



**UK Export  
Finance**

**Call-Off Contract for the Provision of Audit Services**

**Between**

**The Export Credits Guarantee Department  
(operating as UK Export Finance)**

**and**

**PricewaterhouseCoopers LLP**

**Contract Ref: DN353168**

**Order Number: RM4167/GIAA/PwC/2018/3/DN309480**

**Call-Off from the GIAA Framework, RM4167, Lot 3,  
Internal Audit Services**

**Date: April 2018**

## 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** 01 April 2018

**ORDER NUMBER** RM4167/GIAA/PwC/2018/3/DN309480;

**FROM** THE SECRETARY OF STATE FOR THE EXPORT CREDITS GUARANTEE DEPARTMENT (operating as UK EXPORT FINANCE), 1 Horse Guards Road, London, SW1A 2HQ Tel: 020 271 8080  
"CUSTOMER"

**TO** PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH "SUPPLIER"

### SECTION B

#### 1. CALL OFF CONTRACT PERIOD

##### 1.1 Call Off Commencement Date:

1 April 2018

##### 1.2 Call Off Expiry Date:

End date of Call Off Initial Period

30 September 2018

End date of Call Off Extension Period

The Contract can be extended by up to three (3) months until 31<sup>st</sup> December 2018;

#### 2. CUSTOMER CORE SERVICES REQUIREMENTS

##### 2.1 Services required (this section 2.1 replaces Schedule 2, Annex 1(The Services) of the Call Off Terms):

2.1.1 The Customer requires audit and related consultancy services to help support the next phase of its Financial Crime Compliance Project, the "Project".

2.1.2 The Customer provides UK Exporters insurance, guarantees and financing support in cases where the private sector will not.

2.1.3 The Supplier has already completed the following phases of the Project:

2.1.3.1 Risk Assessment of current activities against regulatory expectations and market standards; and

2.1.3.2 Assessment of current financial crime compliance regime.

- 2.1.3.3 Sampling review of control gap remediation performed by the Customer in connection with post issue activity amendments and product walk-throughs.
- 2.1.4 Under this Call-Off Contract the Supplier will provide the services required to the Customer for the successful completion of the next phase of the Project, which will result in an enhanced financial crime compliance framework .
- 2.1.5 There are five (5) core deliverables by the Supplier of this phase of the Project:
  - 2.1.5.1 Development of a financial crime risk appetite statement with the Customer;
  - 2.1.5.2 Documentation of, in conjunction with and alongside designated Customer Staff, a set of financial crime policies, procedures and processes in line with the Customer's financial crime risk appetite statement;
  - 2.1.5.3 Advise on the operationalisation of the documented financial crime policies, procedures and processes including consideration of resourcing, processes and technology;
  - 2.1.5.4 Consideration and identification of solutions for an enhanced longer-term operation model which will include updates to staff requirements, processes and technology solutions and leading a future state workshop;
  - 2.1.5.5 Development, including delivery (train-the-trainer or to the Customer), of bespoke and enhanced financial crime training to raise awareness and improve capability in this area.
  - 2.1.5.6 Ongoing ancillary advice and support to the Customer in respect of the above.
- 2.1.6 The documentation as per 2.1.5.2 above:
  - 2.1.6.1 will include a set of documented risk appetite standards; documented risk tolerance limits; and risk monitoring templates for the monitoring and reporting of financial crime risk in relation to risk appetite; and
  - 2.1.6.2 must be appropriate for the Customer and be able to deliver the ultimate objectives of the Project. They must be robust and comprehensive drawing on applicable laws and regulations as well as existing Government Policy in this area.
- 2.1.7 The deliverable as described in 2.1.5.3 above:
  - 2.1.7.1 will require the Supplier to work with the Customer to develop an operational model to utilise the Customer's current technology to meet the requirements of the financial crime policy and procedures that are produced. This will involve mapping the requirements to the capabilities of the existing technology and then identifying any gaps to help develop controls and procedures to mitigate any risks that arise from the gaps;
  - 2.1.7.2 will incorporate improved and optimised use of the Customer's existing financial crime technology and resources (including configuration of world-check) and consideration of alternative

options including managed services through a Supplier lead workshop; and

2.1.7.3 will need to include the development of a governance and review framework for process approvals and ongoing oversight including key risk metrics to enable regular reporting and to develop risk monitoring methodologies.

2.1.8 The deliverable as described in 2.1.5.4 will identify specific technology requirements and will therefore underpin financial crime policy, procedures and processes in the long term. It will therefore need to consider and incorporate: available technologies; proportionality of the technologies to the financial crime risk faced by the Customer; and the Customer's resourcing model and headcount limits.

2.1.9 The training as per 2.1.5.5 will need to provide information on the key obligations that are placed on the Customer as an organisation as well as the individual obligations and expectations placed on each of the Customer's staff. It will also need to highlight common financial crime issues and 'red flags' that staff need to be aware of and be able to identify.

2.1.10 The development of the training will need to consider ongoing delivery of the training by the Customer's staff in the future.

2.1.11 Across all deliverables, 2.1.5.1 – 2.1.5.6, the Supplier must work with and collaborate with designated Customer Staff to ensure knowledge transfer and what is developed is appropriate, proportionate and meets the Customer's overall objectives.

2.1.12 All deliverables will need to be approved by the Customer before being confirmed as completed. Please see section 2.12 for performance monitoring against these deliverables.

2.2 **NOT USED**

2.3 **NOT USED**

2.4 **NOT USED**

2.5 **Location/Sites of Delivery**

The Services are to be delivered to UK Export Finance (UKEF), at UKEF Offices, 1 Horse Guards Road, London, SW1A 2HQ

**2.6 Dates for Delivery of the Services**

The services are to be delivered during the contract period, which begins on 01 May 2018 and ends on 30 September 2018. The Supplier should refer to the target dates of the key deliverables for information on when certain tasks need to be completed.

**2.7 Implementation Plan**

The Supplier will initiate the services with beginning work on the deliverable as outlined line clause 2.1.5.1 of this Order Form.

**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 Part A of Schedule 6 (Service Levels and Performance Monitoring) of the Call Off Terms.

**2.10 Not Used**

**2.11 Business Continuity and Disaster Recovery (Schedule 9)**

**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)

The Supplier will also perform the services of the Contract in line with meeting the following milestones for the deliverables as described in Clause 2 of this Contract:

<b>Deliverable</b>	<b>Date of Completion</b>
Development of a financial crime risk appetite statement with the Customer	30 <sup>th</sup> September 2018
Documentation of, in conjunction with and alongside designated Customer Staff, a set of financial crime policies, procedures and processes in line with the Customer's financial crime risk appetite statement	30 <sup>th</sup> September 2018
Advise on the operationalisation of the documented financial crime policies, procedures and processes including consideration of resourcing, processes and technology	30 <sup>th</sup> September 2018
Consideration and identification of solutions for an enhanced longer-term operation model which will include updates to staff requirements, processes and technology solutions and leading a future state workshop	30 <sup>th</sup> September 2018
Development, including delivery (train-the-trainer or to the Customer), of bespoke and enhanced financial crime training to raise awareness and improve capability in this area	30 <sup>th</sup> September 2018
Ongoing ancillary advice and support to the Customer in respect of the above deliverables.	30 <sup>th</sup> September 2018

Failure to meet the stipulated milestones for the deliverables will result in non-payment of any further invoices until the Supplier has submitted a justification and provided a solution that the Customer approves.

The Supplier will report fortnightly during the Contract period to the Customer Staff as designated by the Customer from time to time.

The Supplier will report immediately to the Customer on completion of specific deliverables to establish next steps.

The Supplier will report immediately should there be any issue that arises that will impede or delay the delivery of the outcomes of the contract.

#### **2.13 Security**

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

#### **2.14 Period for providing the Rectification Plan**

Five (5) Working Days.

#### **2.15 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**

The rates and methodology for the services provided by the Supplier will remain commercially sensitive for the duration of the Framework Agreement.

### **4. CUSTOMER RESPONSIBILITIES**

#### **4.1 Customer Responsibilities**

The Customer shall be responsible for access to systems, equipment and personnel that are required to carry out the specified services. The Customer shall be responsible for all decisions made in respect of any information gained from the provision of services.

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

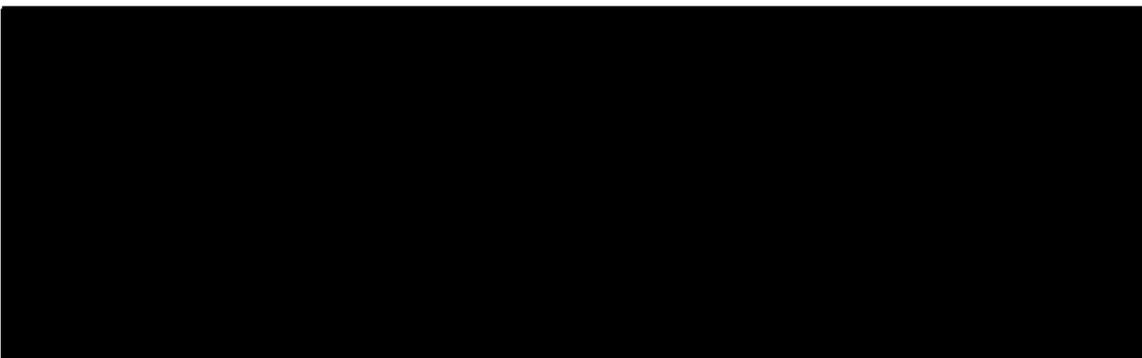
### **5. CALL OFF CONTRACT CHARGES AND PAYMENT**

- 5.1 The cap on this contract is three-hundred and fifty thousand £ Sterling (£350,000) exclusive of reimbursable expenses and VAT at the prevailing rate. This is an estimated value and the Customer is not obliged to spend to this level against the Contract. The Customer and Supplier both acknowledge that as of the date of this contract, the scope of work has many dependencies, which include, but are not limited to:

- 5.1.1 Availability of internal staff to cooperate with the audit;
- 5.1.2 Compatibility of any new IT system with the Customer's current IT Infrastructure;
- 5.1.3 Internal approval on recommendations; and
- 5.1.4 Training and cooperation of the Customer's staff

- 5.2 Should, due to the dependencies, services required to be delivered by the Supplier exceed this cap, both parties agree to discuss in good faith with a view to agreeing such additional charges that may be appropriate. Any changes to the cap will need to be formalised through execution of a Contract Change Note (CCN).

- 5.3 The figure as clause 5.1 acts as a budget cap, and the contract will operate on a capped time and materials basis, based on the following rate card:



The Supplier will invoice the Customer monthly in arrears.  
Payment terms will be thirty (30) days from date of invoice.  
Payment will be made via BACS payment.

Invoices must:

- Have a valid Purchase Order (PO) number
- Full address of the Customer
- Full address of the Supplier
- Breakdown of costs and applicable VAT
- The VAT number of the supplier
- A unique invoice number and date of issue

Only valid invoices will be paid.

Invoices should be addressed to:

**UK Export Finance, 1 Horse Guards Road, London, SW1A 2HQ**

Invoices should be submitted to:

[procurement@ukexportfinance.gov.uk](mailto:procurement@ukexportfinance.gov.uk)

### 5.3 **Estimated Year 1 Call Off Contract Charges**

Three-hundred and fifty thousand £ Sterling (£350,000) plus VAT at the prevailing rate.

This is a maximum cap only. The Customer will only pay for days service provided and is not obliged to incur expenses to the level stipulated above and will not be charged for days or spend not used.

### 5.4 **Undisputed Sums Limit**

For the purposes of Clause 42.1.1 the Undisputed Sums Limit shall be one hundred percent (100%) of the total call-off contract value.

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

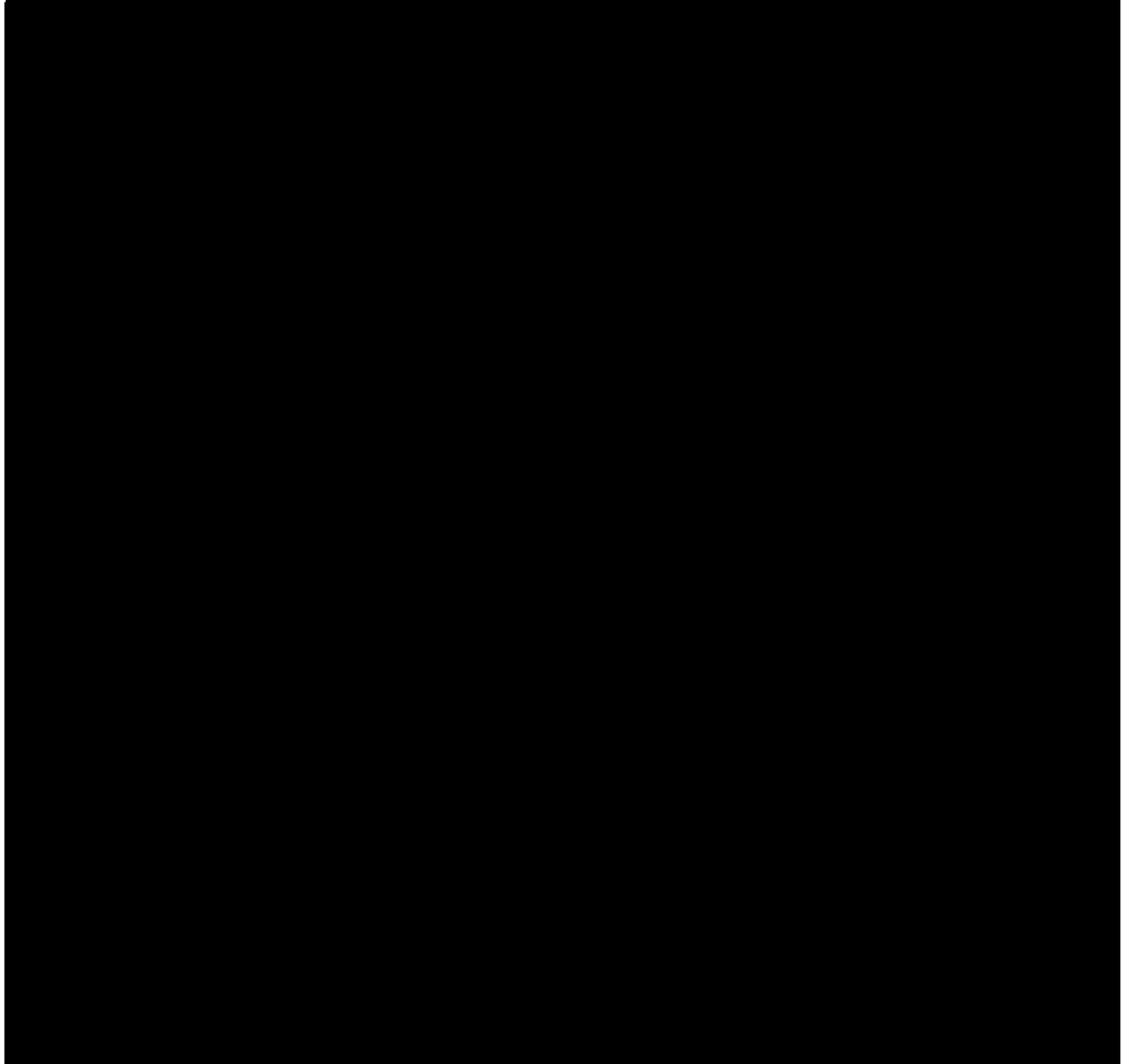
## **SECTION C**

### **6. CUSTOMER OTHER CONTRACTUAL REQUIREMENTS**

#### **6.1 Call Off Guarantee**

Not used

## 6.2 Key Personnel



The Supplier's key personnel will be assisted by other such staff as may be required during the review.

## 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)

## **6.10 Dispute Resolution**

Information required to be provided by PwC in accordance with their obligations under The Provision of Services Regulations 2009, to the extent not included within this contract, can be viewed at <https://www.pwc.co.uk/> . Additionally, in relation to Dispute Resolution, GIAA or other Contracting Authority may take up matters with the PwC regulators, details of which can be viewed at <https://www.pwc.co.uk/>

## **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 Supplemental requirements to the Call Off Terms**

The Supplier should be aware that following the expiration of this Contract, the Customer is not obliged to extend or re-award a contract to the Supplier for any subsequent or follow-up work and reserves the right to procure services for such phases elsewhere.

The Supplier must be aware of the Customer's responsibility to Cabinet Office Spending Controls and Public Procurement and Contract Regulations.

All working papers produced or held by the Supplier must be copied to the Customer. The Supplier may retain a copy of all materials upon which the work is based for record purposes. The Supplier should facilitate and cooperate in the handover to a different supplier following any re-procurement for future stages of the Project.

### **7.2 Amendments to/refinements of the Call Off Terms**

None.

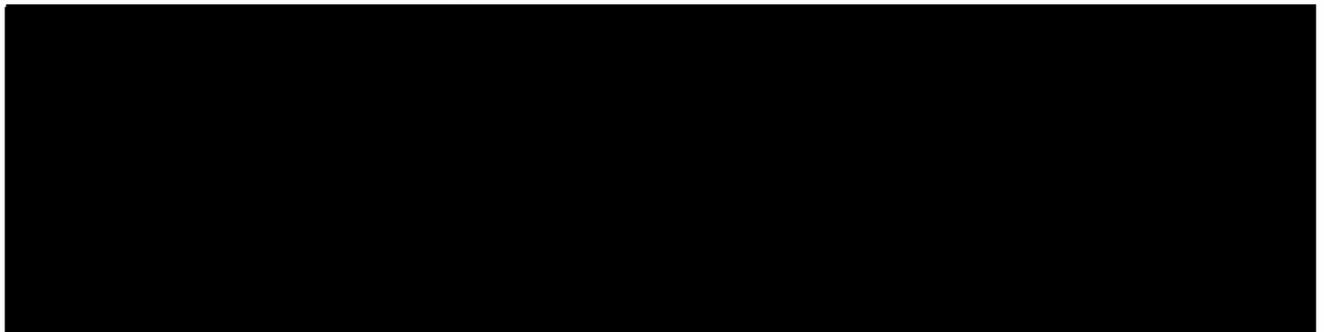
**7.3 Alternative and/or Additional Clauses (select from Call Off Schedule 14  
(Alternative and/or Additional Clauses))**

None.

**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: Pricewaterhouse Coopers**



**For and on behalf of the Customer: UK Export Finance**

