive information, restriction applies for 5 years.

4. CUSTOMER RESPONSIBILITIES

4.1 Customer Responsibilities

Not used.

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 maximum cost for the total contract period is sixty-three thousand, nine hundred pounds (£63,900), which is set out as follows:

<REDACTED>

Payment

Payment will only be made following the Authority's acceptance of each completed claim submission or on-the-spot check by the Supplier.

Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs. The Authority's Purchase Order number must also be included on the invoice.

The Supplier shall submit invoices directly to -.

5.2 Estimated Year 1 Call Off Contract Charges

<REDACTED>

5.3 Undisputed Sums Limit

For the purposes of Clause 42.1.1 the Undisputed Sums Limit shall be sixty-three thousand, nine hundred pounds (£63,900)

SECTION C

6. CUSTOMER OTHER CONTRACTUAL REQUIREMENTS

6.1 Not Used

6.2 Key Personnel

Name	Title/Role
-	-
-	-
-	-

6.3 Relevant Convictions

Clause 27.2.1 of the Call Off Terms shall apply.

6.4 Not Used

6.5 Not Used

6.6 Testing

Not used. Therefore Clause 12 and Schedule 5 of the Call Off Terms do not apply.

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)

6.10 Dispute Resolution

Information required to be provided by Mazars LLP in accordance with their obligations under The Provision of Services Regulations 2009, to the extent not included within this contract, can be viewed at <http://www.legislation.gov.uk/ukxi/2009/2999/contents/made>. Additionally, in relation to Dispute Resolution, the Department for Communities and Local Government may take up matters with Mazar's regulators, details of which can be viewed at <http://www.icaew.com>.

6.11 Communications

The Supplier and the Contracting Authority each agree to communicate electronically over the internet, including email communications. The Supplier and the Contracting Authority shall each be responsible for protecting their own systems and interests and neither party shall be responsible to the other on any basis (contract, tort or otherwise) for any loss, damage or omission in anyway arising from the use of electronic data (including e-mail) as a form of communication. Nothing in this clause shall exclude any liability arising from the negligent addressing and transmission of an email to an incorrect party.

6.12 Drafts

Draft Deliverables may represent work in progress and provide views in respect of which the Supplier has not received full and accurate Information. Accordingly, draft Deliverables will not constitute the Supplier's definitive opinions and conclusions and the Supplier will not be liable to the Contracting Authority (or anyone else) whether in contract, tort or otherwise for the content or use of any draft Deliverables. The Supplier will not be liable to the Contracting Authority (or anyone else) whether in contract, tort or otherwise for oral advice provided during the provision of the Services except the Supplier shall be liable to the Contracting Authority where the provision of any aspect of the Services exclusively comprises oral advice (as set out in this Order).

7. ADDITIONAL AND/OR ALTERNATIVE CLAUSES

7.1 In the event of conflict between this Order Form and the Call Off Terms, the conflict shall be resolved by giving the following order of precedence:

- the Order Form (with the exception of Section 2.1b – Supplier's Proposal)
- The Call Off Terms
- Section 2.1b – Supplier's Proposal

7.2 Not Used

7.3 Not Used

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	
Signature	
Date	

For and on behalf of the Customer:

Name and Title	
Signature	
Date	