

PART A – DRAFT CONTRACT

RFT 2016/08

Internal audit services – 2017 to 2019

DRAFT CONTRACT

DRAFT CONTRACT IN RELATION TO INTERNAL AUDIT SERVICES – 2017 TO
2019

Australian Curriculum, Assessment and Reporting Authority
ABN 54 735 928 084

[^]Party 2 Name[^]

[^]Party 2 ABN[^] [^]Party 2 ACN[^]

Tenderers should refer to **PART B – REQUEST FOR TENDER
(INCLUDING TENDER RESPONSE SCHEDULES)** which sets out the
conditions of tender and tender response requirements.

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DRAFT CONTRACT

DRAFT DRAFT CONTRACT IN RELATION TO INTERNAL AUDIT SERVICES – 2017 TO 2019

Date

This Contract is made on [^]day(numeric) month(name) year(numeric) in full[^].

Parties

This Contract is made between and binds the following parties:

1. **Australian Curriculum, Assessment and Reporting Authority (ACARA)**
ABN 54 735 928 084
Level 13, 280 Elizabeth Street, Sydney NSW 2000
2. [^]Party 2 Name[^] [^]Party 2 ABN and ACN/ARBN if applicable[^]
[^]Party 2 Address[^] (the Contractor)

Context

This Contract is made in the following context:

- A. ACARA requires the provision of certain internal audit consultancy services to ACARA (the **Project**).
- B. The Contractor has fully informed itself about the requirement and has submitted the proposal referred to in Item 1 of the Schedule.
- C. The parties have agreed that the Contractor will perform the Services for ACARA on the terms and conditions set out in this contract.

Operative Provisions

1. Interpretation

1.1. Definitions

1.1.1. In this contract, unless the context indicates otherwise:

ACARA includes any successor entity to ACARA which is from time to time responsible for administering this contract;

ACARA Material means any Material:

- a. provided by ACARA to the Contractor for the purposes of this contract; or
- b. derived at any time from the Material referred to in paragraph a;

Attachment	means a document attached to the contract or incorporated by reference in the Schedule, and includes the Attachment as amended or replaced from time to time by agreement in writing between the parties;
Business Day (in a place)	means a weekday other than a public holiday in the place specified or, if no place is specified, in the State or Territory specified in Item 25;
Commencement Date	means the date on which this contract is made, unless otherwise specified in Item 5;
Confidential Information (of the Contractor)	means information that is by its nature confidential and is described in Item 20.
Contract Material	means any Material (including Existing Material and Third Party Material): <ul style="list-style-type: none"> a. created for the purposes of this contract; b. provided or required to be provided to ACARA as part of the Services; or c. derived at any time from the Material referred to in paragraphs a or b;
Existing Material	means any Material in existence at the Commencement Date and specified in Item 15;
GST	has the meaning that it has in the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> ;
Instalment	means the fee payable under clause 3.1.1.a and Item 10 in relation to a specified part or the whole of the Services;
Intellectual Property	includes: <ul style="list-style-type: none"> a. all copyright (including rights in relation to phonograms and broadcasts); b. all rights in relation to inventions, plant varieties, trademarks (including service marks), designs and circuit layouts; and c. all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields, but does not include: <ul style="list-style-type: none"> d. Moral Rights; e. the non-proprietary rights of performers; or f. rights in relation to Confidential Information;
Material	means any thing in relation to which Intellectual Property rights arise;
Moral Rights	means the following non-proprietary rights of authors of copyright Material: <ul style="list-style-type: none"> a. the right of attribution of authorship;

	<ul style="list-style-type: none"> b. the right of integrity of authorship; and c. the right not to have authorship falsely attributed;
Official Information	means any information developed, received or collected by or on behalf of ACARA to which the Contractor gains access under or in connection with this contract, and includes the Contract Material and the terms of the contract;
Personnel	means: <ul style="list-style-type: none"> a. in relation to the Contractor - any natural person who is an officer, employee, agent or professional advisor of the Contractor or of its subcontractors; and b. in relation to ACARA - any natural person, other than a person referred to in paragraph a, who is an officer, employee, agent or professional advisor of ACARA.
Project Manager	means the person specified (by name or position) in Item 7 or any substitute notified to the Contractor;
Project Plan	means the plan developed by the parties setting out the timeframe for the delivery of the Services, as approved by ACARA;
Schedule	means the schedule to this contract entitled 'Contract Details', and includes the Schedule as amended or replaced from time to time by agreement in writing between the parties;
Education Council	means the COAG Education Council comprised of State, Territory, and Australian Government Ministers with responsibility for the portfolios of school education and early childhood development and includes any successor or replacement body with the same or similar functions
Services	means the services described in Item 2 and includes the provision to ACARA of the Material specified in Item 3; and
Specified Personnel	means the Personnel specified in Item 9 as required to perform all or part of the work constituting the Services; and
Third Party Material	means any Material in which the Intellectual Property rights are owned by third parties.

1.2. Interpretation

1.2.1. In this contract, unless the contrary intention appears:

- a. words importing a gender include any other gender;
- b. words in the singular include the plural and words in the plural include the singular;

- c. clause headings are for convenient reference only and have no effect in limiting or extending the language of provisions to which they refer;
- d. words importing a person include a partnership and a body whether corporate or otherwise;
- e. a reference to dollars is a reference to Australian dollars;
- f. a reference to any legislation or legislative provision includes any statutory modification, substitution or re-enactment of that legislation or legislative provision;
- g. if any word or phrase is given a defined meaning, any other part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- h. a reference to an Item is a reference to an Item in the Schedule;
- i. the Schedule and any Attachments form part of this contract;
- j. if any conflict arises between the terms and conditions contained in the clauses of this contract and any part of the Schedule (and Attachments if any), the terms and conditions of the clauses prevail;
- k. if any conflict arises between any part of the Schedule and any part of an Attachment, the Schedule prevails; and
- l. a reference to writing is a reference to any representation of words, figures or symbols, whether or not in a visible form.

1.3. Guidance on construction of contract

- 1.3.1. This contract records the entire agreement between the parties in relation to its subject matter.
- 1.3.2. As far as possible all provisions of this contract will be construed so as not to be void or otherwise unenforceable.
- 1.3.3. If anything in this contract is void or otherwise unenforceable then it will be severed and the rest of the contract remains in force.
- 1.3.4. A provision of this contract will not be construed to the disadvantage of a party solely on the basis that it proposed that provision.

1.4. Commencement

- 1.4.1. The terms of this contract apply on and from the Commencement Date.

2. Provision of Services

2.1. Principal obligations of Contractor

- 2.1.1. The Contractor agrees to:
 - a. perform the Services as specified in Item 2 as part of the Project and in accordance with the Project Plan;

- b. provide to ACARA the Material specified in Item 3;
- c. adopt relevant best practice, including any ACARA, Commonwealth or industry standards and guidelines including those specified in Item 4;
- d. comply with the time frame for the performance of the Services specified in Item 5; and
- e. submit invoices, and any required supporting documents, in the manner specified in Item 6.

2.1.2. The Contractor agrees to keep adequate books and records, in accordance with Australian accounting standards, in sufficient detail to enable the amounts payable by ACARA under this contract to be determined.

2.2. Liaison with Project Manager

2.2.1. The Contractor agrees:

- a. to liaise with the Project Manager and other officers of ACARA as reasonably required and necessary to facilitate the successful implementation and completion of the Project;
- b. to comply with directions of the Project Manager that are consistent with this contract; and
- c. to report to the Project Manager on the basis agreed between ACARA and the Contractor in the Project Plan.

2.3. Subcontractors

2.3.1. The Contractor agrees not to subcontract the performance of any part of the Services without ACARA's prior written approval.

2.3.2. ACARA may impose any conditions it considers appropriate when giving its approval under clause 2.3.1.

2.3.3. ACARA has approved the subcontracting of the performance of the parts of the Services to the persons, and subject to the conditions (if any), specified in Item 8.

2.3.4. The Contractor agrees to make available to ACARA (if requested), details of all subcontractors engaged in the performance of the Services.

2.3.5. The Contractor acknowledges, and must inform all subcontractors that, ACARA may publicly disclose the names of any subcontractors engaged in the performance of the Services.

2.4. Specified Personnel

2.4.1. The Contractor agrees that the Specified Personnel will perform work in relation to the Services in accordance with this contract.

- 2.4.2. If Specified Personnel are unable to perform the work as required under clause 2.4.1, the Contractor agrees to notify ACARA immediately.
- 2.4.3. The Contractor agrees, at the request of ACARA acting in its absolute discretion, to remove Personnel (including Specified Personnel) from work in relation to the Services.
- 2.4.4. If clause 2.4.2 or clause 2.4.3 applies, the Contractor will provide replacement Personnel acceptable to ACARA at no additional cost and at the earliest opportunity.

2.5. Responsibility of Contractor

- 2.5.1. The Contractor is fully responsible for the performance of the Services and for ensuring compliance with the requirements of this contract, and will not be relieved of that responsibility because of any:
- a. involvement by ACARA in the performance of the Services;
 - b. subcontracting of the Services;
 - c. acceptance by ACARA of Specified Personnel; or
 - d. payment made to the Contractor on account of the Services.

2.6. ACARA Option

- 2.6.1. At any time prior to completion of the Project, ACARA may, but is under no obligation to, issue to the Contractor a notice to extend the Contract for the provision of internal audit services to ACARA for three years commencing from 2020 through to 2022 (inclusive) (Option Notice).
- 2.6.2. The Option Notice must contain:
- a. a description of the Services required;
 - b. a time frame for performance of the Services; and
 - c. ACARA's proposed fees.
- 2.6.3. After receiving the Option Notice, the Contractor will notify ACARA if it accepts extension of the Contract.
- 2.6.4. If the Contractor accepts extension of the Contract, the Contract will be extended on the same terms and conditions as this Contract except:
- a. the Services required in Item 2 will be amended to reflect the Option Notice (or as otherwise agreed between the parties);
 - b. the time frame for the performance of the Services specified in Item 5 will be amended to reflect the Option Notice (or as otherwise agreed between the parties);
 - c. the Fees specified in Item 10 will be amended to reflect the Option Notice (or as otherwise agreed between the parties); and

d. this clause 2.6 is deleted.

2.6.5. If the Contractor does not respond to the Option Notice within 14 days of receiving the notice, or such other period as ACARA in its absolute discretion allows for acceptance, then this will be treated as notification by the Contractor to ACARA that the Contract will not be extended.

3. Fees, allowances and assistance

3.1. Principal obligations of ACARA

3.1.1. ACARA agrees to:

- a. pay the fees in the Instalments specified in Item 10;
- b. pay the allowances and meet the costs specified in Item 11;
- c. make all payments as and when specified in Item 6; and
- d. provide facilities and assistance as specified in Item 12.

3.2. ACARA's rights to defer payment

3.2.1. ACARA will be entitled (in addition and without prejudice to any other right it may have) to defer payment or reduce the amount of any Instalment if and for so long as the Contractor has not completed, to the satisfaction of ACARA, that part of the Services to which the Instalment relates.

3.3. Taxes, duties and government charges

3.3.1. Except as provided by this clause 3.3, the Contractor agrees to pay all taxes, duties and government charges imposed or levied in Australia or overseas in connection with the performance of this contract.

3.3.2. Unless otherwise indicated, the fees and all other consideration for any supply made under this contract is exclusive of any GST imposed on the supply.

3.3.3. If one party (the supplier) makes a taxable supply to the other party (the recipient) under this contract, on receipt of a tax invoice from the supplier, the recipient will pay without setoff an additional amount to the supplier equal to the GST imposed on the supply in question.

3.3.4. No party may claim or retain from the other party any amount in relation to a supply made under this contract for which the first party can obtain an input tax credit or decreasing adjustment.

3.4. Superannuation

3.4.1. This contract is entered into on the understanding that ACARA is not required to make any superannuation contributions in connection with the contract, unless stated to the contrary in Item 10.

4. Intellectual Property

4.1. Use of ACARA Material

- 4.1.1. ACARA agrees to provide Material to the Contractor as specified in Item 13.
- 4.1.2. ACARA grants (or will procure) a royalty-free, non-exclusive licence for the Contractor to use, reproduce and adapt the ACARA Material for the purposes of this contract.
- 4.1.3. The Contractor agrees to use the ACARA Material strictly in accordance with any conditions or restrictions set out in Item 14, and any direction from ACARA.

4.2. Rights in Contract Material

- 4.2.1. Intellectual Property in all Contract Material vests or will vest in ACARA.

- 4.2.2. Clause 4.2.1 does not affect the ownership of Intellectual Property in:

- a. any ACARA Material;
- b. any Existing Material; or
- c. any Third Party Material,

that is incorporated into the Contract Material.

- 4.2.3. The Contractor grants to (or will procure for) ACARA a perpetual, irrevocable, royalty-free, world-wide, non-exclusive licence (including a right of sub-licence) to use, reproduce, adapt, modify, distribute, communicate and exploit any Existing Material in conjunction with the Contract Material for any purpose.

- 4.2.4. The Contractor grants to (or will procure for) ACARA a perpetual, irrevocable, royalty-free, world-wide, non-exclusive licence (including a right of sub-licence) to use, reproduce, adapt, modify, distribute and communicate any Third Party Material in conjunction with the Contract Material for any purpose.

- 4.2.5. The Contractor agrees, and will arrange for any third party, to create, sign, execute or otherwise deal with any document necessary or desirable to give effect to this clause 4.2 on request by ACARA.

- 4.2.6. The Contractor represents and warrants that:

- a. it is entitled; or
- b. it will be entitled at the relevant time,

to deal with the Intellectual Property in the Contract Material in the manner provided for in this clause 4.2.

- 4.2.7. In all publications produced by the Contractor for ACARA under this contract, the Contractor will include the copyright statement set out in Item 16, or such other statement as notified to the Contractor by ACARA from time to time.

4.3. Intellectual Property Register

- 4.3.1. The Contractor will establish and maintain a register detailing each item of Contract Material in a form acceptable to ACARA (the IP Register). The IP Register must, at a minimum, include the following details:
- a. a description of the Contract Material (including a description of any Existing Material or Third Party Material incorporated in the Contract Material and details of where and how that the Material has been incorporated into the Contract Material);
 - b. the authors of the Contract Material, and, in respect of any Existing Material or Third Party Material, the owners of that Material; and
 - c. in respect of any Third Party Material incorporated in the Contract Material, the date and terms of any licence in respect of the Third Party Material.
- 4.3.2. The Contractor must ensure the IP Register is complete and up to date throughout the term of the contract and must provide ACARA with a copy of the IP Register upon request during the term of the contract and on termination or expiry of the contract.

4.4. Moral Rights

- 4.4.1. In this clause 4.4:

Permitted Acts means any of the following classes or types of acts or omissions:

- a. using, reproducing, adapting or exploiting all or any part of the Contract Material, with or without attribution or authorship;
- b. supplementing the Contract Material with any other Material;
- c. using the Contract Material in a different context to that originally envisaged; and
- d. the acts or omissions, specifically set out in Item 17;

but does not include false attribution of authorship.

- 4.4.2. Where the Contractor is a natural person and the author of the Contract Material, he or she:
- a. consents to the performance of the Permitted Acts by ACARA or any person claiming under or through ACARA (whether occurring before or after the consent is given); and
 - b. acknowledges that their attention has been drawn to ACARA's general policies and practices regarding Moral Rights as described in Item 17.
- 4.4.3. Where clause 4.4.2 does not apply, the Contractor agrees:
- a. to obtain from each author a written consent which extends directly or indirectly to the performance of the Permitted Acts by ACARA or any

person claiming under or through ACARA (whether occurring before or after the consent is given) and, on request, to provide the executed original of any such consent to ACARA; and

- b. to ensure that each author's attention is drawn to ACARA's general policies and practices regarding Moral Rights as described in Item 17.

4.4.4. This clause 4.4 does not apply to any ACARA Material incorporated in the Contract Material.

5. Confidentiality of Official Information and other security obligations

5.1. Interpretation

5.1.1. In this clause 5:

Official Resources	includes: <ul style="list-style-type: none">a. Official Information;b. people who work for or with ACARA; andc. assets belonging to (even if in the possession of contracted providers) or in the possession of ACARA;
Security Classified Resources	means Official Resources that, if compromised, could have adverse consequences for ACARA; and
Security Incident	means a security breach, violation, contact or approach from those seeking unauthorised access to or disclosure of Official Resources.

5.2. Confidentiality of Official Information

5.2.1. The Contractor will not, without prior written authorisation of ACARA, disclose any Official Information to any person (unless required to do so by law).

5.2.2. The Contractor is authorised, subject to clause 5.3.1.a to 5.3.1.c, to provide Official Information to those Personnel and subcontractors who require access for the purposes of this contract.

5.2.3. The Contractor agrees, on request by ACARA at any time, to arrange for the Personnel and subcontractors referred to in clause 5.2.2 to give a written undertaking in a form acceptable to ACARA relating to the use and non-disclosure of Official Information.

5.2.4. The Contractor agrees to secure all Official Information against loss and unauthorised access, use, modification or disclosure.

5.2.5. The obligations of the Contractor under this clause 5.2 is subject to any rights that the Contractor may have under the Public Interest Disclosure Act 2013.

5.3. Other security obligations of Contractor

5.3.1. The Contractor agrees:

- a. to ensure that all Personnel that require access to Security Classified Resources have obtained the appropriate security clearance;
- b. to make its Personnel available to attend any security training provided by ACARA;
- c. to notify ACARA of any change in the personal circumstances of Personnel referred to in 5.3.1.a;
- d. to notify ACARA immediately if it becomes aware that a Security Incident has occurred and otherwise implement ACARA's procedures for Security Incident reporting as advised by ACARA from time to time;
- e. not to perform the Services outside Australia without ACARA's prior written approval; and
- f. to comply with the additional security requirements specified in Item 18, if any, and any variations or additions to those requirements as notified by ACARA from time to time.

5.3.2. The Contractor agrees to implement security procedures to ensure that it meets its obligations under this clause 5 and will provide details of these procedures to ACARA on request.

6. Privacy

6.1. Obligations of Contractor in relation to privacy

6.1.1. The Contractor agrees, in providing the Services:

- a. not to do any act or engage in any practice which, if done or engaged in by the ACARA, would be a breach of the requirements of Division 2 of Part III of the Privacy Act; and
- b. to comply with any directions, guidelines, determinations or recommendations referred to in, or relating to the matters set out in, Item 199, to the extent that they are consistent with the obligations referred to in subclause a above.

6.1.2. The Contractor agrees to notify ACARA immediately if it becomes aware of a breach or possible breach of any of its obligations under this clause 6.1.1.

7. Dealing with Copies

7.1. Interpretation

7.1.1. In clause 7.2:

Copy	means any document, device, article or medium in which ACARA Material, Contract Material, or Official Information is embodied.
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7.2. Actions at end of contract

- 7.2.1. The Contractor agrees, on expiration or termination of this contract, to deal with all Copies as directed by ACARA, subject to any requirement of law binding on the Contractor.

8. Confidential Information of Contractor

8.1. Confidential Information not to be disclosed

- 8.1.1. Subject to clause 8.2, ACARA will not, without the prior written authorisation of the Contractor, disclose any Confidential Information of the Contractor to a third party.

8.2. Exceptions to obligations

- 8.2.1. The obligations of ACARA under this clause 8 will not be taken to have been breached to the extent that Confidential Information:
- a. is disclosed by ACARA to its Personnel solely in order to comply with its obligations, or to exercise its rights, under this contract;
 - b. is disclosed by ACARA to its internal management Personnel, solely to enable effective management or auditing of contract-related activities;
 - c. is disclosed by ACARA to the responsible Minister;
 - d. is disclosed by ACARA in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia;
 - e. is shared by ACARA within ACARA's organisation, or with another agency including Education Council, where this serves the ACARA's legitimate interests;
 - f. is authorised or required by law to be disclosed; or
 - g. is in the public domain otherwise than due to a breach of this clause 8.
- 8.2.2. Where ACARA discloses Confidential Information to another person pursuant to clauses 8.2.1.a - 8.2.1.e, ACARA will notify the receiving person that the information is confidential.
- 8.2.3. In the circumstances referred to in clauses 8.2.1.a, 8.2.1.b and 8.2.1.e, ACARA agrees not to provide the information unless the receiving person agrees to keep the information confidential.
- ### **8.3. Period of confidentiality**
- 8.3.1. The obligations under this clause 8 in relation to an item of information described in Item 20 continue for the period set out there in respect of that item.

9. Liability

9.1. Proportionate liability regimes excluded

9.1.1. To the extent permitted by law, the operation of any legislative proportionate liability regime is excluded in relation to any claim against the Contractor under or in connection with this contract.

9.2. Indemnity

9.2.1. The Contractor indemnifies ACARA from and against any:

- a. cost or liability incurred by ACARA;
- b. loss of or damage to property of ACARA; or
- c. loss or expense incurred by ACARA in dealing with any claim against it including legal costs and expenses on a solicitor/own client basis and the cost of time spent, resources used or disbursements paid by ACARA, arising from either:
 - d. a breach by the Contractor of this contract;
 - e. an infringement or alleged infringement of a person's Intellectual Property or Moral Rights as a result of any use by ACARA or a third party of the Contract Material in accordance with this contract; or
 - f. an act or omission involving fault on the part of the Contractor or its Personnel in connection with this contract.

9.2.2. The Contractor's liability to indemnify ACARA under clause 9.2.1 will be reduced proportionately to the extent that any act or omission involving fault on the part of ACARA or its Personnel contributed to the relevant cost, liability, loss, damage or expense.

9.2.3. The right of ACARA to be indemnified under this clause 9.2 is in addition to, and not exclusive of, any other right, power or remedy provided by law, but ACARA is not entitled to be compensated in excess of the amount of the relevant cost, liability, loss, damage or expense.

10. Dispute resolution

10.1. Procedure for dispute resolution

10.1.1. A party will not commence arbitration or court proceedings about a dispute, difference, question or claim arising out of this contract (Dispute) unless it has complied with this clause 10.

10.1.2. A party claiming a Dispute has arisen will notify the other party giving details of the Dispute (Notification).

10.1.3. On receipt of a Notification each party agrees to negotiate with the other party in good faith to resolve such a Dispute.

10.1.4. If the Dispute is not resolved under clause 10.1.3 within 5 business days of the Notification, the parties will refer the Dispute for mediation by the Australian Commercial Dispute Centre Limited (ACDC) for resolution in accordance with the Mediation Guidelines of the ACDC and will enter into ACDC's standard mediation agreement in force at the time this contract is executed by the parties, or such other mediation as is agreed by the parties. The costs of any mediation are to be borne equally between the parties. Each party will bear its own costs of complying with this clause 10.

10.1.5. If the Dispute is not resolved under clause 10.1.4 within 10 days of referral to ACDC, either party may initiate proceedings in a court.

10.2. Continued performance

10.2.1. Despite the existence of a Dispute, the Contractor will (unless requested in writing by ACARA not to do so) continue to perform the Services.

10.3. Exemption

- 10.3.1. This clause 10 does not apply to:
- a. action by ACARA under or purportedly under clause 11.1;
 - b. action by either party under or purportedly under clause 11.2; or
 - c. legal proceedings by either party seeking urgent interlocutory relief.

11. Termination or reduction in scope of Services

11.1. Termination or reduction in scope for convenience

11.1.1. ACARA may by notice, at any time and in its absolute discretion, terminate this contract or reduce the scope of the Services immediately.

11.1.2. The Contractor agrees, on receipt of a notice of termination or reduction:

- a. to stop or reduce work as specified in the notice;
- b. to take all available steps to minimise loss resulting from that termination or reduction; and
- c. to continue work on any part of the Services not affected by the notice.

11.1.3. In the event of termination under clause 11.1.1, ACARA will be liable only:

- a. to pay any Instalment relating to Services completed before the effective date of termination;
- b. to reimburse any expenses the Contractor unavoidably incurs relating entirely to Services not covered under clause 11.1.3.a;
- c. to pay any allowance and meet any costs unavoidably incurred under Item 11 before the effective date of termination; and
- d. to provide the facilities and assistance necessarily required under Item 12 before the effective date of termination.

- 11.1.4. ACARA will not be liable to pay amounts under clause 11.1.3.a and 11.1.3.b which would, added to any fees already paid to the Contractor under this contract, together exceed the fees set out in Item 10.
- 11.1.5. In the event of a reduction in the scope of the Services under clause 11.1.1, ACARA's liability to pay fees or allowances, meet costs or provide facilities and assistance under clause 3 will, unless there is agreement in writing to the contrary, reduce in accordance with the reduction in the Services.
- 11.1.6. The Contractor will not be entitled to compensation for loss of prospective profits.

11.2. Termination or reduction in scope for fault

- 11.2.1. If a party fails to satisfy any of its obligations under this contract, then the other party - *if it considers that the failure is:*
- a. *not capable of remedy* - may, by notice, terminate the contract immediately; or
 - b. *capable of remedy* - may, by notice require that the failure be remedied within the time specified in the notice and, if not remedied within that time, may terminate the contract immediately by giving a second notice.
- 11.2.2. ACARA may also by notice terminate this contract immediately (but without prejudice to any prior right of action or remedy which either party has or may have) if the Contractor:
- a. *being a corporation* - comes under one of the forms of external administration referred to in chapter 5 of the *Corporations Act 2001 (Cth)*, or has an order made against it for the purpose of placing it under external administration; or
 - b. *being an individual* - becomes bankrupt or enters into a scheme of arrangement with creditors.

12. Notices

12.1. Format, addressing and delivery

- 12.1.1. A notice under this contract is only effective if it is in writing, and dealt with as follows:
- a. *if given by the Contractor to ACARA* - addressed to the Project Manager at the address specified in Item 21 or as otherwise notified by ACARA; or
 - b. *if given by ACARA to the Contractor* - given by the Project Manager (or any superior officer to the Project Manager) and addressed (and marked for attention) as specified in Item 22 or as otherwise notified by the Contractor.
- 12.1.2. A notice is to be:
- a. signed by the person giving the notice and delivered by hand; or
 - b. signed by the person giving the notice and sent by pre-paid post; or

- c. transmitted electronically by the person giving the notice by electronic mail or facsimile transmission.

12.2. When effective

12.2.1. A notice is deemed to be effected:

- a. *if delivered by hand* - upon delivery to the relevant address;
- b. *if sent by post* - upon delivery to the relevant address;
- c. *if transmitted electronically* - upon actual receipt by the addressee.

12.2.2. A notice received after 5.00 pm, or on a day that is not a Business Day in the place of receipt, is deemed to be effected on the next Business Day in that place.

13. General provisions

13.1. Occupational health and safety

13.1.1. The Contractor agrees, in carrying out this contract, to comply with:

- a. all relevant legislation, codes of practice and national standards relating to occupational health and safety; and
- b. all applicable policies and procedures relating to occupational health and safety including those that apply to ACARA's premises when using those premises.

13.1.2. In the event of any inconsistency between any of the policies and procedures referred to in clause 13.1.1, the Contractor will comply with those policies and procedures that produce the highest level of health and safety.

13.2. Audit and access

13.2.1. The Contractor agrees:

- a. to give the Project Manager, or any persons authorised in writing by the Project Manager, access to premises where the Services are being performed or where Official Resources are located; and
- b. to permit those persons to inspect and take copies of any Material relevant to the Services.

13.2.2. The rights referred to in clause 13.2.1. are subject to:

- a. ACARA providing reasonable prior notice;
- b. the reasonable security procedures in place at the premises; and
- c. if appropriate, execution of a deed of confidentiality by the persons to whom access is given.

13.2.3. The Auditor-General and the Privacy Commissioner are persons authorised for the purposes of this clause 13.2.

13.2.4. This clause 13.2 does not detract from the statutory powers of the Auditor-General or the Privacy Commissioner.

Note: For information about the *Auditor-General Act 1997 (Cth)* see the fact sheet referred to in Item 24.

13.3. Insurance

13.3.1. The Contractor agrees:

- a. to effect and maintain the insurance specified in Item 23; and
- b. on request, to provide proof of insurance acceptable to ACARA.

13.3.2. This clause 13.3 continues in operation for so long as any obligations remain in connection with the contract. Any professional indemnity insurance coverage must be in effect from the commencement of the contract and maintained for the period two (2) years after the expiry of the contract.

13.4. Extension of provisions to subcontractors and Personnel

13.4.1. In this clause 13.4:

Requirement means an obligation, condition, restriction or prohibition binding on the Contractor under this contract.

13.4.2. The Contractor agrees to ensure that:

- a. its subcontractors and Personnel comply with all relevant Requirements; and
- b. any contract entered into in connection with this contract imposes all relevant Requirements on the other party.

13.4.3. The Contractor agrees to exercise any rights it may have against any of its subcontractors, Personnel or third parties in connection with a Requirement in accordance with any direction by ACARA.

13.5. Conflict of interest

13.5.1. In this clause 13.5:

Conflict means any matter, circumstance, interest, or activity affecting the Contractor, its Personnel or subcontractors which may or may appear to impair the ability of the Contractor to provide the Services to ACARA diligently and independently.

13.5.2. The Contractor warrants that, to the best of its knowledge after making diligent inquiry, at the Commencement Date no Conflict exists or is likely to arise in the performance of the Services.

13.5.3. If, during the period of this contract a Conflict arises, or appears likely to arise, the Contractor agrees:

- a. to notify ACARA immediately;

- b. to make full disclosure of all relevant information relating to the Conflict;
and
- c. to take any steps ACARA reasonably requires to resolve or otherwise deal with the Conflict.

13.6. Relationship of parties

13.6.1. The Contractor is not by virtue of this contract an officer, employee, partner or agent of ACARA, nor does the Contractor have any power or authority to bind or represent ACARA.

13.6.2. The Contractor agrees:

- a. not to misrepresent its relationship with ACARA; and
- b. not to engage in any misleading or deceptive conduct in relation to the Services.

13.7. Waiver

13.7.1. A failure or delay by a party to exercise any right or remedy it holds under this contract or at law does not operate as a waiver of that right.

13.7.2. A single or partial exercise by a party of any right or remedy it holds under this contract or at law does not prevent the party from exercising the right again or to the extent it has not fully exercised the right.

13.8. Variation

13.8.1. A variation of this contract is binding only if agreed in writing and signed by the parties.

13.9. Assignment

13.9.1. The Contractor cannot assign its obligations, and agrees not to assign its rights, under this contract without ACARA's prior written approval.

13.9.2. If the administrative arrangements regarding ACARA are altered such that the program the object of this contract is transferred to another government entity, ACARA may assign its rights under this contract to that entity subject to that entity assuming ACARA's obligations under this contract. The Contractor shall have no objection to any such assignment or assumption.

13.10. Survival

13.10.1. Unless the contrary intention appears, the expiry or earlier termination of this contract will not affect the continued operation of any provision relating to:

- a. licensing of Intellectual Property;
- b. confidentiality;
- c. security;

- d. privacy;
- e. dealing with copies;
- f. books and records;
- g. audit and access;
- h. an indemnity;

or any other provision which expressly or by implication from its nature is intended to continue.

13.11. Compliance with Legislation

13.11.1. In this clause 13.11:

Legislation means a provision of a statute or subordinate legislation of the Commonwealth, or of a State, Territory or local authority.

13.11.2. The Contractor agrees to comply with any Legislation applicable to its performance of this contract.

13.11.3. The Contractor acknowledges that its attention has been drawn to the fact sheet referred to in Item 24 which provides details of some Legislation that may be applicable to the performance of the contract.

13.12. Applicable law

13.12.1. This contract is to be construed in accordance with, and any matter related to it is to be governed by, the law of the State or Territory specified in Item 25.

13.12.2. The parties submit to the jurisdiction of the courts of that State or Territory.

13.13. Access to documents

In this clause 13.13, 'document' and 'Commonwealth contract' have the same meaning as in the ***Freedom of Information Act 1982*** (Cth).

13.13.1. The Contractor acknowledges that this agreement is a Commonwealth contract.

13.13.2. Where ACARA has received a request for access to a document created by, or in the possession of, the Contractor or any subcontractor that relates to the performance of this contract (and not to the entry into the contract), ACARA may at any time by written notice require the Contractor to provide the document to ACARA and the Contractor must, at no additional cost to ACARA, promptly comply with the notice.

13.13.3. The Contractor must include in any subcontract relating to the performance of this contract provisions that will enable the Contractor to comply with its obligations under this clause 13.13.

1. Proposal

^To be completed following selection of the preferred Tenderer^

2. Services

(see clause 2.1.1.a)

2.1. Introduction

The Australian Curriculum, Assessment and Reporting Authority (ACARA) is a Commonwealth statutory authority responsible for the development of rigorous, world-class Australian curriculum from Foundation to Year 12. The Australian Curriculum is available online at www.australiancurriculum.edu.au and is being progressively implemented by states and territories in accordance with the *Australian Education Act 2013* (Cth).

To complement the development of an Australian curriculum, ACARA is also responsible for developing and administering a national assessment program aligned to the national curriculum that measures students' progress, and the provision of information, resources, support and guidance to the teaching profession.

The National Assessment Program – Literacy and Numeracy (NAPLAN) commenced in 2008 in Australian schools. Every year from 2008, all students in Years 3, 5, 7 and 9 have been assessed on the same days using national tests in Reading, Writing, Language Conventions (Spelling, and Grammar and Punctuation) and Numeracy. Test Administration Authorities (TAAs) in each state and territory are responsible for the implementation, administration and marking of the NAPLAN tests in their jurisdictions. From 2010 ACARA has also administered the National Assessment Program sample assessments in Information and Communication Technology Literacy, Science Literacy and Civics and Citizenship. ACARA is working with its partners to support the transition to online national assessment.

ACARA publishes the *My School* website, www.myschool.edu, which provides a profile page for every school in Australia and is populated from a data repository created by ACARA. ACARA holds national school's data aimed at supporting school level performance reporting. Data from NAPLAN is used to estimate aspects of schools' performances on the *My School* website. ACARA also published the 2016 NAPLAN National Report on 13 December 2016.

ACARA reports to, and is directed by the Education Council (previously known as the Standing Council on School Education and Early Childhood).

2.2. Background

ACARA's core programs of work relating to national curriculum, assessment and reporting are supported by ACARA's enabling business units – Corporate Services (including Finance, HR and ICT), Communications and Strategic Relations and the Office of the CEO, which responds to ACARA's governance and reporting requirements.

ACARA currently employs approximately 80-90 staff, and operates from two leased premises as follows (with 1 staff member working in other rented office spaces and approximately 5 working from home or other locations):

- a. Sydney office (approx. 70 staff); and
- b. Perth office (approx. 10 staff from the Assessment business unit).

Under the *Australian Curriculum, Assessment and Reporting Authority Act 2008* (Cth) (ACARA Act), ACARA is able to set its own employment arrangements. ACARA operates under an Enterprise Agreement (2012-2016). In accordance with the Agreement, parties are negotiating the next Agreement.

Funding for ACARA is allocated by the states and territories and the Australian Government under the Education Council's funding formula. ACARA's four year budget set by Education Council for the period 2016/17 to 2019/20 is approximately \$105 million (approximately \$26 million per year).

Reporting Requirements

ACARA is an interjurisdictional agency, with nominees on its Board from the Australian and State/Territory governments as well as the non-government school sector. Under the ACARA Act, ACARA's directions are set by the COAG Education Council, including through ACARA's Charter. ACARA operates in accordance with the Decision Making and Governance Protocols for Ministerial Council, Ministerial Authorities and Companies (available [here](#)), approved by the Ministerial Council in 2011, which refer to:

- a) the relationship between the Council and ACARA and
- b) the relationship of ACARA to the:
 - i. Australian Education Senior Officials Committee (AESOC)
 - ii. Commonwealth Minister for Education
 - iii. key education stakeholders.

Reporting to the Education Council

ACARA submits reports and advice to the Council as directed by the Council and as required. This information is also presented to AESOC for advice. Prior to submission to the Council, papers are endorsed by the ACARA Board following input received by ACARA's reference, advisory and/or working groups.

At the end of each financial year and before the end of September, ACARA must report to the Council on its progress against its Charter for that reporting year. ACARA presents its annual work plan for the reporting year ahead to AESOC for feedback and advice and then to the Council for approval.

Information about ACARA's Charter and advisory and governance structure is available on ACARA's website: <http://www.acara.edu.au/about-us>.

ACARA's work plan and progress report against its work plan

ACARA prepares a quadrennial work plan and budget for endorsement by Council in accordance with the ACARA Charter (revised Charter to be published shortly). Each year a more detailed annual work plan is submitted for endorsement by the Council along with a high level plan for the three out years. The agreed forward work plan and budget then inform ACARA's public corporate plan (refer below). ACARA's progress report against its work plan is a standing item on the meeting agendas for the ACARA Board and AESOC.

Reporting to the ACARA Board

Standing items reported to the Board at each meeting relate to ACARA's monthly accounts as well as a progress report and update of the organisation. Reports from the Chair and the CEO are also standing items at each meeting. An updated report on ACARA's risk management is presented to the Board four times each year, following review by ACARA's Audit and Risk Committee. An annual budget and work plan is provided to the ACARA Board for endorsement each year.

Annual Report, Corporate Plan, Senate Estimates and Portfolio Budget Statements

The Annual Report and related financial statements are scheduled for approval by the Board and tabled within 15 working days of the due date for the Minister's endorsement (15 October; i.e. it must be tabled by the end of October).

Representatives of ACARA's Executive attend Senate Estimates to respond to questions. ACARA provides details to Commonwealth Department of Education and Training relating to ACARA's outcomes for each financial year for the Portfolio Budget Statements.

Under the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act), ACARA is required, from 2015/16 onwards, to publish a corporate plan for the financial year and three out-years by the end of August. The corporate plan includes the basis for performance information that will be reported in ACARA's annual report (from 2015/16).

ACARA's most recent corporate plan and annual report are available on its website at <http://www.acara.edu.au/news-and-media/publications> . ACARA's most recent Budget Portfolio Statements are available on the Department of Education and Training's website: <https://www.education.gov.au/portfolio-budget-statements-2016-17>.

2.3 Purpose

The purpose of this contract is to assist ACARA to comply with its obligations under the PGPA Act, ACARA Act and other applicable legislation as well as to support it to perform its functions efficiently, effectively and economically. Obligations of ACARA's Board under the PGPA Act include appropriate internal controls and processes in compliance with the finance law and maintaining ACARA's risk management policy and risk management framework. The

consultant is responsible to ACARA, for the conduct of the internal audit program and will be required to provide information to ACARA's external auditors (the Australian National Audit Office and their outsourced provider for audit of ACARA's financial statements) on request.

Role of the Contractor

The contractor is expected to participate as an observer in the Board's Audit and Risk Committee quarterly meetings (anticipated in May, August and November 2017 in Sydney), additional meetings held by the Committee, plan, consult on and conduct an internal audit program and provide independent advice to the Audit and Risk Committee on a range of matters associated with ACARA's internal controls and policies, with a view to supporting appropriate and rigorous processes and procedures and identifying opportunities to improve performance and risk management.

2.4 Scope of project

ACARA requires an internal audit service provider to assess whether ACARA's financial processes and governance arrangements comply with relevant legislation and are aligned with best practice in the public sector, for example the International Standard on Risk Management (ISO 31000).

The internal audit function will be conducted in accordance with the Audit and Risk Committee Terms of Reference (August 2014) (Appendix A) and the Charter for internal audit, including a direct reporting relationship from the Contractor to the Audit and Risk Committee. The Contractor will utilise its own internal audit methodology, consistent with the above.

As part of the internal audit services, the Contractor will be required to:

- Review and update the final third of the 2016/17 internal audit work plan (tentatively, two internal audits, general financial controls and fraud control review) to address any changes agreed with key stakeholders (ACARA management and Audit and Risk Committee)
- Develop a strategic internal audit plan, in consultation with key stakeholders, extending from June 2017 to June 2019 or beyond as well as a more detailed 12-month plan on an annual basis. These plans will need to be reviewed and updated in consultation with key stakeholders. Areas for review may include but are not limited to the following, over the two-year (or longer) period: financial general controls, IT general controls, work, health and safety, specific strategic projects, fraud and corruption awareness and prevention, Business Continuity Plan (BCP) and IT Disaster Recovery Plan (IT DRP) preparedness, privacy and data security, records management, stakeholder engagement and communication, PGPA compliance and enterprise risk management. Some flexibility will be required to meet the changing needs of ACARA and any management or Committee/Board initiated reviews, within the available resources.
- Plan individual internal audits based on consultation with ACARA management and Audit and Risk Committee, and assessment of risks (both strategic and business process), Develop and agree with management,

including timeframes, together with endorsement by the Audit and Risk Committee, the Terms of Reference for each individual review;

- Advise the Audit and Risk Committee and ACARA management of any systemic patterns or trends arising from internal audit work;
- Review status of management actions and report to the Committee;
- Engage collaboratively and professionally with management, Committee and other stakeholders to support continuous organisational improvement;
- Deliver the internal audit services in accordance with industry better practice, including high quality internal audit reports oriented towards supporting continuous organisational improvement.

2.5 Materials to ACARA

At each completion phase of the deliverables outlined above, the Contractor must provide ACARA with quality assured reports in accordance with the standards and format outlined in the Tender submission provided to ACARA by the consultant.

2.6 Communication and Evaluation

The Contractor must communicate regularly with ACARA regarding the status and details of the project and provide written status reports on request.

On request from ACARA the Contractor will be required to provide ACARA with a project evaluation/summary report detailing successful components of the project delivery, any obstacles encountered throughout the development and delivery phase of the project and any areas requiring improvement in the future. At any time throughout the project coordination, development/production, implementation and delivery phase, ACARA may make a request for a project status update, either in a formal format or otherwise (eg verbal). ACARA will provide a template for the project evaluation/summary report.

3. Required Contract Material

(see clause 2.1.1.b)

3.1. The following list of Materials is to be developed by the Contractor under the Contract in which ACARA would retain intellectual property:

Internal audit reports, audit plans, surveys, internal audit terms of reference, status reports.

3.2. Secure deletion of data

The contractor is required to securely delete all ACARA data following the completion of the services.

4. Policies, Standards and Guidelines

The Commonwealth Style Manual, AGPS, Canberra (latest edition);

Australian Standards for Document Management (AS ISO 15489);

Commonwealth Fraud Control Framework - 2014

5. Commencement and Time-frame

(see clause 2.1.1.d)

Commencement Date: March 2017

Note to Tenderers: The timeframe will be confirmed during contract negotiations, and the final timeframe will be included in the Contract. Tenderers should use the following information as the basis for preparing their Tenders. Although ACARA is prepared to discuss changes to the proposed timeframe, it reserves the right not to alter the proposed timeframe.

Time-frame:

Task Name	Start	End
Development of strategic 2017-2019 internal audit plan and 2017/18 audit plan: Based on review of ACARA's risk register, prior internal audit coverage and other assurance coverage.	March 2017	June 2017
Provision of Internal Audit reviews for 2016/17: Ongoing selection of reviews with performance /compliance basis based on agreed priorities for the final third of the 2016-17 Internal Audit plan	March 2017	June 2017
Provision of Internal Audit reviews for 2017/18: Ongoing selection of reviews with performance /compliance basis based on agreed priorities 2017-18 Internal Audit plan	July 2017	June 2018
Development of 2018/19 audit plan: Based on review of ACARA's risk register, prior internal audit coverage and other assurance coverage.	May 2018	June 2018
Provision of Internal Audit reviews for 2018/19: Ongoing selection of reviews with performance /compliance basis based on agreed priorities 2018-19 Internal Audit plan	July 2018	June 2019
Development of 2019/20 audit plan: Based on review of ACARA's risk register, prior internal audit coverage and other assurance coverage.	May 2019	June 2019
Provision of Internal Audit reviews for 2019/20: Ongoing selection of reviews with performance /compliance basis based on agreed priorities for the first half of the 2019-20 Internal Audit plan	July 2019	December 2019
Administration. Includes preparation for audit committee (at least four times per year), follow up and liaison with management. Providing advice (on request) to ACARA's external auditors and Audit and Risk Committee as required.	February 2017	December 2019

6. Invoicing and Payment

(see clauses 2.1.1.e & 3.1.1.c)

Invoices:

Invoices will be issued by the Contractor on delivery of each milestone identified in Item 10.

To be correctly rendered, invoices must include the following information:

- a. the words "tax invoice" stated prominently;
- b. the Contractor's name;
- c. the Contractor's ABN;
- d. ACARA's name and address;
- e. the date of issue of the tax invoice;
- f. the title of this contract and the contract number or purchase order number (if any);
- g. details of fees, allowances and costs including the items to which they relate;
- h. the total amount payable (including GST);
- i. the GST amount shown separately; and
- j. written certification in a form acceptable to ACARA that the Contractor has paid all remuneration, fees or other amounts payable to its Personnel and/or subcontractors involved in performance of the contract.

All claims for allowances or costs must be supported by receipts or other documentation which clearly substantiate the Contractor's entitlement to those allowances or costs.

An invoice is not correctly rendered where:

- a. it includes amounts that are not properly payable under this contract or are incorrectly calculated; or
- b. it relates to a payment in relation to which ACARA has exercised its rights under clause 3.2 of the contract.

All invoices must be addressed to the Project Manager.

Payment

Payment will be made within 30 calendar days after delivery of a correctly rendered invoice. If this period ends on a day that is not a Business Day, the due date for payment is the next Business Day.

Payment will be effected by electronic funds transfer (EFT) to the following bank account of the Contractor: [^]insert details[^]

No payment shall be made against any claim for payment which varies from the agreed scope of work as set out in Item 2 of this Schedule without ACARA's prior consent and written agreement.

7. Project Manager

(see clause 2.2)

^To be completed following selection of the preferred Tenderer^

The Project Manager is the person for the time-being holding, occupying or performing the duties of **^insert position^**, currently **^insert name^**, available on telephone number **^insert number^** or via the address and facsimile number set out in Item 21.

8. Subcontractors

(see clause 2.3)

^To be completed following selection of the preferred Tenderer^

The Contractor may subcontract the performance of parts of the Services as follows:

Part of the Services being subcontracted	Subcontractor	Additional conditions
^insert^	^insert company details^	^insert conditions^
^insert^	^insert company details^	^insert conditions^

9. Specified Personnel

(see clause 2.4)

^To be completed following selection of the preferred Tenderer^

The Contractor agrees that the following work, **^insert details^** will be undertaken by **^insert name^**.

10. Fees

(see clauses 3.1.1.a, 11.1.3.a & 11.1.3.b)

Note to Tenderers: A payment schedule, linked to project milestones and deliverables, will be negotiated with the successful Tenderer. It is anticipated that the payment schedule will cover the following:

^To be completed following selection of the preferred Tenderer^

Instalments:

^Complete table^

Milestone	Description	Date	Payment \$AUD

11. Allowances and Costs

(see clauses 3.1.1.b & 11.1.3.c)

^To be completed following selection of the preferred Tenderer^.

12. Facilities and Assistance

(see clauses 3.1.1.d & 11.1.3.d)

^To be completed following selection of the preferred Tenderer^

13. Required ACARA Material

(see clause 4.1)

^To be completed following selection of the preferred Tenderer^

14. Use of ACARA Material

(see clause 4.1.3)

ACARA Material may only be used for the purposes of providing the Services.

15. Existing Material

(see clause 4.2.2)

^To be completed following selection of the preferred Tenderer^

16. Copyright notice

(see clause 4.2.7)

The copyright notice is set out below:

© 2017 [or appropriate year] Australian Curriculum, Assessment and Reporting Authority (ACARA).

ACARA owns the copyright in this publication. This publication or any part of it may be used freely only for non-profit education purposes provided the source is clearly acknowledged. The publication may not be sold or used for any other commercial purpose.

Other than as permitted above or by the Copyright Act 1968 (Commonwealth), no part of this publication may be reproduced, stored, published, performed, communicated or adapted, regardless of the form or means (electronic, photocopying or otherwise), without the prior written permission of the copyright owner. Address inquiries regarding copyright to:

ACARA

Level 13, Tower B, Centennial Plaza, 280 Elizabeth Street

Sydney

17. Moral Rights

(see clause 4.4)

Permitted Acts

In addition to those set out in clause 4.4.1, the following are 'Permitted Acts' for the purposes of clause 4.4.1.d:

- a. use of the Contract Material for advertising or promotional purposes of any kind;
- b. incorporating the Contract Material into a website, other assessments or as part of a professional development program;
- c. use of the Contract Material in tests and test items including without attribution of the authors of that Material;
- d. editing, contextualising, summarising or truncating the Contract Material for use in tests and test items including without attribution of the authors of that Material or reference to editing of the Material;
- e. associating an item of Contract Material with similar or different items of Contract Material;
- f. use by State and Territory education authorities including the Contract Material in workshop presentations, posters, and other teacher professional development materials; and
- g. publication of tests online on public websites by ACARA and the States and Territories including without attribution of the authors of that Contract Material.

ACARA policy on Moral Rights

None specified.

18. Security Requirements

(see clause 5)

^insert relevant items^

19. Privacy Directions, Guidelines, Determinations or Recommendations

(see clause Error! Reference source not found.)

^insert relevant items^

20. Contractor's Confidential Information

(see clause 8)

(a) Information contained in contract:

Item	Period of Confidentiality
-------------	----------------------------------

^insert relevant items^

(b) Information obtained or generated in performing contract:

Item	Period of Confidentiality
-------------	----------------------------------

^insert relevant items^

21. ACARA's Address for Notices

(see clause 12.1.1.a)

Physical address	Level 13, 280 Elizabeth Street, Sydney, NSW 2000
Postal address	Level 13, 280 Elizabeth Street, Sydney, NSW 2000
Email	info@acara.edu.au
Facsimile	1300 995 468

22. Contractor's Address for Notices

(see clause 12.1.1.a)

Physical address

Postal address

Email

Facsimile

23. Insurance

(see clause 13.3)

Required insurance:

- a. workers' compensation as required by law;
- b. public liability insurance to a value of \$10 million; and
- c. professional indemnity insurance to a value of \$5 million.

24. Applicable Legislation

(see clause 13.11.3)

See AGS Fact Sheet: *Commonwealth legislation that may apply to Australian Government contractors*, available at:

<http://www.ags.gov.au/publications/agspubs/factsheets/index.htm>

25. Applicable Law

(see clause 13.12)

New South Wales

Signatures

SIGNED for and on behalf of)
Australian Curriculum, Assessment)
and Reporting Authority by:)

^Name of signatory^

Signature

In the presence of:

^Name of witness^

Signature of witness

SIGNED for and on behalf of [insert])
by:)

^Name of signatory^

Signature

In the presence of:

^Name of witness^

Signature of witness

AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

Commencement date: August 2014

The ACARA Board is required to establish a Committee in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *PGPA Rule section 17 Audit Committee for Commonwealth Entities*. The Audit and Risk Committee (the Committee) model adopted by ACARA draws on both the PGPA Act and the template provided by the National Australian Audit Office *Better Practice Guide 'Public Sector Audit Committees Part 2'* (31 August 2011).

1. Purpose

- 1.1 The Audit and Risk Committee (**the Committee**) has been established to provide independent advice, assurance and assistance to the Board on ACARA's risk, control and compliance framework, and its external financial statement responsibilities.
- 1.2 The main functions of the Committee are:
 - assisting ACARA and its Board members to comply with the obligations under the PGPA Act and the Australian Curriculum, Assessment and Reporting Authority Act 2008; and
 - providing a forum for communication between the Board, the senior managers of ACARA and the external and internal auditors – the Australian National Audit Office and internal audit service provider, respectively.
- 1.3 These terms of reference set out the Committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

2. Scope

- 2.1 The Board authorises the Audit and Risk Committee, within the scope of its role and responsibilities and with regard for the need to maintain confidentiality, to:
 - obtain any information it needs to perform its functions;
 - discuss any matters with the external auditor, or other external parties, including obtaining external professional advice;
 - request the attendance at Committee meetings of any person who may assist the Committee to perform its functions;

- instigate special audits, investigations and operational reviews as needed;

3. Membership

- 3.1 The Committee will comprise:
 - a) a minimum of three Board members
 - b) between one and two Independent members
 - c) a total membership of five to six members inclusive of the Chair.
- 3.2 Members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of ACARA. At least one member of the Committee will have accounting or related financial management experience with an understanding of accounting and auditing standards.
- 3.3 The Chair of the Committee shall not be the Chair of the Board.
- 3.4 The Committee is authorised to appoint a Deputy Chair who will act as Chair in the absence of the Chair.
- 3.5 A representative of external audit will be invited to attend all meetings of the Committee as an observer.
- 3.6 The Chief Executive Officer (however described), the Chief Financial Officer (however described), the Board Secretary (however described) or other ACARA officers may attend meetings as observers, as determined by the Chair, but will not be members of the Committee.
- 3.7 External expertise may be accessed to assist in the work of the Committee by invitation from the Chair of the Committee.
- 3.8 New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities. In undertaking its work, the Committee will seek to keep abreast of contemporary developments and leading practices in relation to its functions.
- 3.9 Before accepting the position, and on an annual basis, nominees must declare formally, in writing, to ACARA any potential conflicts of interest, (financial, material or partiality interests) directly relating to the purpose of the Committee and members will be asked to confirm and declare any conflict of interest at each meeting given that individuals' circumstances may change.

4. Appointment of members

- 4.1 The Board is responsible for the appointment of Committee members inclusive of the Chair.
- 4.2 Members selected from the ACARA Board will be appointed to the Committee for an initial period not exceeding three years. Members may be re-appointed after a review of their performance, for a further period not exceeding two years, unless otherwise agreed following discussions with the Chair of the Board.
- 4.3 Independent Committee members will be appointed for an initial period not exceeding three years. Members may be re-appointed after a review of their performance, for a further period (a further performance review must be conducted at least every three years).

5. Committee Responsibilities

5.1 Internal and External Audits

To review all audit reports, provide advice to the Board on significant issues identified in internal and external audit reports, and monitor management's implementation of audit recommendations:

- providing advice to the Board on significant issues identified in internal and external audit reports and monitoring of implementation of audit recommendations;
- recommending to the Board the appointment of the internal auditor and ensuring the continual independence of the internal audit;
- overseeing the coordination of audit programs conducted by internal audit and other review functions;
- advising the Board on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit work plan;
- reviewing the internal audit charter and work plan, including audit priorities for the year to ensure appropriate arrangements are in place;
- ensuring that the annual Internal Audit work plan is based on ACARA's Risk Management Plan and recommending approval of the Internal Audit work plan by the ACARA Board;
- periodically reviewing the performance of Internal Audit; and
- providing input on the audit coverage proposed by external audit and provide feedback on the audit services provided.
- making recommendations about the appointment or dismissal of an internal auditor.

5.2 Risk Management

- To review whether the Senior Management of ACARA has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of ACARA's risks.
- To ensure the annual work plan for the Education Council reflects ACARA's risk management plan.
- To monitor the implementation of ACARA's risk management procedures and make recommendations to the Board on risk management.
- To review whether a sound and effective approach has been followed by ACARA in developing strategic risk management plans for major projects or undertakings.
- To review whether a sound and effective approach has been followed in establishing ACARA's business continuity planning arrangements, including the periodical testing of disaster recovery plans.

5.3 Internal control

- To review the adequacy of the organisation's financial management reporting framework in terms of timeliness, accuracy, reliability, and quality of information provided to the Authority for decision making purposes, including budgetary management, control and reporting.
- To review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisors, is sound and effective towards ensuring data reliability, completeness and accuracy. This includes consideration of relevant policies and procedures, and practices aimed at embedding an ethical and lawful workplace culture.
- To satisfy itself that the organisation's accounting policies and practices are documented and that a process exists for the periodic review of those policies and practices.
- To review whether appropriate policies and procedures are in place for the management and exercise of delegations.

5.4 External accountability

- The Committee to satisfy itself that the Financial Statements are supported by appropriate management signoff on the statements & on the adequacy of internal control systems.
- To review the annual financial statements and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Chair of the Board. Consideration should also be given to processes to ensure that public disclosure documents are accurate.
- Review procedures in place to ensure that the financial information in ACARA's Annual Report is consistent with the signed Financial Statements.

5.5 Legislative and policy compliance

- To determine whether management has appropriately considered legal and compliance risks as part of ACARA's risk assessment and management arrangements.
- To review the effectiveness of ACARA's processes for monitoring compliance with relevant laws, regulations and associated government policies.
- To consider the impact of new or amended legislation on ACARA from a risk and compliance perspective.
- To provide advice to the Board regarding ACARA's annual Compliance Report.

5.6 Performance Reporting

- To consider any issues relating to ACARA's performance that the Committee considers warrant review, or are referred to the Committee by the ACARA Board.
- Monitor the standard of non-financial performance information provided to the ACARA Board.

- Review the proposed reporting of ACARA's performance to ensure that the information is consistent with ACARA's reported financial information.

5.7 Financial reporting and financial controls

- In consultation with management and the external auditors where appropriate, review:
 - the accounting policies and practices adopted by ACARA;
 - ACARA's compliance with accounting standards and relevant legislation (including financial delegations – see Appendix A) and suggest any ways these might be improved;
 - reports to the Committee prepared by the internal auditor including the effectiveness of ACARA's internal financial controls and make recommendations to the Board about the appointment or dismissal of an internal auditor;
 - ACARA's financial statement in respect of each financial year and recommend to the Board that they be approved and signed; and
 - any declarations made by the Chief Executive Officer and the Chief Financial Officer in relation to the financial statements, financial records and systems.

5.8 Fraud management

- Evaluate ACARA's exposure to fraud, including reviewing reports from management and internal audit on any major defalcations, frauds, thefts or losses and to recommend actions to prevent any reoccurrence, and make recommendations to the Board.
- Review ACARA's Fraud and Corruption Control Plan and satisfy itself that ACARA has appropriate processes and systems in place to capture and effectively investigate fraud/corruption related information.

6. Meetings

- 6.1 The Committee will meet at least four times per year. A special meeting may be held to review ACARA's annual financial statements.
- 6.2 A quorum will consist of a majority of the Audit and Risk Committee.
- 6.3 The Chair is required to call a meeting if asked to do so by the Board, or another Committee member.
- 6.4 The Committee will develop a forward meeting schedule that includes the dates, location, and proposed agenda items for each meeting for the forthcoming year, that cover all the responsibilities outlined in this charter.

7. Reporting

- 7.1 The Committee will regularly, but at least once a year, report to the Board on its operation and activities during the year. The report must include:

- a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- an overall assessment of ACARA's risk, internal control and legislative compliance framework, including details of any significant emerging risks or legislative changes impacting on ACARA; and
- details of meetings held during the relevant period, and the number of meetings each member attended.

7.2 If any other issue of sufficient importance arises, the Committee may provide an additional report to the Board. An individual Committee member may also request a meeting with the Chair of the Board.

8. Administration

8.1 ACARA's Board Secretariat will be responsible for the provision of secretariat services to the Committee. Services will include:

- circulating supporting papers, after approval from the Chair, at least one week before the meeting; and
- ensuring that the minutes of the meetings are prepared and maintained. Minutes must be approved by the Chair and circulated within two weeks of the meeting to each member and Committee observers, as appropriate.

8.2 ACARA's Board Secretariat will be responsible for the review of the Terms of Reference of the Committee on an annual basis, in consultation with the Board. Any substantive changes to the Terms of Reference will be recommended by the Committee and formally approved by the Board.

8.3 The Chair of the Committee, in consultation with the Chair of the Board, will initiate a review of the performance of the Committee at least once every two years. Unless otherwise determined by the Board, the review will be conducted on a self-assessment basis with appropriate input sought from the Board, the Chief Executive Officer, the internal and external auditors, management and any other relevant stakeholders, as determined by the Chair of the Board.

9. Guiding Principles

9.1 Members of the Committee are expected to understand and observe the legal requirements of the PGPA Act and regulations. Members are also expected to:

- act in the interests of ACARA;
- apply good analytical skills, objectivity and good judgement; and
- express opinions constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry.