

**PLEASE NOTE**

- **ALL SECTIONS MUST BE COMPLETED AND NO SECTIONS REMOVED FROM THIS TEMPLATE**
- **THE LETTER AND SPECIFICATION SHOULD BE COMPLETED BY DFE AND NOT A SUPPLIER**

**Corporate Assurance & Restructuring Directorate (CARD) Framework:  
Forensic Accounting and Investigation Support Services**

**Engagement Letter (Lot 2)**

## **Dorrington Academy Trust**

<b>Engagement Number</b> (to be quoted on all correspondence)	PMO/Lot2/18
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	<b>From</b>	<b>To</b>
<b>Name</b>	DfE  The Secretary of State for Education	Contract:  KPMG
<b>Address</b>	Sanctuary Buildings 20 Great Smith Street London SW1P 3BT	KPMG LLP (UK) 1 Sovereign Square Leeds LS1 4DA
<b>Invoice Address (If different)</b>		
<b>Representative Details</b>	DfE Representative	Contractor's Representative
<b>Name</b>		
<b>Email</b>		
<b>Telephone number</b>		

<b>The Effective Date</b>	Date of signature of this letter by both
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	parties.
<b>The services are expected to be complete by</b>	TBC

## SERVICES

### 1. Scope of the Appointment

DfE will tick the relevant box(es) below to indicate the Services covered by the Engagement and will include additional detail in Annex A. DfE will specify in Annex A which Services are required from the Effective Date of the Call-Off Contract and which Services may be requested by DfE during the term of the Call-Off Contract.

#### A. General Services

Service Name	Required (Y/N)	Service Name	Required (Y/N)
Investigation of data following allegations of suspected fraud	<input type="checkbox"/>	Expert witness services	<input type="checkbox"/>
Background and open source intelligence searches	<input type="checkbox"/>	Investigation of allegations of suspected fraud and/or financial irregularity	<input checked="" type="checkbox"/>
Capture, recovery, and storage of electronic data	<input type="checkbox"/>	Recognising and assessing potential regulatory breaches	<input checked="" type="checkbox"/>
Evidence Gathering	<input checked="" type="checkbox"/>	Forensic accounting and complex financial analysis	<input type="checkbox"/>
Interviews, correspondence, and	<input checked="" type="checkbox"/>	Assessment of evidence and	<input checked="" type="checkbox"/>

Service Name	Required (Y/N)	Service Name	Required (Y/N)
surveys		production of reports to support conclusions reached	
Financial analysis	<input type="checkbox"/>	Any other Investigative services which may be required	<input type="checkbox"/>
Asset Tracing and advice on recovery options	<input type="checkbox"/>		
Reporting findings and conclusions	<input checked="" type="checkbox"/>		
Other Supplementary Activity	<input type="checkbox"/>	Other Details: (Please specify)	

**B. Specialist Services (On request from DfE)**

Service Name	Required (Y/N)	Service Name	Required (Y/N)
Forensic Accounting and Investigation Support	<input type="checkbox"/>		N
Investigation support to other framework lots	<input type="checkbox"/>		N
Expert witness services and assessing quantum on civil claims	<input type="checkbox"/>		N
Other Supplementary Activity	<input type="checkbox"/>	Other Details: (Please specify)	

## 2. Rate Card

Please insert Contractor rate card (which shall not exceed the rate card as set out in the Framework Agreement)

Grade	Role	Hourly Rate £ (Exc VAT)	Daily Rate £ (Exc VAT)
Director/Partner	Director/Partner		
Senior Manager	Senior Manager		
Manager	Manager		
Assistant Manager	Assistant Manager		
Qualified Accountant	Qualified Accountant		
Analyst	Analyst		

## 3. Costs (to be completed by Contractor)

Please provide a breakdown of Contractor resource, time, cost, and total cost and including any discounts applied.

Costs are firm for the scope of the Framework Agreement. Any payment outside of this agreement must be agreed in writing with DfE before the Effective Date and will be in exceptional circumstances only.

## 4. Charges

Clause 14.1 of the Framework Agreement (Charges for Services) determines that Charges for any Services under a Call-Off Contract should be set out in the Engagement Letter and shall be based on the prices set out in schedule 4 of the Framework Agreement (Charging Matrix). The Charges associated with this Engagement shall be as follows:

An estimate of the **cost of undertaking steps 1.1 – 1.4 in the proposal is approximately [REDACTED] (ex VAT and outlays)**. Any additional work required under Phase 1 will be undertaken at the Framework Rates and agreed with you in advance.

As part of the contracting process, KPMG would also request that they include KPMG's standard Forensic Accounting Additional Terms (attached).

## 5. Payment Period (if different from the Call-Off Contract Terms and

**Conditions)**

Monthly

**6. Performance**

Service name	Details
Key Personnel of the Contractor to be involved in the Services (and deliverables)	<div></div> <div></div> <div></div>
Key-Sub-Contractor	N/A
Service period	From date of signature of this letter to TBC
Premises at which the Services are to be provided	Dorrington Academy Trust and KPMG offices as necessary

**Performance Measures:**

**6A. Key Performance Indicators Specific to Call-Off Contract**

Please insert KPIs specific to the assignment

KPI Reference	Service Area	KPI Description	Target
1	Service Delivery	Completion of the examination to a standard satisfactory to the ESFA/DfE.	100%
2	Conflict Of Interest	Ensuring all conflict of interest information is up to date and ESFA/DfE notified of any changes within 72 hours	100%
3	Cost	Contractor must deliver assignment within agreed Engagement Letter fee budget and any overrun costs are to be agreed with ESFA/DfE in advance.	100%
4	Quality	Contractor able to deliver assignment including reporting within Engagement Letter specification requirements.	100%

## Quality Standards:

### 6B. Service Level Agreement (SLA) Specific to Call-Off Contract

Please insert SLAs specific to the assignment

SLA Reference	Service Area	SLA Description	Target
Lot 2 - SLA	Meetings	Attend Contractor Meetings when required. Attend development and operations meetings as required.	% DfE Monitoring
Lot 2 - SLA	Complaints	Ensure complaints procedure is adhered to and main management contact to report all complaints in writing to DfE within 3 business days.	% DfE Monitoring
Lot 2 - SLA	Reporting	Monthly Framework reporting: submit a monthly report by the Tenth Business Day of the month, including any exception events within this report.	% DfE Monitoring

## Management Information (MI) and meetings

### 6C. Meetings and MI specific to Call-Off Contract

Meetings required	Verbal updates will be provided. Formal debrief when investigative work completed and to discuss draft report.
Timing of meetings	TBA
Management Information required	N/A
Management Information deadline	N/A

## 7. Reliance Parties

In accordance with clause 9.1 of the Framework Agreement (Reliance and Disclosure), DfE may request in an Engagement Letter for additional persons to be added as Reliance Parties. For the purpose of this Engagement, the Parties agree that the following should be included as Reliance Parties:

- Not applicable

## 8. Public Disclosure

In accordance with clause 9.1.2 of the Framework Agreement (Reliance and Disclosure), the Parties may agree that certain Deliverables may be made available to the public. For the purpose of this Engagement, the Parties agree that the following Deliverables can be made available to the public:

- Not applicable

## 9. Data Protection

Clause 19.1 of the Framework Agreement (Data Protection) determines that the factual activity carried out by each Party in respect of their data protection obligations under the Framework Agreement shall be set out in the Engagement Letter. For the purpose of this Engagement, DfE shall act as Controller and the Contractor shall act as Processor.

Paragraph 4.3 of Schedule 10 of the Framework Agreement (Processing, Personal Data and Data Subjects) determines that, where Personal Data processing differs from the instructions given in the table within Schedule 11, DfE may include such specific instructions in the Engagement Letter and such instructions will apply in respect of that Call-Off Contract. For the purpose of this Engagement, the following instructions (if populated) shall apply to the Call-Off Contract:

Data Processing descriptor	Narrative
Identity of the Controller and Processor	<p><b>DfE is Controller and the Contractor is Processor</b> The Parties acknowledge that for the purposes of the Data Protection Legislation, DfE is the Controller and the Contractor is the Processor of the following Personal Data:</p> <ul style="list-style-type: none"><li>• Business contact details of Supplier Personnel for which the Supplier is the processor,</li><li>• Business contact details of any directors, officers, employees, agents, consultants and contractors of DfE</li></ul>

	<p>(excluding the Supplier Personnel) engaged in the performance of the DfE duties under the Contract for which DfE is the Controller</p> <ul style="list-style-type: none"> <li>• Personal data relating to staff and volunteers at Dorrington Academy Trust</li> </ul>
Subject matter of the processing	<p>To enable the effective provision of the following services:</p> <p>To manage the framework supplier and to award and manage call off contracts made under the terms of the agreement.</p>
Duration of the processing	<p>The Framework Contract Period and thereafter, until expiry or termination of the last Call-Off Contract under the Framework, including the period until all transactions relating to Call-Off Contracts have permanently ceased.</p>
Nature and purposes of the processing	<p>To facilitate the procurement of Goods and Services from the Framework Contract by the DfE and enable DfE to provide ongoing support and a point of escalation in the day to day management of their individual Call-Off Contracts.</p> <p>Day to day management and performance of obligations under the Framework Contract, including exit management and other associated activities.</p> <p>Personal data relating to personnel of the controller and processor will be collected, stored and used by both parties for communication purposes</p>



	<p>Personal data relating to staff and volunteers at Dorrington Academy Trust will be collected, stored and used by the processor for communication purposes and in pursuant of their investigation.</p>
Type of Personal Data	<p>Personal details of each Party's Personnel engaged in the performance of obligations and day to day management of the Framework Contract:</p> <ul style="list-style-type: none"> <li>• Full name</li> <li>• Job title</li> <li>• Organisation name</li> <li>• Business/workplace address</li> <li>• Business/workplace email address</li> <li>• Business/workplace telephone/mobile number(s)</li> <li>• Supplier Personnel date of birth (when required for security purposes)</li> <li>• Supplier Dun &amp; Bradstreet Data Universal Numbering System (DUNS number)</li> <li>• Registered company details including registered company name, address and company registration number (CRN)</li> <li>• Bank account details for activities related to payment under the Contract Management Information</li> </ul> <p>Personal data of staff and volunteers at Dorrington Academy Trust: name, email address and telephone number</p>

Categories of Data Subject	<p>Personnel data of the Parties involved in the performance of obligations and day to day management of the Framework Contract.</p> <ul style="list-style-type: none"> <li>• Staff (including volunteers, agents, and temporary workers)</li> <li>• customers/ clients</li> <li>• suppliers</li> <li>• students / pupils</li> </ul> <p>Staff and volunteers at Dorrington Academy Trust</p>
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data	<p>Data will be retained for six (6) years after the duration of the processing outlined above and in accordance with the HMG Policy.</p> <p>In accordance with the Core Terms, all DfE data and any copies held by the Supplier must be securely erased once the Processing is complete, unless the Supplier is required by law to retain it.</p>

## 10. Contractor's Proposal

The Contractor shall detail in Annex B how it proposes to perform the Services, as per schedule 4 of the Call-Off Contract (The Contractor's Proposals).

## 11. Confidential Information

In addition to the information stated in Schedule 11 of the Framework Agreement, the following information shall be deemed to be Commercially Sensitive Information (Schedule 3 of the Call-Off Contract):







- Not applicable

Duration that the information shall be deemed Commercially Sensitive Information: 6 years

## Approval and Authority to Proceed



**BY SIGNING AND RETURNING THIS ENGAGEMENT LETTER THE PARTIES AGREE** to enter a legally binding contract with the Contractor to provide to DfE the Services specified in this Engagement Letter incorporating

the rights and obligations in the Call-Off Contract set out in the Framework Agreement entered into by the DfE and the Contractor on 16<sup>th</sup> April 2021.

Name	Title	Signature	Date
<b>DfE:</b> 			10/12/2024
<b>Contractor:</b> 			13/12/2024

**Annex A**

**Contract Specification**

<b>Education Provider</b>	
<b>Name</b>	<b>Dorrington Academy Trust</b>
<b>Address</b>	
<b>Site Contact Details</b>	
<b>Additional Information</b>	<i>The school is a Single Academy Trust (SAT)</i>
<b>Scope of Appointment</b>	
<b>Guidance</b>	<b>Please delete areas which are not required for this Call-Off Contract</b>
<b>Evidence Gathering</b>	As described by KPMG in their proposal at Annex B
<b>Interviews, correspondence, and surveys</b>	As described by KPMG in their proposal at Annex B
<b>Reporting findings and conclusions</b>	As described by KPMG in their proposal at Annex B
<b>Investigation of allegations of suspected fraud and/or financial irregularity</b>	As described by KPMG in their proposal at Annex B
<b>Recognising and assessing potential regulatory breaches</b>	As described by KPMG in their proposal at Annex B
<b>Assessment of evidence and production of reports to support conclusions</b>	As described by KPMG in their proposal at Annex B

reached	
<b>Outputs</b>	
Insert details of any reporting requirements specific to the Call-Off Contract	
As described by KPMG in their proposal at Annex B	

## **Annex B**

### **Contractor Proposal**

#### **Phase 1 – Initial Fact Finding**

We understand from you that Dorrington Academy Trust (the “Trust”) recently entered into two contractual arrangements with its former Chief Executive Officer (“LB”), these being an agreement for LB to provide consulting services to the Trust dated 1 September 2024 (the “Consulting Contract”) and an agreement dated 28 August 2024 for the Trust to indemnify LB against certain claims that may be raised against them by the ESFA, as a result of a recent ESFA investigation (the “Indemnity”).

We will undertake an initial phase of work to seek to establish the facts regarding the approval of the Consulting Contract and the Indemnity by the Trust, including a review of documents already obtained by you and interviews with Academy Trustees. We will consider the information against the contents of The Academy Trust Handbook 2024 to highlight potential areas of non-compliance for you to consider further. We will provide you with a draft written report, the format of which will be agreed with you in advance.

Our work will consist of the following:

##### **1.1 Document Review**

We will conduct a desktop review of documents made available to us via the Galaxkey system on Friday 22 November 2024. Specifically, we will seek to establish the timeline of decision making regarding the Consulting Contract and the Indemnity, and the role of Academy Trustees in this decision making. The documents provided to us and which will form the subject of our review comprise:

- The Consulting Contract.
- The Indemnity.
- Selected email communications between Trust stakeholders.
- Various sets of committee meeting minutes of the Dorrington Academy Trust.

##### **1.2 Interviews (9 individuals)**

We will seek to conduct fact finding interviews with 9 individuals, identified through scoping review of the committee meeting minutes provided to us on Friday 22 November. We will not seek to interview LB or the former Chair of Trustees (“KH”), as we understand that these individuals have left the Trust and have not co-operated with your previous requests for information. These interviews will be undertaken remotely. We will document these interviews in written format and seek to agree the factual content with interviewees.

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##### **1.3 Check to Academy Handbook**

Based upon the results of our desktop review of documents and interviews of key stakeholders as set out above, we will seek to identify areas of potential non-compliance with the requirements of The Academy Trust Handbook 2024.

#### 1.4 Reporting

Based on the outcomes of work performed under scope sections 1.1 - 1.3 above, we will provide you with a written report setting out our findings. Our report will identify areas for potential further work if, based on our experience of similar investigations, we believe this may be beneficial to your investigations.

#### Cost Estimate

All work undertaken will be carried out at the rates agreed under Lot 2 of the Provider Market Oversight (PMO) Framework (the "Framework Rates") as set out in the table below.

Grade	Role	Hourly Rate £ (Exc VAT)	Daily Rate £ (Exc VAT)
Director/Partner	Director/Partner		
Senior Manager	Senior Manager		
Manager	Manager		
Assistant Manager	Assistant Manager		
Qualified Accountant	Qualified Accountant		
Analyst	Analyst		

We estimate **the cost of undertaking steps 1.1 – 1.4 above to be approximately [REDACTED] (ex VAT and outlays)**. Any additional work required under Phase 1 will be undertaken at the Framework Rates and agreed with you in advance.

As part of the contracting process, we would also request that we include KPMG's standard Forensic Accounting Additional Terms (attached) and would be happy to discuss these with you.

#### Phase 2 – Additional Review

We acknowledge that your requirements may change or evolve as our work progresses and fact patterns emerge. We will be happy to work with you to provide an updated scope and budget should you require further support. Based on our experience of investigations of a similar nature, this may involve:

- Undertaking review of additional documents identified during the course of Phase 1, or interviews with additional stakeholders that may support your investigation.
- Undertaking Corporate Intelligence background checks to compile information in relation to named individuals. Such checks may help you to identify previously unidentified relationships between certain individuals and / or entities which present risks in the context of your investigation.
- Undertaking a search and/or review of data sources belonging to key custodians (such as email, local or shared folder documents), to seek to identify factual evidence relevant to your investigation.

Any work required in Phase 2 will be agreed with you in advance and priced at the Framework Rates.



## Additional Terms: Forensic Investigation Services

Where the Services are of a forensic investigative nature, the terms and conditions set out below apply.

### Interviews and enquiry agents

1. In performing the Services, we may, at our discretion, review documents held by, and hold discussions, with individuals inside and outside your organisation, including former employees and suppliers. Any such review or discussions shall not contravene any disciplinary procedure in operation at your organisation notified to us.
2. In performing the Services, we may, at our discretion and at your expense, retain private enquiry agents to make reasonable enquiries.

### Risks and withdrawal

3. We and you shall use all reasonable endeavours to keep confidential the identities of those involved in delivering the Services.
4. Where the Services involve investigations into allegations of dishonesty, those performing the Services may be exposed to personal risks. If continuing to deliver the Services may expose those concerned to risks that we consider to be unreasonable, we may wish to withdraw from some or all parts of the Services. In such event we shall incur no liability for the consequences of any such withdrawal.

### Reporting allegations indemnity

5. You shall indemnify us, our partners, directors, employees and agents and hold us and them harmless against any loss, damage, expense or liability incurred by us or them as a result of, arising from or in connection with any report that we may make to you relating to allegations that may be made by or against any individuals or organisations, whether or not such report is defamatory. This indemnity shall not apply where such loss, damage, expense or liability results from or arises from our negligence, fraud or deliberate breach of duty.

### Breach of confidence indemnity

6. You shall indemnify us, our partners, directors, employees and agents and hold us and them harmless against any loss, damage, expense or liability incurred by us or them as a result of, arising from or in connection with any claim for breach of confidence asserted or made against us relating to documents, data or equipment supplied by you to us. This indemnity shall not apply where any such loss, damage, expense or liability results from or arises from our fraud or deliberate breach of duty.

### Survival on termination

7. Clauses 3, 4, 5 and 6 of these Additional Terms survive expiry or termination of the Agreement.