



JERSEY AUDIT OFFICE

**Terms and Conditions**

**External audit of the States of Jersey**

**Contract Reference:**

DRAFT

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## 1. Agreement

This contract is made on the [Date] of [Month] 2025

The Comptroller and Auditor General of Jersey (the C&AG) of Jersey Audit Office,  
de Carteret House, 7 Castle Street, St Helier, Jersey, JE2 3BT

AND

[Name] (the Supplier) whose registered office is situated at

[Address]

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## 2. Interpretation

a) In these terms and conditions the following words shall have the following meanings:

(i) **"Beneficiary"** means any or all of:

(i) the States of Jersey and all agencies thereof

(ii) any statutory successor to any of the above; and

**"Beneficiaries"** shall be construed accordingly

(ii) **"C&AG's Authorised Representative"** means the Comptroller and Auditor General (the C&AG) or persons appointed by the C&AG to act on their behalf for the purpose of managing the Contract or a person to whom the C&AG has delegated their functions in accordance with Article 16 of the Comptroller and Auditor General (Jersey) Law 2014

(iii) **"Commencement Date"** means the starting date of the Contract

(iv) **"Commercially Sensitive Information"** means the subset of Confidential Information listed in the Commercially Sensitive Information Schedule comprised of information:

(i) which is provided by the Supplier to the C&AG's Authorised Representative in confidence for the period set out in that Schedule; and/or

(ii) that constitutes a trade secret

(v) **"Commercially Sensitive Information Schedule"** means Schedule 6 containing a list of the Commercially Sensitive Information

(vi) **"Confidential Information"** means any information which has been designated as confidential by either Party in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information which relates to the business, affairs, properties, assets, trading practices, Services, developments, trade secrets, Intellectual Property Rights, know-how, personnel, customers and suppliers of either Party, all personal data and special category data within the meaning of the 2018 Law and the Commercially Sensitive Information

(vii) **"Contract"** means the contract between the C&AG and the Supplier comprising the Order, these terms and conditions and schedules hereto, the Specification, and for the avoidance of doubt all other terms, conditions or warranties other than any terms, conditions or warranties implied by law in favour of the C&AG are excluded from

the contract between the C&AG and the Supplier unless expressly accepted in writing by the C&AG

- (viii) "**Contract Value**" shall mean the total sum that is an accumulation of each Price payable by the C&AG to the Supplier for work to be carried out by virtue of this Contract
- (ix) "**Expiry Date**" means the end date of the Contract subject to such extension as may be awarded in accordance with clause 3 of this Contract
- (x) "**FOIL**" means the Freedom of Information (Jersey) Law 2011 and any subordinate legislation made under this Law from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation
- (xi) "**Force Majeure Event**" has the meaning given to it in clause 19a
- (xii) "**Information**" has the meaning given under Article 1 of the Freedom of Information (Jersey) Law 2011
- (xiii) "**Intellectual Property Rights**" means patents, inventions, trade marks, service marks, logos, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright, database rights, domain names, trade or business names, moral rights and other similar rights or obligations whether registrable or not in any country (including but not limited to the Channel Islands or the United Kingdom) and the right to sue for passing off
- (xiv) "**Invitation to Tender**" means the document issued by the C&AG in respect of the provision of external audit and specialist services to the C&AG
- (xv) "**Jersey Living Wage**" means the minimum hourly rate payable to employees by an employer set annually by the appropriate body on behalf of the Living Wage Foundation
- (xvi) "**Mandatory Policies**" means the mandatory States of Jersey policies that are listed in Schedule 5, as such list of policies (and the policies themselves) may be updated or supplemented by the States of Jersey from time to time
- (xvii) "**Parties**" shall mean both the C&AG and the Supplier
- (xviii) "**Price**" shall mean each sum payable in respect of the works set out at Schedule 2 to the Contract
- (xix) "**Rates/Fees**" means the financial remuneration for the Services as detailed in Schedule 2 to the Contract

- (xx) **"Requests for Information"** shall have the meaning set out in the FOIL or any apparent request for information under the FOIL
  - (xxi) **"Schedule"** means a schedule to these Terms and Conditions
  - (xxii) **"Services"** means the services to be supplied by the Supplier as described in Schedule 1
  - (xxiii) **"Specification"** means the description, standards, methods and techniques to be used in executing the Services as specified in Schedule 1
  - (xxiv) **"Staff"** means all persons employed by the Supplier to perform the Contract including any employees, officers, agents, suppliers and sub-contractors of the Supplier
  - (xxv) **"Supplier"** means the person, firm or company that is Party to the Contract with the C&AG as set out above
  - (xxvi) **"Supplier's Authorised Representative"** means the person appointed by the Supplier
  - (xxvii) **"Supplier Parties"** means all entities that are members of the [Network Name] worldwide network and each of their subsidiaries, predecessors, successors and assignees, and all partners, principals, members, owners, directors, employees and agents of all such entities
  - (xxviii) **"Tender"** means
    - (i) the C&AG's Invitation to tender or request for proposal in connection with the subject matter of the Contract; and
    - (ii) the Supplier's tender (including any clarifications) that has been submitted by the Supplier in response, as set out (or incorporated by reference) in Schedule 4
  - (xxix) **"Term"** means five years starting on the Commencement Date, or as otherwise agreed in accordance with clause 3
  - (xxx) **"Working Day"** means Monday to Friday excluding public holidays in Jersey
- b)** Where appropriate, the singular includes the plural and vice versa. Words importing one gender include all other genders.
- c)** Persons include companies and all other legal entities.

- d) Unless otherwise stated, any reference to a provision of any legislation is a reference to that provision as amended, extended or re-enacted by any subsequent legislation.
- e) The headings in these terms and conditions are for convenience only and will not affect its interpretation.

### **3. Appointment and Length of Appointment**

- a) The C&AG hereby appoints the Supplier to provide the Services from the Commencement Date of [date] 2026 to [date] 2030 with the possibility of extending the Contract until the completion of the work specified within this Contract, at the C&AG's sole discretion.
- b) For the avoidance of any doubt this Contract shall require the Supplier to provide the Services set out in Schedule 1 for specific accounting periods. The C&AG therefore appoints the Supplier to carry out the audit of the financial statements of the States of Jersey for the year ending 31 December 2026 to 31 December 2030 with an option to extend the Contract to the audit of accounts of the States of Jersey for the year ending 31 December 2031.

### **4. Supplier's Obligations**

- a) The Supplier shall provide the Services:
  - (i) with reasonable care and skill
  - (ii) in accordance with the Specification
  - (iii) in compliance with the Code of Audit Practice issued by the C&AG; and
  - (iv) with due regard to all relevant health and safety legislation and codes of practice.
- b) The Supplier will ensure that the Services are carried out by appropriately qualified personnel who are acceptable to the C&AG's Authorised Representative and will replace immediately any person who the C&AG's Authorised Representative reasonably requires replacing. Any replacement of Key Personnel set out in Schedule 3, shall be made with the written consent of the C&AG.
- c) No provision of the Contract will operate to exclude or restrict the Supplier's liability under statute or common law for any goods that the Supplier supplies, or has supplied, for use on, or incorporation into the Services.
- d) Any sub-contractors directly appointed by the Supplier will be under the direct control and supervision of the Supplier at all times and the Supplier will be and remain liable under the Contract for all work subcontracted by



him and for all acts, omissions, defaults or neglects of any sub-contractor or its agents, officers or employees.

- e) None of the sub-contractors, together with the Supplier Parties other than the Supplier, shall have any liability to the C&AG. The foregoing exclusion does not apply to any liability, claim or proceeding founded on an allegation of fraud or other liability that cannot be excluded under Jersey law.
- f) The Supplier will keep the C&AG's Authorised Representative fully and promptly informed in writing of all matters in relation to the Services which may have programme, cost or contractual implications.
- g) The C&AG and Supplier agree and acknowledge that the C&AG has relied on, and will be relying on, the Supplier's expertise in carrying out the Services and also on the accuracy of all statements made and advice given by the Supplier in connection with the Services.
- h) The Supplier shall comply at its own expense with any statutory requirements and industry standards.
- i) The Supplier's Authorised Representative shall be empowered to act on behalf of the Supplier and shall be available for consultation with the C&AG's Authorised Representative at all reasonable times.

## **5. Price, Inflation and Payment**

- a) The Parties agree to pay the Price set out in Schedule 2 for the Services. The Price shall be paid in accordance with the stage payments set out in Schedule 2 on completion of each Milestone referred to therein.
- b) The prices specified in Schedule 2 (Appendix 4 of the Invitation to Tender) for the audit of financial statements for the year ending 31 December 2026 shall be uplifted by the increase in the Jersey Retail Prices Index (Y) (Jersey RPI(y)) from 30 September 2026. The prices specified in Schedule 2 for the audit of financial statements for subsequent years shall be uplifted for the increase in the Jersey RPI(y) from 30 September 2026 to the 30 September in the year to which the audit relates.
- c) The daily rates specified in Schedule 2 (Appendix 5 of the Invitation to Tender) for the audit of financial statements for the year ending 2026 and subsequent years, shall be uplifted by the increase in the Jersey RPI(y) from 30 September 2026 to 30 September in the year to which the audit relates.
- d) In order for the invoice to be valid, it will have to be certified correct by the C&AG's Authorised Representative upon receipt, and in line with the payment profile detailed in Schedule 2.

- e) The C&AG will pay (or facilitate payment to) the Supplier for each contractually correct invoice within thirty days following receipt subject to the invoice not being disputed by the C&AG.
- f) In the event of the Authorised Representative disputing any invoices, the C&AG will have liability to pay only the undisputed invoices until such a time as the dispute is resolved.

## 6. Termination

- a) If at any time after the Commencement Date of the Contract, either party considers that the continuance of the Contract is not in its best interest, it may terminate the Contract by serving the other party notice of its intention to so terminate the Contract no later than 31 July in each calendar year of the Term. The C&AG shall typically consult the Supplier and the Supplier shall typically consult the C&AG prior to serving any such notice.
- b) A notice served in accordance with clause 6(a) above shall specify that the Contract shall terminate after the completion of the audit of the financial statements in respect of that calendar year.
- c) The C&AG's Authorised Representative may, by notice in writing to the Supplier, terminate the Contract with immediate effect without liability for compensation or damages, in the following occurrences -
  - (i) subject to clause 6(d) below, if the Supplier refuses or neglects to execute the Services or any part of them, or commits any breach of any obligation imposed upon it by this Contract, or refuses or neglects within a reasonable time to comply with any instructions given to it by the C&AG's Authorised Representative; or
  - (ii) in the event of any substantial change in legal status, or of circumstances occurring which will materially affect the contractual relationship between the parties, or the rights of the C&AG to sue, or otherwise recover monies due, or enforce any other right arising under the Contract; or
  - (iii) if at any time progress on any part of the Services appears to the C&AG's Authorised Representative to be unnecessarily delayed by any cause within the reasonable control of the Supplier and such delay and the cause thereof if capable of remedy will not be remedied within seven days after an instruction in writing requiring the same is given to the Supplier by the C&AG's Authorised Representative; or
  - (iv) if the Supplier through death or incapacity or being a firm owing to its dissolution is unable to provide the Services or Special Services hereby agreed; or

- (v) if the Supplier fails to maintain its professional indemnity insurance or such insurance becomes unavailable during the provision of the Services; or
  - (vi) if the Supplier, being an individual or a partnership, has a petition for bankruptcy presented to the courts becomes bankrupt, or makes a composition, or arrangement with his creditors, or has a proposal in respect of himself or his firm for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986 as amended by the Enterprise Act 2002 or the equivalent Jersey legislation, or where an application for bankruptcy is made against any individual partner of the firm, or where the partnership has a provisional liquidator receiver or manager of its business duly appointed, or where the partnership is dissolved save for the purposes of bona fide reconstruction on terms acceptable to the C&AG, or where a substantial change in the partners occurs; or
  - (vii) if the Supplier, being a company, has a proposal for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986 or the equivalent Jersey legislation, or has an application made under the Insolvency Act 1986 or equivalent Jersey legislation to the Court for the appointment of an administrator, or has a petition for a winding-up order made or except for the purposes of reconstruction a resolution for voluntary winding-up passed, or professional liquidator, or receiver or manager of its business or undertaking duly appointed, or has an administrative receiver, as defined in the Insolvency Act 1986 or equivalent Jersey legislation, appointed or possession taken by or on behalf of the holders of any debentures secured by a floating charge or has a lien enforced or arrestment order made against it or served on any of its debtors on behalf of any of its creditors or commits any act of insolvency as defined in the Insolvency Act 1986 or equivalent Jersey legislation.
- d)** In the event of the circumstances set out in clause 6(c)(i) above, the C&AG undertakes to provide reasonable notice to the Supplier in order that he may have the opportunity to remedy the issues contained in clause 6(c)(i). If the Supplier fails to do so within a reasonable timescale to the satisfaction of the C&AG, the C&AG's Authorised Representative may, by notice in writing to the Supplier, terminate the Contract with immediate effect without liability for compensation or damages.
- e)** The C&AG reserves the right under the Contract to seek recourse against the Supplier in the event of professional negligence or wilful misconduct in the Supplier's performance of the Services.
- f)** In addition to the above, the Supplier may terminate the Contract immediately if required to do so by International Standards on Auditing (UK) or the Ethical Standard issued by the Financial Reporting Council.

- g) In the event of the C&AG terminating the Contract in accordance with sub-clause 6(a), or of the Supplier terminating in accordance with sub-clause 6(f) due solely and exclusively to the actions of the C&AG, the States of Jersey or an affiliate thereof, the Supplier will be entitled to payment for work completed with a percentage of the fee apportioned in relation to work in progress.

## **7. Conflict of Interest**

- a) The Supplier may undertake other work for the States of Jersey or an entity controlled by the States of Jersey only in accordance with the Code of Audit Practice issued by the C&AG.

## **8. Confidentiality**

- a) The Supplier shall not either during the term of the Contract or at any time after its termination disclose the Confidential Information to any person not authorised by the C&AG's Authorised Representative to receive it and shall not utilise any Confidential Information to the detriment or prejudice of the party who has provided it to the other.
- b) All correspondence, documents, data and other property or information provided to the Supplier by the C&AG shall be regarded as the C&AG's property. On termination hereof the Supplier shall make arrangements to deliver to the Authorised Representative all such correspondence, documents, data and other property and information remaining in its possession or under its control as soon as practicable and will certify that all such items have been so delivered and that no such items remain in its possession. Notwithstanding the foregoing, the Supplier shall be entitled to retain one copy of any such Confidential Information so it is in compliance with its legal, regulatory or compliance obligations, provided that it keeps such information confidential in accordance with the terms of the Contract, the Data Protection (Jersey) Law 2018, the General Data Protection Regulation 2018 and the Data Protection Act 2018.
- c) The obligation in sub-clauses 8(a) and (b) above shall not apply to -
  - (i) any information in the Parties' possession which comes into the public domain other than by breach of the Contract
  - (ii) any information which was in the public domain at the time of the communication to the Parties
  - (iii) any information which was in the Parties' possession, required by law to be disclosed, or known prior to disclosure by one party to the other
  - (iv) any information which must be disclosed pursuant to a statutory, legal or parliamentary obligation placed upon the Party making the

disclosure, including any requirements for disclosure under the FOIL pursuant to clause 32; or

- (v) any information that may, if withheld, fetter the C&AG's statutory discretion to release information.

## **9. Security of Confidential Information**

- a) In order to ensure that no unauthorised person gains access to any Confidential Information, or any data obtained in the performance of the Contract, the Supplier undertakes to maintain security systems approved by the C&AG. Where necessary to prevent such access, the C&AG may require the Supplier to alter any security systems at any time during the Term at the Supplier's expense.
- b) The Supplier will immediately notify the C&AG of any breach of security in relation to Confidential Information and all data obtained in the performance of the Contract and will keep a record of such breaches. The Supplier will use its best endeavours to recover such Confidential Information or data however it may be recorded. This obligation is in addition to the Supplier's obligations under clause 30. The Supplier will cooperate with the C&AG in any investigation that the C&AG considers necessary to undertake as a result of any breach of security in relation to Confidential Information or data.

## **10. Announcements**

- a) The Supplier shall not publish any literature, deliver any lecture, or make any communication to the press relating to the business of the C&AG or on any matter with which the C&AG may be concerned unless it has previously and on each occasion obtained the prior written permission of the C&AG's Authorised Representative. The copyright in any publication or report prepared by the C&AG's Authorised Representative in reliance on the work of the Supplier relating to the business of the C&AG or to any matter with which the C&AG may be concerned shall belong to the C&AG absolutely and beneficially.

## **11. Risk, Indemnity and Insurance**

- a) The Supplier shall indemnify and keep indemnified the C&AG and the States of Jersey fully against all claims, proceedings, actions, damages, legal costs, expenses and any other liabilities whatsoever arising out of, in respect of or in connection with the Contract including, but not limited to, in respect of any death or personal injury, loss of or damage to property, financial loss arising from any advice given or omitted to be given by the Supplier, or any other loss which is caused directly or indirectly by the Supplier's negligence or breach of its contractual obligations in relation to the Services. The indemnity in the foregoing sentence shall, except in respect of death, personal injury, fraud or any other liabilities that cannot

lawfully be limited or excluded, be subject to the limitation of the Supplier's liability set out in sub-clause 11(b) below.

- b)** In relation to each annual audit of financial statements specified in Schedule 1 to the Contract, the aggregate liability of either the Supplier or the C&AG for any breach of contract, default, act, omission or negligence in connection with or in relation to the subject matter of this Contract and in respect of which such party is liable to the other, whether arising under contract, tort (including negligence) or otherwise in connection with this Contract shall in no event exceed the greater of £1 million (one million pounds sterling) or 10 times the Price, subject to an aggregate liability cap for the Contract in respect of all work entered into by the Parties of £2 million (two million pounds sterling).
- c)** In no event shall either the Supplier or the C&AG be liable to the other for indirect or consequential loss or damage or loss of profits, business, revenue, goodwill or anticipated savings.
- d)** Nothing in this Contract shall exclude or restrict any liability arising from death, personal injury, fraud or other liabilities that cannot lawfully be limited or excluded.
- e)** Without prejudice to any other rights or remedies which the C&AG may possess, the Supplier warrants that it will have and keep in force (for a minimum of 6 (six) years following the expiration or earlier termination of the Contract) professional indemnity insurance and public liability insurance and if applicable employer's liability insurance to cover any claim made against it by the C&AG in relation to the Services including (but not limited to) any loss arising out of the breach of clause 4.
- f)** The Supplier shall upon the request of the C&AG provide a broker's verification that the Supplier has and is maintaining adequate professional indemnity insurance to cover its liabilities under this Contract.

## **12. Intellectual Property**

- a)** The Supplier shall have no right (save where expressly permitted under the Contract or with the C&AG's prior written consent) to use any trademarks, trade names, logos or other intellectual property rights of the C&AG. Likewise, the C&AG shall have no right (save where expressly permitted under the Contract or with the Supplier's prior written consent) to use any trademarks, trade names, logos or other intellectual property rights of the Supplier.
- b)** The Supplier shall indemnify the C&AG against all loss damage costs and expenses for which the C&AG is or becomes liable as a result of any infringement or alleged infringement by the Supplier of any third party's intellectual property rights. The C&AG shall use reasonable endeavours to

mitigate any loss. The C&AG shall grant the Supplier control of the defence of any such claim.

### **13. Notices**

- a) Any notice required to be given under the Contract may be given by being personally delivered at or sent by pre-paid first class post to the address of the relevant party as given in the Contract or such other address as shall be notified in writing to the other party in accordance with this clause, or by email to the email address provided. In the case of personal delivery and email delivery, delivery shall be deemed to be the day of such delivery, and in the case of post delivery shall be deemed to have been effected two Working Days after the date of posting.

### **14. Sub-Contracts**

- a) The Supplier shall not, without the prior written consent of the C&AG's Authorised Representative, enter into any sub-contract for the performance of any part of the Contract.

### **15. Assignment**

- a) The Supplier shall not assign or otherwise transfer the Contract or any of its rights or obligations hereunder, whether in whole or in part, without the prior written consent of the C&AG's Authorised Representative.

### **16. Third Party Rights**

- a) The Contract is entered into by the C&AG's Authorised Representative for its own benefit and for the benefit of the Beneficiaries. Each Beneficiary shall have the benefit of and the right to enforce the terms of the Contract, including, but not limited to, the benefit of and the right to enforce all rights, licences, warranties, undertakings and indemnities granted in favour of the C&AG under the Contract.
- b) Without prejudice to the generality of clause 16(a) the C&AG's Authorised Representative shall be entitled:
  - (i) to enforce the terms of the Contract on behalf of any Beneficiary; and
  - (ii) to recover any losses suffered and/or incurred by any Beneficiary in connection with the Contract on behalf of any Beneficiary.
- c) Subject to clauses 16(a) and 16(b), nothing in the Contract confers or purports to confer any rights to enforce any of its terms pursuant to the Contract on any person who is not a Party to the Contract.

## **17. Tax Requirements**

- a) The Supplier shall bear exclusive responsibility for discharging all income tax and social security contribution liabilities arising out of or incidental to its performance of the Services under the Contract. In the event that the C&AG is held liable for any such payments then the Supplier shall compensate the C&AG in full on demand for any liability which it suffers in connection with them.

## **18. Status of the Supplier as an Independent contractor**

- a) During the term of the Contract, where the Supplier is an independent contractor he/she will not be the servant of the C&AG.
- b) In such capacity the Supplier shall bear exclusive responsibility for the payment of his national insurance contributions as a self-employed person and for discharge of any income tax (or other tax) liability arising out of remuneration for his work performed by him under the Contract.
- c) Where the Supplier or any Staff are liable to be taxed or to pay national insurance contributions in the UK relating to payment received under the Contract, the Supplier shall:
  - (i) ensure all Staff are (and will remain throughout the period they are employed or engaged in providing the Services) employed or engaged directly with the Supplier or its relevant sub-contractor under a contract of employment under which their income is taxed in full under pay as you earn
  - (ii) ensure the Staff do not (and will not at any time during the period they are employed or engaged in providing the Services) provide their services to the Supplier or its sub-contractors through an intermediary to which the provisions of Chapters 8 and/or 10 of Part 2 of the Income Tax (Earning and Pensions) Act 2003 (and/or any other legislation or regulations dealing with the tax and national insurance contributions treatment of workers whose services are provided via intermediaries from time to time) apply (an "IR35 Intermediary")
  - (iii) in connection with the performance of the Services under the Contract, not operate as an IR35 Intermediary and the Supplier is not (and will not become prior to the date that it ceases to perform the Services) a managed service company within the meaning of section 61B of the Income Tax (Earnings and Pensions) Act 2003
  - (iv) comply with the Income Tax (Earnings and Pensions) Act 2003 (including IR35) and all other statutes and regulations relating to income tax, the Social Security Contributions and Benefits Act 1992 and national insurance contributions; and



- (v) indemnify the C&AG on demand against (and pay to the C&AG on demand an amount equal to) any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment, fine, penalty or claim arising from or made during or after the term of the Contract in connection with the provision of the Services by the Supplier or any of the Staff.

## 19. Force Majeure

- a) Notwithstanding any other provision of these conditions neither Party shall be liable for any failure or delay in the performance of the Contract caused by means beyond their reasonable control including without limitation, strikes (except by the Supplier's staff), lock outs, labour disputes, acts of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction or any overriding emergency procedures, fire, flood and storm (a "**Force Majeure Event**").
- b) If either Party is unable to perform the Services and obligations under the Contract as a direct result of a Force Majeure event, that Party shall give to the other written notice of the inability stating the reason in question within two days of the inability arising. The operation of the Contract shall be suspended during the period (and only during the period) in which the reason continues save in respect of confidentiality. Forthwith upon the reason ceasing to exist the Party relying on it shall give written notice to the other of this fact whereupon the Contract shall continue in operation. If the reason continues for a period of ten days, the Party not claiming relief under this clause 19 may terminate the Contract forthwith upon giving written notice of such termination to the other party.

## 20. Business Continuity

- a) The Supplier agrees that it will take appropriate steps to help ensure continuity of the provision of Services under the Contract throughout the Term.
- b) Without prejudice to its other obligations under and/or pursuant to the Contract, the Supplier shall:
  - (i) if requested by the C&AG's Authorised Representative at any time, develop (for approval by the C&AG) a Business Continuity Plan relating to the Services, the aim of which Business Continuity Plan will be to exclude or minimise the potential impact of any service-affecting events or interruptions on the performance of the Services. The Business Continuity Plan must be provided by the Supplier within such reasonable timescale as may be specified by the C&AG's Authorised Representative
  - (ii) maintain in place and comply with the Business Continuity Plan, which the Supplier will update from time to time, and in any event annually, in accordance with Good Industry Practice. The Supplier

will promptly provide the C&AG's Authorised Representative with a copy of the Business Continuity Plan as updated from time to time for approval by C&AG

- (iii) if required by the C&AG, explain how the procedures set out in the Business Continuity Plan will interface with any business continuity and disaster recovery plans and procedures of the Office of the C&AG notified to the Supplier from time to time
- (iv) test the Business Continuity Plan on an six-monthly basis (as well as following any significant updates to the Business Continuity Plan and/or to the Services), and will share details of the results of each such test (and any remedial actions that will be taken by the Supplier to address issues arising from such tests) with the C&AG's Authorised Representative promptly after the completion of each such test; and
- (v) if the C&AG considers (on reasonable grounds) that the Business Continuity Plan is insufficient to ensure the continued performance of the Contract and the operational resilience of the Supplier's business then the Supplier will make such modifications to the Business Continuity Plan as are required by the C&AG (acting reasonably).

## **21. Cost**

- a) Each of the Parties shall pay any costs and reasonable expenses incurred by it in connection with the Contract.

## **22. Variation**

- a) Any amendment to the Contract shall only be valid if made in writing, signed by the Parties hereto and, where necessary, made pursuant to any agreed change control procedure.
- b) In respect of any variation to Price, the Parties agree that there shall be no variation in the Price specified in Schedule 2 (Appendix 4 of the Invitation to Tender) if the cumulative effect of variations in any one year starting from the Commencement Date would increase or reduce the total Contract Value by 5% or less.
- c) Variation in total Contract Value, is only permitted in accordance with paragraph 34 of the Invitation to Tender, namely on the basis that:
  - (i) the basis of financial reporting for the States changes
  - (ii) there are significant changes to the applicable financial reporting regime

- (iii) there are significant changes to the timing of preparation of the draft financial statements and/or completion of the audit from that specified in this Contract
  - (iv) there are significant changes to International Standards on Auditing (UK) or the Ethical Standard issued by the Financial Reporting Council
  - (v) there are significant changes to the scale or nature of the activities of the States of Jersey
  - (vi) there are significant changes to the financial systems or relevant service organisations used by the States of Jersey; or
  - (vii) there are significant changes in the level or nature of internal audit provision or that, where the Supplier planned to place reliance on internal audit work, the Supplier was unable to do so.
- d) Any extension of the Contract to any other body shall be at a cost calculated in accordance with the hourly rate detailed in Appendix 5 of the Invitation to Tender.

## **23. Severance**

- a) If any provision of the Contract shall be declared invalid, unenforceable or illegal by the Courts of any jurisdiction to which it is subject such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of the Contract.

## **24. Draft Outputs**

- a) In providing the Services, the Supplier shall apply reasonable endeavours to ensure that all draft outputs prepared by the Supplier are issued to the C&AG at least five working days before they are issued to the States of Jersey. It is acknowledged that there are pre-advised circumstances in which this will not be practicable, where the Supplier will consult with the C&AG.
- b) The Supplier shall have full regard to the C&AG in respect of the C&AG's comments on the draft outputs

## **25. Copy documentation**

- a) The Supplier hereby agrees to provide the C&AG with full copies of all final deliverables issued by the Supplier to the States of Jersey in accordance with the Contract at the same time as providing the original final deliverables to the States of Jersey.

## **26. Working Papers**

- a) The Supplier will retain secure custody of working papers for the Services for the period specified in the Audit Regulations issued by the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland and Chartered Accountants Ireland, howsoever it may change from time to time.
- b) For the avoidance of doubt, all working papers remain the property of the Supplier.

## **27. Entire Contract**

- a) The Contract embodies the entire understanding of the Parties in respect of the matters contained or referred to in it and is the only subsisting Contract between the C&AG and the Supplier relating to the Services.
- b) There are no promises, terms, conditions or obligations either oral or written expressed or implied other than those contained in the Contract.
- c) The Contract does not create a partnership.

## **28. Waiver**

- a) The failure of a party hereto to exercise or enforce any right conferred upon it under the Contract shall not be deemed to be a waiver of any such right or operate so as to bar the enforcement thereof at any time.

## **29. Health and Safety**

- a) The Supplier acknowledges that it has been supplied with a copy of the States of Jersey policy regarding health and safety. The Supplier agrees to comply with these rules, and any additional rules made known to the Supplier from time to time by the States of Jersey together with all applicable statutory rules and regulations regarding these matters. The States of Jersey will be responsible for procuring that its employees and agents also comply with these rules and regulations.
- b) Either party shall notify the other as soon as practicable of any health and safety hazards of which it becomes aware.

## **30. Data Protection (Jersey) Law 2018**

- a) The Supplier is the Controller for the purposes of this Contract and as such is registered to process personal data under the Data Protection (Jersey) Law 2018 (if the Supplier is established in Jersey). The Supplier acknowledges this and will if necessary on processing such personal data comply in all respects with the Data Protection (Jersey) Law 2018.

- b) The personal data in respect of which the Supplier is Controller includes but is not limited to the names, addresses and email addresses of employees, tax payers, benefit recipients, grant recipients, suppliers and service recipients.
- c) The Supplier will, where appropriate, only process or be granted access to personal data in accordance with the applicable data protection laws in Jersey and the equivalent legislation in the United Kingdom, the terms of the Contract and for the purposes of performing its obligations and/or exercising its rights under the Contract and the Supplier shall ensure that it does not commit any breach of such laws, and in particular will:
  - (i) implement appropriate technical and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful processing, accidental loss of, or destruction or damage to, the personal data and having regard to the nature of the personal data which is to be protected
  - (ii) process the personal data only to the extent, and in such manner, as is necessary for the provision of the Services or as is required by Legislation or any Regulatory Body
  - (iii) ensure that persons authorised to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality and ensures that any personal data that it processes are kept confidential
  - (iv) keep records of their data processing activities in accordance with the Data Protection (Jersey) Law 2018 and disclose them on request to the Data Protection Authority; and
  - (v) notify the C&AG without undue delay after becoming aware of a personal data breach.
- d) The provisions of this clause 30 will continue in perpetuity.
- e) The Supplier is to ensure that its sub-contractors are bound by the requirements of this clause 30.

### **31. Information security management**

- a) The Supplier acknowledges that the C&AG is required to reduce the levels of cyber security risk in its supply chain.
- b) The C&AG seeks the Supplier's compliance where appropriate with the Cyber Essential Security programme or alternative accreditation such as ISO 27001. If requested to do so by the C&AG, before entering into the Contract the Supplier will, within 15 Working Days of the date of the

Contract, develop (and obtain the C&AG's written approval of) a Security Management Plan and an Information Security Management System. After C&AG approval the Security Management Plan and Information Security Management System will apply during the Term of the Contract. Both plans will comply with the C&AG's information security policies and protect all aspects and processes associated with the delivery of the Services.

- c) The Supplier will use software and the most up-to-date antivirus definitions available from an industry-accepted antivirus software seller to minimise the impact of Malicious Software.
- d) If Malicious Software causes loss of operational efficiency or loss or corruption of Service Data, the Supplier will help the C&AG to mitigate any losses and restore the Services to operating efficiency as soon as possible. Responsibility for costs will be at the:
  - (i) Supplier's expense if the Malicious Software originates from the Supplier's software or the Service Data while the Service Data was under the control of the Supplier, unless the Supplier can demonstrate that it was already present, not quarantined or identified by the C&AG when provided
  - (ii) C&AG's expense if the Malicious Software originates from the C&AG's software or the Service Data, while the Service Data was under the C&AG's control.

## **32. Freedom of Information**

- a) The Supplier acknowledges that the C&AG may become subject to the requirements of the FOIL and shall assist and cooperate with the C&AG (at the Supplier's expense) to enable the C&AG to comply with Information disclosure requirements.
- b) The Supplier shall and shall procure that its sub-contractors shall:
  - (i) transfer the Request for Information to the C&AG as soon as practicable after receipt and in any event within two Working Days of receiving a Request for Information
  - (ii) provide the C&AG with a copy of all Information in its possession or power, which may not already be in the possession of the C&AG, in the form that the C&AG requires within five Working Days (or such other period as the C&AG may specify) of the C&AG requesting that Information; and
  - (iii) provide all necessary assistance as reasonably requested by the C&AG to enable the C&AG to respond to a Request for Information within the time for compliance set out in Article 13 of the FOIL or any subordinate legislation made under the Law.

- c) The C&AG shall be responsible for determining at its absolute discretion whether any Information:
  - (i) is exempt from disclosure in accordance with the provisions of the FOIL
  - (ii) is to be disclosed in response to a Request for Information; and
  - (iii) in no event shall the Supplier respond directly to a Request for Information unless expressly authorised to do so by the C&AG.
- d) The Supplier acknowledges that the C&AG may, acting in accordance with the FOIL be obliged under the FOIL to disclose Information:
  - (i) without consulting with the Supplier; or
  - (ii) following consultation with the Supplier and having taken its views into account.
- e) The Supplier shall ensure that all Information produced in the course of the Contract or relating to the Contract is retained for disclosure for the Term of the Contract or as otherwise agreed and shall permit the C&AG to inspect such records as requested from time to time.
- f) The Supplier acknowledges that the Commercially Sensitive Information Schedule and any lists or Schedules provided by it outlining Confidential Information are of indicative value only and that the C&AG may nevertheless be obliged to disclose Confidential Information in accordance with clause 8(c).
- g) The C&AG shall, wherever possible, consult with the Supplier in relation to a request prior to disclosing information owned by the Supplier.

### **33. Ethics and Anti-Corruption**

- a) The Supplier warrants to the C&AG that all financial statements and invoices rendered to the C&AG, under the Contract, properly reflect the fact that of all activities and transactions made or undertaken by the Supplier in providing the Services may be relied upon as being complete and accurate in any further recording or reporting by the C&AG.
- b) The Supplier must not offer to any person any gift to persuade or reward them for doing or not doing anything relating to the award of the Contract or any other contract with the C&AG. Nor must the Supplier offer any gift to any person to persuade or reward them for special treatment to the Supplier once the Contract has been awarded.
- c) If the Supplier does offer any gift or reward or commit any offence under the Corruption (Jersey) Law 2006 or Part 7 of the States of Jersey Law 2005,

the C&AG will have the right to determine the Contract and recover from the Supplier any losses arising from the termination.

### **34. Equal Opportunities**

- a) The Supplier will not unlawfully discriminate within the meaning and scope of any statutory instrument, byelaw or legislation of Jersey relating to equal opportunities which may be in force or come into force until certification of completion of the whole of the Services by the C&AG's Authorised Representative.
- b) The Supplier shall take all necessary steps to secure the observance of the provisions of sub-clause 34(a) above by all its employees, servants, agents or sub-contractors employed in the execution of this Contract.

### **35. Jersey Living Wage**

- a) The Supplier will ensure that all relevant Staff employed or engaged by the Supplier (or by its subcontractors) are paid an equivalent hourly wage which is equal to or exceeds the Jersey Living Wage.
- b) The Supplier will provide to the C&AG such information concerning the Jersey Living Wage and the performance of its obligations under this clause 35 as the C&AG may reasonably require and within the deadlines the C&AG reasonably imposes.

### **36. Precedence of Contract Documents**

- a) The Contract comprise these terms and conditions, the Specification and the Tender. In the event of conflict these documents will be construed in the following order of precedence, the first having the highest precedence:
  - i. these terms and conditions
  - ii. the Specification; and
  - iii. the Tender.

### **37. Governing Law**

- a) The Supplier submits to the jurisdiction of the Jersey courts and agrees that the Contract is to be governed and construed according to Jersey law.
- b) For the avoidance of doubt, nothing in this Contract shall prevent either party from complying with all applicable legislation in force from time to time in relation to the Services.



## 38. Standards and Regulations

- a) The C&AG notes that the Supplier is bound by the Ethical Standards issued by the Financial Reporting Council and the Audit Regulations issued by the Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants in Ireland and the Institute of Chartered Accounts of Scotland.
- b) For the avoidance of doubt, nothing in this Contract shall prevent the Supplier from complying with all relevant professional standards and regulations issued from time to time by the professional bodies listed in Clause 38a), in relation to the Services.

## 39. Dispute Resolution

- a) During any dispute, including a dispute as to the validity of the Contract, it is mutually agreed that the Supplier shall continue its performance of the provisions of the Contract (unless the C&AG or any Beneficiary requests in writing that the Supplier does not do so).
- b) If any dispute arises out of the Supplier (other than in relation to any matter in which the C&AG has a discretion which is exercised in accordance with the terms of the Contract and which shall be final and conclusive) the Parties will use all of their respective reasonable endeavours to resolve it by negotiation. If negotiations fail to resolve such dispute the Parties will attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution ("**CEDR**") Model Mediation Procedure or any other model mediation procedure as agreed by the Parties. To initiate mediation a Party shall give notice in writing (a "**Mediation Notice**") to the other Party requesting mediation of the dispute and shall send a copy thereof to CEDR or an equivalent mediation organisation as agreed by the Parties asking them to nominate a mediator in the event that the Parties shall not be able to agree such appointment by negotiation. The mediation shall commence within 28 days of the Mediation Notice being served. Neither party will terminate such mediation until each Party has made its opening presentation and the mediator has met each Party separately for at least one hour. Thereafter paragraph 14 of the CEDR Model Mediation Procedure (or the equivalent paragraph of any other model mediation procedure agreed by the Parties) will apply. Neither Party will commence legal proceedings against the other until 30 days after such mediation of the dispute in question has failed to resolve the dispute. The C&AG and the Supplier will co-operate with any person appointed as mediator providing him with such information and other assistance as he shall require and will pay his costs, as he shall determine or in the absence of such determination such costs will be shared equally.
- c) The parties acknowledge that the Supplier has communicated to the C&AG the Supplier's policy in relation to complaints.

## **40. Timescales**

- a) Both Parties shall perform all their obligations under the Contract in accordance with timescales specified in the Schedules. In particular, the Supplier shall provide the Services prior to or on the delivery dates in Schedule 1.
- b) In the event that the Supplier fails due to its default to fulfil an obligation by the date specified in Schedule 1 for such fulfilment, the Supplier shall at the request of the C&AG and without prejudice to the C&AG's other rights and remedies, arrange all such additional resources as are necessary to fulfil the said obligation as early as practicable thereafter at no additional charge to the C&AG.
- c) In the event that any obligation of the Supplier specified in Schedule 1 is delayed as a result of a default by the C&AG or the States of Jersey, then the date associated with the relevant obligation(s) as specified in Schedule 1 (and the dates similarly associated with any subsequent obligations specified) shall be amended by a period of time equal to the period of such C&AG or States of Jersey default (or such other period as the Parties agree); and both Parties shall use all reasonable endeavours to mitigate the impact of such delay to and to recover any resultant delay to the performance of the services.

## **41. Co-operation with Third Parties**

- a) In performing its obligations under the Contract, the Supplier shall endeavour to co-operate with any third parties appointed by the C&AG who are performing activities which are related to the activities of the C&AG under the Contract and to not jeopardise or compromise their work.
- b) The Supplier shall provide access to its own audit files in respect of the States of Jersey to any incoming auditor appointed by the C&AG and shall allow an incoming auditor to take copies of such files for their records, subject to any restrictions imposed by the Data Protection (Jersey) Law 2018, the General Data Protection Regulation 2018 and the Data Protection Act 2018.
- c) The Supplier shall respond to all reasonable professional communications from an incoming auditor or service provider.
- d) The Supplier shall hold at least one meeting with the incoming auditor or service provider in order to provide information in connection with a future audit engagement at no additional cost to the C&AG, the States of Jersey or the incoming auditor or service provider.

## **42. Duty of Care**

- a) The Supplier hereby accepts a duty of care to the C&AG and the States of Jersey in relation to all work performed under the Contract where the

States of Jersey provides the Supplier with an assumption of duty letter, duly signed on behalf of the States of Jersey. The States of Jersey will be required to agree to be bound by the terms of this agreement including the limit of liability which will have to be allocated between C&AG and the States of Jersey.

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**WHEREOF** this Contract has been signed and delivered by the Parties on the date of last signature

C&AG: )  
)  
)

Authorised Signatory

Date:

Supplier: )  
)  
)

Authorised Signatory

Date:

## 43. Schedule 1 - Particular Conditions

(Note: Relevant clause numbers are shown in brackets)

### 1 Public Liability insurance (clause 11 (b)) £10,000,000 (ten million pounds)

### 2 Audit of the Financial Statements of the States of Jersey

Output	Audit of financial statements for the year ending 31 December 2026 and subsequent years throughout the Term of the contract
Finalised audit plan	30 September before the end of the financial year to which the financial statements relate
Progress updates detailing progress against the audit plan, any new issues arising and any significant problems in delivering the audit plan	Monthly from September prior to the end of the financial year to the completion of the audit
Finalised narrative report on results of interim audit	31 December of the financial year to which the financial statements relate
Extended independent auditor's report	30 April after the end of the financial year to which the financial statements relate unless the C&AG agrees a different date
Finalised report to Those Charged with Governance on the audit of the financial statements	One calendar month after the opinion on the financial statements for the year in question
Narrative report on weaknesses in internal control	One calendar month after the opinion on the financial statements for the year in question

### 3 Report on compliance with International Financial Reporting Standards

Output	Audit of financial statements for the year ending 31 December 2026 and subsequent years throughout the Term of the contract
Report on compliance with International Financial Reporting Standards	Two calendar months after the opinion on the financial statements for the year in question

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## Schedule 2 - Fee and Payment Information

Appendix 4 from the Invitation to Tender: Pricing schedule

Audit of the financial statements of the States of Jersey

	Audit of the financial statements	Narrative report on compliance with International Financial Reporting Standards
Year ending 31 December 2026		
Year ending 31 December 2027		
Year ending 31 December 2028		
Year ending 31 December 2029		
Year ending 31 December 2030		
Year ending 31 December 2031 (if the C&AG exercises the option to extend)		

Payment profile: invoices should be submitted as follows:

Milestone	Payable
Audit of Financial Statements	
Issuing finalised audit plan	20% of total annual fee
Issuing finalised report on results of interim audit work (if any)	30% of total annual fee
Issuing Independent Auditor's Report	50% of total annual fee (or 80% if there is no report on the results of interim audit work)
Narrative report on compliance with International Financial Reporting Standards	
Issuing finalised report	100% of total annual fee

Appendix 5 from the Invitation to Tender: Daily rates for variations to prices contained in Appendix 4

Role	Daily Rate
Partner	
Director	
Senior Manager	
Manager	
Other qualified staff	
Other professional staff	



## Schedule 3 - Key Personnel & Addresses for Notices

Key Personnel

[Name]

[Name]

Addresses for Notices

For the Comptroller and Auditor General of Jersey

Lynn Pamment CBE  
Comptroller and Auditor General  
Jersey Audit Office  
de Carteret House  
7 Castle Street  
St Helier  
Jersey  
JE2 3BT

email: [lynn.pamment@jerseyauditoffice.je](mailto:lynn.pamment@jerseyauditoffice.je)

For the Supplier

[Address]

Email: [email]

## **Schedule 4 - Invitation to Tender & Supplier's Response (incl. clarifications)**

The Services shall mean as including the following:

An annual audit of the financial statements of the States of Jersey undertaken in accordance with International Standards on Auditing (UK), the Ethical Standard issued by the Financial Reporting Council and the Code of Audit Practice issued by the C&AG, including an opinion on regularity in accordance with the section entitled 'The Audit of Regularity' contained in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom issued by the Public Audit Forum.

An annual narrative report to management:

- identifying areas of departure from International Financial Reporting Standards in the financial statements of the States of Jersey
- identifying interpretations of International Financial Reporting Standards that may be arguable or aggressive; and
- making recommendations for improvement.

## **Schedule 5** - Mandatory Policies

States of Jersey Health and Safety Policy

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**Schedule 6** Commercially Sensitive Information Schedule

Response to Invitation to Tender, including presentations to C&AG/States of Jersey and supporting documentation.

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