

**Provider Market Oversight (PMO) Framework: Forensic Accounting and
Investigation Support Services**

Engagement Letter (Lot 2)

Engagement Number (to be quoted on all correspondence)	con_26270
---	-----------

	From	To
Name	DfE The Secretary of State for Education	Contract: KPMG LLP
Address	Sanctuary Buildings, 20 Great Smith Street, London, SW1P 3BT	15 Canada Square London, E14 5GL
Invoice Address (If different)		
Representative Details	DfE Representative	Contractor's Representative
Name	Redacted	Redacted
Email	Redacted Redacted Redacted	Redacted Redacted
Telephone number	Redacted	Redacted

The Effective Date	31/01/2025
The services are expected to be	30/05/2025

complete by	
-------------	--

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 checked="" 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 type="checkbox"/>
Capture, recovery, and storage of electronic data	<input checked="" type="checkbox"/>	Recognising and assessing potential regulatory breaches	<input type="checkbox"/>
Evidence Gathering	<input type="checkbox"/>	Forensic accounting and complex financial analysis	<input type="checkbox"/>
Interviews,	<input type="checkbox"/>	Assessment of	<input type="checkbox"/>

correspondence, and surveys		evidence and 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) Report will be a summary of findings	

B. Specialist Services (On request from DfE)

Not applicable

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	£ Redacted	Redacted
Senior Manager	Senior Manager	£ Redacted	Redacted
Manager	Manager	£ Redacted	Redacted

Assistant Manager	Assistant Manager	£ Redacted	Redacted
Qualified Accountant	Qualified Accountant	£ Redacted	Redacted
Analyst	Analyst	£ Redacted	£ Redacted
Other Staff			
Other Staff			

3. Costs (to be completed by Contractor)

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

Redacted

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:

Not applicable

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

The Contractor shall be entitled to invoice the Charges of work completed as at 20th March 2025, and then if required, a final invoice following completion of the Services to the provision of the summary of the findings which is anticipated to be delivered by the 30th of May 2025.

6. Performance

Service name	Details
Key Personnel of the Contractor to be involved in the Services (and deliverables)	Redacted [REDACTED] [REDACTED]
Key-Sub-Contractor	
Service period	01/02/2025 to 30/05/2025
Premises at which the Services are to be provided	KPMG LLP 15 Canada square, London. E14 5GL

Performance Measures:

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

KPI Reference	KPI Description	Target
KPI 1	KPMG must meet all deadlines as set out in the Engagement Letter and inform DfE at the earliest opportunity of any inability to meet a deadline.	100%
KPI 2	Delivery of assignment within agreed Engagement Letter fee budget and any overrun payments are agreed with Authority in advance	100%
KPI 3	KPMG must ensure complete and accurate data is entered into the completion sheet based on the data available and provided to KPMG.	100%

Quality Standards:

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

SLA Reference	SLA Description	Target
SLA 1	KPMG to respond to any DfE queries within 1 working day	100% DfE Monitoring
SLA 2	KPMG to provide cover for key personnel absence for more than 1 working day, and provide DfE with contact details for cover personnel.	100% DfE Monitoring
	Sharing of interim findings (including numbers of documents assessed, progress against timelines, error rates and twice weekly	
SLA 3	Population of completion sheet by 28 th February for dataset 1, and by 10 th March for dataset 2*	100% DfE Monitoring
	Production of summary of findings by 17 th March	

*This is subject to dataset provided to be of similar content to the sample data provided by DfE. Timelines will be reviewed if actual data provided is materially different to the sample provided.

Management Information (MI) and meetings

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

Meetings required	Contract management – to discuss progress and MI
Timing of meetings	Twice weekly
Management Information required	Numbers of documents assessed, progress against timelines error rates and irregularities identified.
Management Information deadline	Twice weekly

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 USED

8. Public Disclosure

In accordance with clause 9.7 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:

Summary of findings will be shared with our legal representatives and the courts.

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 11 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 the Call-Off Contract:

Document	Storage
Evidence to support Redacted milestone claims, to include offer letters, student undertaking agreements, attendance registers, as set out in the Terms of Reference.	Data will be shared via Galaxkey, which has a retention period of 3 months. Any data required for longer than 3 months should be downloaded. Any data downloaded from Galaxkey must be stored in accordance with the terms of the Framework Agreement as set out above.

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 12 of the Framework Agreement, the following information shall be deemed to be Commercially Sensitive Information (Schedule 3 of the Call-Off Contract):

The information included at Schedule 3 (Commercially Sensitive Information) to the Call-Off Contract and/or listed in or accompanying or attached to the Engagement Letter comprised of information:

- (a) the Charges;
- (b) details of the Contractor's Intellectual Property Rights;
- (c) which is provided by the Contractor to the Contracting Body in confidence for the period set out in the Engagement Letter; or
- (d) any information that would be regarded as commercially sensitive by a reasonable business person relating to:
 - o (i) the business, affairs, plans of the Contractor; and
 - o (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the Contractor.

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 16th April 2021.

Name	Title	Signature	Date
DfE: Redacted [Redacted] [Redacted]	Commercial Lead	Redacted [Redacted] (Jan 31, 2025 15:48 GMT)	Jan 31, 2025
Contractor: Redacted [Redacted]	Director	Redacted [Redacted] (Jan 31, 2025 15:41 GMT)	Jan 31, 2025

Annex A

Contract Specification

[illegible]

2. Redacted

[REDACTED]

3. Redacted

[REDACTED]

██████████

[REDACTED]

	<p>d. Redacted [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>4. Redacted [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>
--	--

Redacted

[REDACTED]

████████████████████

The DfE is therefore seeking a full audit of Redacted claims for milestone payments.

	<p>The objective of this audit will be to allow both DfE and Redacted to reach an evidence-based position on (a) what Redacted may owe to Redacted in respect of services provided, (b) what Redacted may owe Redacted as a result of issues identified and (c) the balance.</p> <p>The below embedded document sets out the documentation requested from Redacted for the purposes of this audit:</p> <p>Redacted</p> <p>The audit will be split into 2 elements, an independent external audit Redacted of the data and its source, and a Redacted internal review (by DfE) based upon that data on whether a payment can be made to the supplier.</p> <p>The below embedded document sets out the Terms of Reference agreed between DfE and KPMG</p> <p>Redacted</p>
Reporting findings and conclusions	<p>Finalised and completed 'Completion Sheet' within the Terms of Reference document to be shared with DfE by Redacted</p> <p>The Completion sheet is to provide the pre-agreed 'Data Points' identifying error rates when the fields have not been identified in the materials provided and, or where patterns of concern have been identified within the extracted data points.</p>
	<p>Summary of findings to be shared with DfE Redacted</p> <ul style="list-style-type: none"> • Final error rates • Number and percentage of claims where no irregularities have been identified • Identified irregularities • Patterns, trends or other irregularities identified, to include those flagged by the GIAA investigation.
Additional Notes	
Outputs	

Insert details of any reporting requirements specific to the Call-Off Contract

Annex B

Contractor Proposal

Set out below is the current anticipated scope of the work that, together with any other services of a similar nature that may in due course be required (and which we can offer), you wish us to perform and your instructions to us as electronic disclosure management advisers to the Client for the purpose of this Engagement (the “**EDM Services**”).

We will base our analysis on the information provided to us, and unless agreed otherwise, we will not seek to verify that information or seek independent confirmation. If information provided to us is inaccurate or incomplete, or if further information comes to light, we may need to repeat aspects of our analysis.

It is anticipated that there will be 4 phases to this engagement. These likely phases are as follows:

Phase 1: Data preservation

In this phase we will be undertaking data receipt and preservation as the data will be provided by DfE to KPMG. The DfE, where possible, provide the data to us in a format and manner such that it can be relied upon in UK court proceedings. We will then validate the data you send to us based solely on the information provided by you.

Phase 2: Data preparation, processing and extraction

- Depending upon the nature of the data secured during the Phase 1, we will assess the data format and volume and work with you to agree the key fields / data points for extraction.
- The data preparation steps may include, but not be limited to, data culling, indexing and/or the extraction of the key data points from the materials provided. It may also include the conversion or parsing of the files into a format compatible with the technology platforms used for indexing and searching of the data during processing phase.
- Once the data has been prepared, we will process the data into Forensic Technology Tools (as specified in appendix C) for analysis. This includes metadata and text extraction, data deduplication. We will also run anomaly file identification such as password protected or corrupted files and provide resolution where possible.

Phase 3: Data analysis and identification

KPMG will leverage the extracted data from phase 2 to conduct a comprehensive data analysis. The scope and basis of this analysis is to be agreed following the results of the data identification and extraction in Phase 2, once the quality and extent of the available data is understood.

Assumptions and client dependencies

When providing the Services we will not perform any management functions, nor make any decisions for you, and while we may provide you with advice, responsibility for all related decisions and their consequences are your responsibility. You must appoint someone of management-level with the skill, knowledge and experience necessary to be responsible for overseeing the Services provided, evaluating their adequacy, establishing and maintaining internal controls and monitoring ongoing activities.

Timetable

We will carry out work in accordance with the timetable agreed from time to time with you. We will seek to complete the work as quickly as possible and will keep you informed of progress during the exercise.

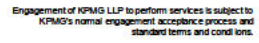
An approach to reporting (frequency and format) will be agreed with you upon confirmation of instructions to proceed. We will use all reasonable endeavours to meet agreed reporting timescales, on the assumption that all relevant information and documentation and access to personnel is made available to us promptly as and when required by us.

Additional Terms

The parties agree that the Additional Terms tailored to the Forensic Technology Tools set out at Appendix C are incorporated into this Engagement.

Redacted

A black rectangular box redacting the content of the document.



Private & Confidential

Redacted

[illegible]

PMO Framework - Lot 2 Engagment Letter V1.0 DFE_KPMG_Dec2024_FINAL

Final Audit Report

2025-01-31

Created:	2025-01-31
By:	Redacted
Status:	Signed
Transaction ID:	CBJCHBCAABAAL6Rwa4ssIW4bqfj7Srpvc0_jPwwk-x06

"PMO Framework - Lot 2 Engagment Letter V1.0 DFE_KPMG_De2024_FINAL" History

-  Document created by Redacted
2025-01-31 - 2:34:43 PM GMT
-  Document emailed to Redacted
2025-01-31 - 2:38:10 PM GMT
-  Email viewed by Redacted
2025-01-31 - 2:47:11 PM GMT
-  Signer Redacted entered name at signing as Redacted
2025-01-31 - 3:41:21 PM GMT
-  Document e-signed by Redacted
Signature Date: 2025-01-31 - 3:41:23 PM GMT - Time Source: server
-  Document emailed to Redacted for signature
2025-01-31 - 3:41:25 PM GMT
-  Email viewed by Redacted
2025-01-31 - 3:46:42 PM GMT
-  Signer Redacted entered name at signing as Redacted
2025-01-31 - 3:48:10 PM GMT
-  Document e-signed by Redacted
Signature Date: 2025-01-31 - 3:48:12 PM GMT - Time Source: server
-  Agreement completed.
2025-01-31 - 3:48:12 PM GMT