

**Form for Direct Award and Award Following a Further Competition**

**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** 15/03/2019

**ORDER NUMBER** RM4167/GIAA/KPMG/2019/Lot 1/SR161395280.

**FROM** Alison Bexfield, HMRC, 100 Parliament Street, Westminster, London, SW1A, 2BQ.  
Tel: 03000546730.  
Email: [Alison.bexfield@hmrc.gsi.gov.uk](mailto:Alison.bexfield@hmrc.gsi.gov.uk) "**CUSTOMER**"

**TO** Tamas Wood, Partner, KPMG, 15 Canada Square, London E14 5GL. Tel: 0207 311 5458. [Tamas.Wood@kpmg.co.uk](mailto:Tamas.Wood@kpmg.co.uk) "**SUPPLIER**"

**SECTION B**

**1. CALL OFF CONTRACT PERIOD**

**1.1 Call Off Commencement Date:**

18/03/2019

**1.2 Call Off Expiry Date:**

End date of Call Off Initial Period:

31/05/2019

End date of Call Off Extension Period:

Not Used

**2. CUSTOMER CORE SERVICES REQUIREMENTS**

**2.1 Services required**

The services required are detailed below

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

The provider is required to deliver in 3 key areas:

(1), Undertake a review of the internal audit service in accordance with the Internal Audit Quality Assessment Framework (IAQAF). An independent review has not been undertaken for four years, so a more comprehensive review is required, rather than merely validation of internal reviews. It is envisaged that this would be carried out by:

- interviews with key internal audit stakeholders, including the Accounting Officers for HMRC, VOA and SFO, Audit Committee Chairs and other key stakeholders;
- meetings with the GHIA and members of the internal audit team as required;
- An electronic questionnaire to be sent to a wide range of 'customers' (as set out in the IAQAF).

(2), A review of current processes and documentation including the audit lifecycle, audit planning, Charter, Audit Committee reports, internal audit reports, quality management and a sample of working paper files, has been drawn from the period October 18 – December 18. This should also include a review of the process to ensure that actions are dealt with on a timely basis. Internal Audit have a programme of change activity. For file reviews, emphasis should be given to current working practices, with consideration of planned enhancements to delivery.

(3), Evaluation of the internal audit function against the IAQAF including consideration of best practice and the Institute of Internal Audit Standards and code of ethics as appropriate. A completed written IAQAF assessment including recommendations will be required. In addition, good practice from across the industry, both Private and Public Sector should be reflected into any potential improvement plan.

Presentation of all key findings and recommendations forming the Draft Report will be made directly to Director of Internal Audit Alison Bexfield.

Agreed findings will then be presented to the next meeting of the Audit and Risk Committee.

*The final report will be distributed to Director of Internal Audit Alison Bexfield and other key Stakeholders' including the Audit Committee chairs and Accounting Officers by the end of May 2019.*

A maximum of nine interviews will be conducted with senior stakeholders across HMRC, the VOA and the SFO. The stakeholders to be interviewed will be determined during the planning stage with Alison Bexfield.

**2.2 NOT USED,**

**2.3 NOT USED,**

**2.4 NOT USED**

**2.5 Location/Sites of Delivery**

HMRC 100 Parliament Street, Westminster, London SW1A 2BQ

Is the confirmed location where the full assessment will be carried out. Key personnel who will be interviewed as part of this assessment but are based outside of this location will be interviewed via Skype conference call.

## 2.6 Dates for Delivery of the Services:

Between 18th March 2019 and 31<sup>st</sup> May 2019 inclusive.

## 2.7 Implementation Plan

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

This EQA will be carried out by 3 experienced key personnel from KPMG LLP (UK) namely Tamas Wood, Ian Livingstone, and Ishpal Chagger.

It has been made clear to KPMG LLP UK that this work needs to take place in March and April and be reported upon in May 2019. KPMG's experience suggests that a eight-ten week elapse time is needed for this type of review with effective early planning to allow for questionnaire issue and responses and to allow for time to be set aside in the diaries of key stakeholders.

KPMG will as part of the planning phase of the review, agree a reporting format with HMRC.

KPMG have highlighted an area which will be critical to the successful execution of the review where the questionnaire invitees, interviewed stakeholders, and files reviewed are as '**representative**' as possible given the coverage of HMRC Internal Audit. HMRC has identified a representative cross – section of appropriate staff members who will participate in this assessment.

With regard to Document review to be undertaken by KPMG, this review will form the basis of the issues and topics to be covered in each of the stakeholder interviews they undertake. KPMG will during the initial stage of the project confirm with HMRC their information request which will specify the key documents they will require to perform their assessment successfully.

As part of the File Reviews, KPMG will review a sample of Internal Audit files covering different Business Areas and business risk themes.

The outcome of this review will entail consideration and assessment of the quality and consistency of the planning, delivery and reporting phases of Internal Audit work (and the evidence thereof).

Key staff and stakeholder surveys and interviews of 1 hour duration will be conducted by KPMG to provide them with a wide range of insights into the effectiveness of the Internal Audit and Risk Management functions focusing on how it interconnects with the local Internal Audit Teams and other assurance activities.

As part of a robust interviewing programme, KPMG will ensure their interviewers will provide the right level of challenge and experience to perform interviews with senior high ranking HMRC personnel.

It is expected KPMG will deploy their unique tried and tested international methodology tailored for Central Government Departments. In delivering

effectiveness reviews of IA functions, this methodology will be expected to go much further than just compliance with standards by providing insights into best practice from comparable organisations, thus ensuring a balanced and pragmatic assessment of HMRC's functionality in Internal Audit and Risk Management.

## **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).

## **2.13 Security**

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

The following Security provisions were provided by the supplier:

KPMG staff will have Security Clearance.

The following steps are recommended in relation to using electronic transmission of unmarked and OFFICIAL data:

- No client information or project-related data can be transferred to home or non KPMG protected computers or storage devices.
- Only when there is a clear 'need to know' and when it is known that the recipient has the correct infrastructure and security clearance can government information be shared.

Clause 7 refers

- If transmitting by email, determine whether additional encryption is to be used where practicable.

The following additional steps are recommended in relation to using electronic transmission of OFFICIAL-SENSITIVE data:

- OFFICIAL-SENSITIVE material will not leave the HMRC network.  
Laptops will not be provided by HMRC.
- OFFICIAL-SENSITIVE material can be emailed and where practical the use of additional encryption is recommended.  
The email recipient must be able to receive TLS1.2 encrypted emails.
- If transmitting OFFICIAL-SENSITIVE material via email, it is the originator's responsibility to ensure that the intended recipient has a 'need to know' that information.
- OFFICIAL-SENSITIVE material is not to be distributed outside the UK without the client's consent. If consent is given, specific security instructions will be given by the client which must be adhered to.

The following additional steps are required in relation to handling OFFICIAL-SENSITIVE data:

- OFFICIAL-SENSITIVE material must not be handled in public areas.
- The use of secure project rooms will be considered if large amounts of OFFICIAL-SENSITIVE material is in use.

HMRC does not have Secret or Top Secret classifications

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

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**

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.

KPMG CVs and pricing schedules submitted as part of assignment proposals are considered commercially sensitive information.

#### **4. CUSTOMER RESPONSIBILITIES**

##### **4.1 Customer Responsibilities**

As per Part B of Call - Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel),

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)  
£37,500 fixed price (Excluding VAT), One - off BACS Payment

##### **5.2 Estimated Year 1 Call -Off Contract Charges**

£37,500 fixed price (Excluding VAT), One -off BACS Payment

##### **5.3 Undisputed Sums Limit**

For the purposes of Clause 42.1.1 the Undisputed Sums Limit shall be £37,500.00 (thirty seven thousand five hundred pounds).

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

The Supplier shall submit invoice directly to:

HMRC,  
PO Box 2092  
B Spur,  
South Block,  
Worthing,  
West Sussex,  
BN12 4XH

Copy of Invoice should also be sent to:

Alison Bexfield, HMRC, 100 Parliament Street, Westminster, London, SW1A 2BQ.

## **SECTION C**

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

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

Not used

#### **6.2 Key Personnel**

HMRC: Alison Bexfield Head of Internal Audit [Alison.bexfield@hmrc.gsi.gov.uk](mailto:Alison.bexfield@hmrc.gsi.gov.uk)

HMRC: Justin Holliday, Chief Finance Officer, [Justin.holliday@hmrc.gsi.gov.uk](mailto:Justin.holliday@hmrc.gsi.gov.uk)

KPMG: Tamas Wood, Partner, [tamas.wood@kpmg.co.uk](mailto:tamas.wood@kpmg.co.uk)

KPMG: Ian Livingstone, Internal Audit Manager [ian.livingstone@kpmg.co.uk](mailto:ian.livingstone@kpmg.co.uk)

KPMG: Ishpal Chaggar, Internal Audit Assistant  
Manager, [ishpal.chaggar@kpmg.co.uk](mailto:ishpal.chaggar@kpmg.co.uk)

#### **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 KPMG LLP (UK) 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://home.kpmg/uk/en/home/misc/sitemap.html>. Additionally, in relation to Dispute Resolution, HMRC may take up matters with KPMG's regulators, details of which can be viewed at <https://home.kpmg/uk/en/home/misc/sitemap.html>

## **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**

### Sections 7.1.1 – 7.1.6 refer to KPMG GDPR Controller Terms.

7.1.1 “DP Legislation” means, before 25 May 2018, the Data Protection Act 1998 and from 25 May 2018, the General Data Protection Regulation (EU 2016/679) and any legislation which amends, re-enacts or replaces it in England and Wales. The definitions and interpretations in the DP Legislation apply to this clause.

7.1.2 This clause applies to personal data provided to KPMG by HMRC or on HMRC’s behalf in connection with the Services (“Personal Data”).

7.1.3 HMRC warrants and represents that HMRC has any necessary consent, provided any necessary notice and done all other things required under the DP Legislation to disclose Personal Data to KPMG in connection with the Services. KPMG shall act as a Controller and perform the Services in accordance with the DP Legislation.

7.1.4 KPMG will take appropriate technical and organisational steps to protect against unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data.

7.1.5 KPMG shall notify HMRC promptly: (i) upon receiving a request for Personal Data or other request from a data subject, or if KPMG receives any claim, complaint or allegation relating to the processing of the Personal Data; (ii) upon becoming aware of any breach of security leading to the destruction, loss or unlawful disclosure of the Personal Data in KPMG’s possession or control.

7.1.6 Upon request, each party shall provide the other with information relating to its processing of Personal Data as reasonably required for the other to satisfy its obligations under DP Legislation.

### HMRC GDPR Controller Terms Clarification.

#### For avoidance of doubt:

7.1.7 Any HMRC data provided by HMRC during the course of this audit will remain under HMRC control.

7.1.8 KPMG will act as Independent Data Controller of any Data subsequently produced by KPMG as part of this audit.

## **7.2 Contract Management Plan and Management Information**

### **1 MANAGEMENT OF THE SERVICES**

- 1.1 Both Parties shall ensure that appropriate resource is made available on a regular basis such that the aims, objectives and specific provisions of this Agreement can be fully realised.
- 1.2 Both Parties shall pro-actively manage risks attributed to them under the terms of this Agreement and the Supplier shall develop, operate, maintain and (as appropriate) amend processes for the identification and management of risks and issues.
- 1.3 The Supplier shall provide to the Authority's representatives access to all relevant documentation and/or any part of the Supplier's (or its sub-contractor's) premises as may be reasonably requested by the Authority's representatives, including for the purpose of commercial assurance, risk assessment, security assurance, familiarisation on procedures, audit of the Supplier's compliance with this Agreement and/or site audits. Full details of the Authority's requirement and timescales for the provision of management information reports are set out in Paragraph 3.
- 1.4 The Authority reserves the right to attend meetings between the Supplier and any subcontractors it utilises to provide the service to ensure proper oversight, management, delivery and performance of the Services and the Supplier shall procure that the Authority has access to such meetings.

### **1 EFFICIENCY SAVINGS**

- 1.1 As part of routine contract management activities the Supplier will be required to work with the Authority to realise any possible efficiency savings during the Term. Possible efficiency savings will be reviewed during review meetings pursuant to Paragraph 3 and any savings realised annually will be distributed between the Supplier and the Authority as agreed in advance.

### **2 REVIEWS**

- 2.1 The Parties shall attend annual performance review meetings, on a date to be agreed between the Parties or, in the absence of such agreement, within 30 Working Days of each anniversary of the Effective Date, to consider the progress of the Agreement, discuss the management information reports and to review any operational issues that have arisen in the preceding review meetings on the following basis.
- 2.2 The Parties shall agree the format of the review meetings (for example, face to face or telephone conference) in advance.
- 2.3 The Supplier must provide the Authority with the most up to date management information relating to the period under review at least 5 Working Days before any review meeting.
- 2.4 Each Party shall procure that those of its contract management team representatives whose attendance is reasonably required to achieve the aims and objectives of the meeting, and any other persons considered by the Authority to be necessary for the review, make all reasonable efforts to attend review meetings.
- 2.5 In respect of the period under review, the Authority will take into account any matters it considers necessary, including:
  - 2.5.1 the Supplier's performance in respect of the service levels and KPI's as detailed at Schedule 2 (including any relevant service level trends analysis and whether the service levels reflect improvements in the Services over the Term and any efficiency gains made by the Supplier);
  - 2.5.2 consideration of any changes which may need to be made to the Services; and
  - 2.5.3 a review of future requirements in relation to the Services.
- 2.6 The Authority shall prepare a report containing its findings from the annual review and

discuss with the Supplier how any proposed changes to the Agreement and/or to the Services shall be addressed. Any Contract Changes to be implemented in accordance with this Paragraph shall be implemented in accordance with Schedule 4 (Change Control Procedure).

### 3 CONTRACT MANAGEMENT ROLES AND DISPUTE ESCALATION POINTS

3.1 The Parties shall assign personnel with the appropriate skills and experience to perform the roles and responsibilities listed in the table below.

| Role               | Key Personnel | Responsibilities  | Contact Name, Title & Contact Details               |          |
|--------------------|---------------|---|---|----------|
|                    |               |   | Authority   | Supplier |
|                    | No            | Overall responsibility for delivery of the Agreement.<br>Level 3 escalation point                 | <b>J Holliday</b><br>(CFO)<br>03000<br>586749       |          |
|                    | No            | Overall responsibility for the commercial integrity of the Agreement.<br>Level 2 escalation point | <b>A Bexfield</b><br>03000<br>546730.<br>(Director) |          |
|                    | No            | Responsible for overseeing the contract review process.<br>Level 1 escalation point               | <b>M Barrett</b><br>03000<br>576120                 |          |
| Commercial Manager | Yes           | Responsible for managing the change control process.  | <b>Andrew Cullenaine</b><br>03000587<br>705         |          |
| Contract Manager   | Yes           | Responsible for the day to day management of the Agreement.                                       | <b>A Bexfield</b><br>03000<br>546730.               |          |

- 3.2 Subject to Clause 8.3 and 8.4 (Supplier Personnel and Key Personnel), in the event that the Supplier wishes to replace any of its representatives in the roles listed in Paragraph 4.1, the Supplier shall notify the Authority in writing of the proposed change for the Authority's agreement (such agreement not to be unreasonably withheld or delayed). Notwithstanding the foregoing it is intended that each Authority representative has at all times a counterpart representative of equivalent seniority and expertise.
- 3.3 The Authority may, by written notice to the Supplier, revoke or amend the authority of any of its representatives in the roles listed in Paragraph 4.1 or appoint a new representative into the role.

#### 4 ADDRESS FOR NOTICES

- 4.1 The address for notices of the Parties are:

**Authority**

HM Revenue and Customs  
100 Parliament Street, Westminster,  
London, SW1A 2BQ

**Supplier**

KPMG LLP (UK)  
15 Canada Square  
London, E14 5GL

Attention: Robert Dyson

Email: [Robert.dyson2@hmrc.gsi.gov.uk](mailto:Robert.dyson2@hmrc.gsi.gov.uk)

Attention: Ian Livingstone

Email: [ian.livingstone@kpmg.co.uk](mailto:ian.livingstone@kpmg.co.uk)

### 7.3 Change Control Procedure

#### 1 CHANGE CONTROL PROCEDURE

- 1.1 Either Party may propose a change to this Agreement ("**Contract Change**") in accordance with the procedure for changing the Agreement set out in this Schedule ("**Change Control Procedure**").
- 1.2 If either Party wishes to propose a Contract Change it shall submit to the other Party a written request substantially in the form set out in Annex 1 detailing the proposed Contract Change ("**Change Request**") specifying, in as much detail as is reasonably practicable, the nature of the proposed Contract Change. As soon as reasonably practicable but in any event within ten (10) Working Days of receipt or issue of a Change Request (as the case may be) the Supplier shall submit to the Authority a written assessment of the Change Request ("**Impact Assessment**").
- 1.3 Each Impact Assessment shall be completed in good faith and shall include the following information (except where such information is not relevant to the proposed Contract Change):
- 1.3.1 details of the proposed Contract Change including the reason for the Contract Change;
  - 1.3.2 details of the impact of the proposed Contract Change on the Services and the Supplier's ability to meet its other obligations under this Agreement;
  - 1.3.3 any variations to the terms of this Agreement that will be required as a result of that impact, including proposed changes to the service levels or KPIs or any timetable

previously agreed by the Parties;

- 1.3.4 details of the cost of implementing the proposed Contract Change;
  - 1.3.5 details of the ongoing costs required by the proposed Contract Change when implemented, including any increase or decrease in the Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;
  - 1.3.6 a timetable and high level plan for the mobilisation of the proposed Contract Change;
  - 1.3.7 details of how the proposed Contract Change will ensure compliance with any applicable Change in Law;
  - 1.3.8 an assessment of the possible risks of introducing the proposed Contract Change; and
  - 1.3.9 such other information as the Authority may reasonably request in (or in response to) the Change Request
- 1.4 Within fifteen (15) Working Days of receipt of the Impact Assessment, the Authority shall evaluate the Change Request and Impact Assessment and shall notify the Supplier whether it approves or rejects the proposed Contract Change or whether it requires the Supplier to make any changes to the Impact Assessment. If the Authority requires the Supplier to make such changes, the Supplier shall make such modifications within five (5) Working Days of request.
- 1.5 If the Authority notifies the Supplier that it accepts the proposed Contract Change, then the Supplier shall prepare two (2) copies of a change authorisation note substantially in the form set out in Annex 2 (“**Change Authorisation Note**”) which it shall sign and deliver to the Authority for its signature. Following receipt by the Authority of the Change Authorisation Note, it shall sign both copies and return one copy to the Supplier.
- 1.6 Until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 1.5, then:
- 1.6.1 unless the Authority expressly agrees (or requires) otherwise in writing, the Supplier shall continue to supply the Services in accordance with the existing terms of this Agreement as if the proposed Contract Change did not apply; and
  - 1.6.2 any discussions, negotiations or other communications which may take place between the Authority and the Supplier in connection with any proposed Contract Change shall be without prejudice to each Party’s other rights under this Agreement.

## **2 SUPPLIER’S RIGHT OF REJECTION**

- 2.1 The Supplier shall have the right to reject a Change Request solely in the manner set out in Paragraph 2.2.
- 2.2 Following an Impact Assessment, if:
- 2.2.1 the Supplier reasonably believes that any proposed Contract Change which is requested by the Authority would:
    - (a) materially and adversely affect the risks to the health and safety of any person; and/or
    - (b) require the Services to be performed in a way that infringes any Law; and/or
  - 2.2.2 the Supplier demonstrates to the Authority’s reasonable satisfaction that the proposed Contract Change is technically impossible to implement and neither the Supplier Solution nor the Services Description state that the Supplier does have the technical capacity and flexibility required to implement the proposed Contract Change,
- then the Supplier shall be entitled to reject the proposed Contract Change and shall

notify the Authority of its reasons for doing so within five (5) Working Days after the date on which it is obliged to deliver the Impact Assessment pursuant to Paragraph 1.2.

### 3 FAST TRACK CHANGES

3.1 The parties acknowledge to ensure operational efficiency that there may be circumstances where it is desirable to expedite the processes set out above.

3.2 If :

3.2.1 the total number of Contract Changes in relation to which the expedited procedure in this Paragraph 3 ("**Fast-track Change Procedure**") has been applied does not exceed four (4) in any twelve (12) month period; and

3.2.2 both Parties agree the value of the proposed Contract Change over the remaining Term does not exceed £5,000 and the proposed Contract Change is not significant (as determined by the Authority acting reasonably),

then the parties shall confirm to each other in writing that they shall use the process set out in paragraphs 1 and 2 above but with reduced timescales, such that any period of fifteen (15) Working Days is reduced to five (5) Working Days, any period of ten (10) Working Days is reduced to two (2) Working Days and any period of five (5) Working Days is reduced to one (1) Working Day.

3.3 The Parties may agree in writing to revise the parameters set out in Paragraph 3.2 from time to time or that the Fast-track Change Procedure shall be used in relation to a particular Contract Change notwithstanding that the total number of Contract Changes to which such procedure is applied will then exceed four (4) in a twelve (12) month period.

### 4 OPERATIONAL CHANGE PROCEDURE

4.1 Any change in the Supplier's operational procedures which the Parties agree in all respects, when implemented:

4.1.1 will not affect the Charges and will not result in any other costs to the Authority;

4.1.2 may change the way in which the Services are delivered but will not adversely affect the output of the Services or increase the risks in performing or receiving the Services;

4.1.3 will not adversely affect the interfaces or interoperability of the Services with any of the Authority's IT infrastructure; and

4.1.4 will not require a change to this Agreement,

(an "**Operational Change**") shall be processed in accordance with this Paragraph 4.

4.2 Any Operational Changes identified by the Supplier to improve operational efficiency of the Services may be implemented by the Supplier without following the Change Control Procedure for proposed Contract Changes provided they do not:

4.2.1 have an impact on the business of the Authority;

4.2.2 require a change to this Agreement;

4.2.3 have a direct impact on use of the Services; or

4.2.4 involve the Authority in paying any additional Charges or other costs.

4.3 The Authority may request an Operational Change by submitting a written request for Operational Change ("**RFOC**") to the Supplier's contract manager (whose details are set out in Paragraph 4 of Schedule 3).

4.4 The RFOC shall include the following details:

4.4.1 the proposed Operational Change; and

4.4.2 the timescale for completion of the Operational Change.

- 4.5 The Supplier shall inform the Authority of any impact on the Services that may arise from the proposed Operational Change.
- 4.6 The Supplier shall complete the Operational Change by the timescale specified for completion of the Operational Change in the RFOC, and shall promptly notify the Authority when the Operational Change is completed.

## **5 IMPLEMENTATION OF CONTRACT CHANGES**

- 5.1 The Parties shall meet as required and on request by either Party to discuss the order in which agreed Contract Changes are implemented and to monitor the implementation of such Contract Changes.

## **6 CHARGES FOR CONTRACT CHANGES**

- 6.1 Each Party will be responsible for any costs they incur as a result of preparing a Change Request or Impact Assessment.
- 6.2 Both Parties must take all reasonable steps to avoid or minimise additional Charges arising from the implementation of any Contract Change, including where possible using resources already deployed in providing the Services at no additional cost. If additional resources or costs will be required then the Parties must calculate the cost of the Contract Change in accordance with Schedule 1, Paragraph A5.

## **7 INDEXATION**

- 7.1 For the avoidance of doubt, the Supplier may not vary Charges to take account of Indexation at any time.

**ANNEX 1: CHANGE REQUEST FORM**

|   |        |                                   |
|---|--------|-----------------------------------|
| CR NO.:   | TITLE: | TYPE OF CHANGE (e.g. FAST TRACK): |
| CONTRACT:   |        | REQUIRED BY DATE:                 |
| ACTION:   | NAME:  | DATE:                             |
| RAISED BY:  |        |                                   |
| AREA(S) IMPACTED ( <i>OPTIONAL FIELD</i> ):   |        |                                   |
| ASSIGNED FOR IMPACT ASSESSMENT BY:  |        |                                   |
| ASSIGNED FOR IMPACT ASSESSMENT TO:  |        |                                   |
| SUPPLIER REFERENCE NO.:   |        |                                   |
| FULL DESCRIPTION OF REQUESTED CONTRACT CHANGE (INCLUDING PROPOSED CHANGES TO THE WORDING OF THE AGREEMENT): |        |                                   |
| DETAILS OF ANY PROPOSED ALTERNATIVE SCENARIOS:  |        |                                   |
| REASONS FOR AND BENEFITS AND DISADVANTAGES OF REQUESTED CONTRACT CHANGE:                                    |        |                                   |
| SIGNATURE OF REQUESTING CHANGE OWNER:   |        |                                   |
| DATE OF REQUEST:  |        |                                   |

**ANNEX 2: CHANGE AUTHORISATION NOTE**

|   |                 |                                   |
|---|-----------------|-----------------------------------|
| CR NO.:   | TITLE:          | DATE RAISED:                      |
| CONTRACT:   | TYPE OF CHANGE: | REQUIRED BY DATE:                 |
| REASON FOR THE CHANGE:  |                 |                                   |
| DETAILED DESCRIPTION OF CONTRACT CHANGE (GIVING FULL DETAILS, INCLUDING ANY SPECIFICATIONS): AND WORDING OF RELATED CHANGES TO THE AGREEMENT: |                 |                                   |
| COST OF THE CHANGE:   |                 |                                   |
| TIMETABLE:  |                 |                                   |
| IMPACT ON THE AGREEMENT:  |                 |                                   |
| SIGNED ON BEHALF OF THE AUTHORITY:  |                 | SIGNED ON BEHALF OF THE SUPPLIER: |
| Signature: _____  |                 | Signature: _____                  |
| Name: _____   |                 | Name: _____                       |
| Position: _____   |                 | Position: _____                   |
| Date: _____   |                 | Date: _____                       |

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

Not Used

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

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.**

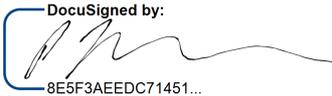
**8.2 The Parties hereby acknowledge and agree that they have read the Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.**

**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 | Tamas Wood Partner KPMG   |
| Signature      |  |
| Date           | 15 March 2019   |

**For and on behalf of the Customer:**

|                |   |
|----------------|---|
| Name and Title | Pete Gleeson, Assistant Director Strategic Sourcing – HMRC Commercial               |
| Signature      |  |
| Date           | 3/18/2019   |