

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**

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

Engagement Letter (Lot 2)

Engagement Number (to be quoted on all correspondence)	PMOL215
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	From	To
Name	DfE The Secretary of State for Education	Contract: BDO LLP
Address	St Paul's Place Sheffield S12NJ	Co. House No. OC305127 55 Baker Street, London, W1U 7EU
Invoice Address (If different)	Sanctuary Buildings, 20 Great Smith Street, London, SW1P 3BT	
Representative Details	DfE Representative REDACTED	Contractor's Representative REDACTED
Name	REDACTED	REDACTED
Email	REDACTED	REDACTED
Telephone number	REDACTED	REDACTED

The Effective Date	21/09/2023
The services are expected to be complete by	21/12/2023 – This date is subject to review as we are currently uncertain of the entirety of the work that will be required of the contractor. As their initial phase of work unfolds, a clearer picture will emerge.

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 checked="" type="checkbox"/>
Interviews, correspondence, and surveys	<input checked="" type="checkbox"/>	Assessment of evidence and production of reports to support conclusions reached	<input type="checkbox"/>
Financial analysis	<input checked="" 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 checked="" type="checkbox"/>		
Investigation support to other	<input type="checkbox"/>		

framework lots			
Expert witness services and assessing quantum on civil claims	<input type="checkbox"/>		
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)
Partner		REDACTED	REDACTED
Director		REDACTED	REDACTED
Senior Manager		REDACTED	REDACTED
Manager		REDACTED	REDACTED
Assistant Manager		REDACTED	REDACTED
Qualified Accountant		REDACTED	REDACTED
Analyst		REDACTED	REDACTED

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.

From the contractor:

It is currently difficult to provide a fee estimate for the full investigation due to the nature of the engagement and the potential for some of the allegations to fall away following any initial correspondence with the College. For this reason, we propose an initial fee of <REDACTED> (excluding VAT) for an initial 4 to 5 week part-time phase of work (equivalent to <REDACTED> a week over this period). During this first phase of work ("Phase 1"), we will assist you in preparing questions to be put to the College in a letter in respect of the topics you have instructed us to consider (see the areas noted in Annex B below). As

part of Phase 1 We will also work with you in respect of considering the responses received from the College and agreeing which areas you wish to investigate further. If our time costs for this initial phase of work are less than <REDACTED> then we will charge the lower amount. If costs are likely to be higher than £<REDACTED> we will inform you as soon as is practically possible.

Phase 2 - We will be able to agree a further work plan with you, based on the responses provided in respect of the Phase 1 work, to determine which of the allegations require further investigation. We will be able to provide a further fee estimate for such work once we are in agreement in respect of the allegations which require further investigation. These fees will be additional to the Phase 1 amounts noted above. Our suggested work plan is set out in Annex B.

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:

See Sections 2 and 3 above which detail the cost of works and rates applied.

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

Payment terms in line with call-off contract (30 days).

6. Performance

Service name	Details
Key Personnel of the Contractor to be involved in the Services (and deliverables)	<REDACTED>
Key-Sub-Contractor	N/A
Service period	3 Months
Premises at which the Services are to be provided	It is envisaged that the contractor will work both remotely and at the premises

	of Weston College of Further and Higher Education

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 correct working papers to the authority's satisfactory standard.	100%
2	Service Delivery	Contractor able to deliver services and deliverable/s in the timescale set out in the Engagement Letter. The timescale and ability for the Contractor to complete the work are both dependent on timely access to information and documentation being provided by the College and also being provided with sufficient access to key individuals to be able to carry out the envisaged scope of work. The Contractor will keep the DfE informed on a timely basis where it is expected that the timescales or the scope for the services need to be amended to take account of information access and provision.	100%
3	Conflict of Interest	Ensuring all conflict of interest information is up to date and Authority notified of any changes within 72 hours	100%
4	Cost	Contractor must deliver assignment within agreed Engagement Letter fee budget and any overrun payments are agreed with Authority in advance. As noted above, the Contractor will provide a fee estimate for Phase 2 work following completion of the Phase 1 work.	100%

5	Quality	Contractor able to deliver assignment within Engagement Letter specification requirements and to relevant policy/guidance	100%
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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
			% DfE Monitoring
			% DfE Monitoring
			% DfE Monitoring

Management Information (MI) and meetings

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

Meetings required	Progress updates/reviews throughout the term of the investigation
Timing of meetings	A minimum 1 review per week of activity.
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 9.7 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:

- 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 independent Controller/.

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:

Data Processing descriptor	Narrative
Identity of the Controller and Processor	<p>DfE is Controller and the Contractor is Independent Controller.</p> <p>The Parties acknowledge that for the purposes of the Data Protection Legislation, DfE is the Controller and the Contractor is the Independent Controller of the following Personal Data:</p> <p>The Contractor will be provided with information in relation to any and all learners</p>

	<p>in scope in order to perform sampling of the data. This will include the learners name and unique identifier.</p> <p>The Contractor is an Independent Controller of Personal Data.</p> <p>The Parties acknowledge that the Contractor is Independent Controller for the purposes of the Data Protection Legislation in respect of:</p> <ul style="list-style-type: none"> • Business contact details of Personnel, • Business contact details of any directors, officers, employees, agents, consultants and contractors of DfE (excluding the Contractor Personnel) engaged in the performance of DfE's duties under this Framework Agreement).
Subject matter of the processing	To enable the effective provision of the services as set out in Annex B.
Duration of the processing	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.
Nature and purposes of the processing	Data of a selected sample to be used for testing. Interviews with some of these people will also take place however, we expect them to be contacted via their business contact information as they all work for the college under scrutiny.
Type of Personal Data	Name and unique identifier.
Categories of Data Subject	Learners and employees of the college
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member	Data will be retained for Six (6) years after the duration of the processing outlined above and in accordance with the HMG Policy. 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

state law to preserve that type of data	law to retain it.
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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):

- 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 16th April 2021.

Name	Title	Signature	Date
DfE: [Name]			
Contractor: Sat Plaha	Partner		

Annex A
Contract Specification

Education Provider	
Name	Weston College of Higher & Further Education
Address	Knightstone Road, Weston-Super-Mare BS23 2AL
Site Contact Details	TBC

Additional Information	N/A
Scope of Appointment	
Guidance	Please delete areas which are not required for this Call-Off Contract
Investigation of data following allegations of suspected fraud	
Background and open source intelligence searches	
Capture, recovery, and storage of electronic data	
Evidence Gathering	This will support the report and any conclusions reached in connection with the allegations/concerns.
Interviews, correspondence, and surveys	To correspond with and interview key personnel connected either directly to the allegations/concerns or who appear as learners in the colleges' data submissions that we have concerns over.
Financial analysis	Analysis of relevant financial documentation such as: <ul style="list-style-type: none"> • College Bank Statements • Credit Card Statements • Invoices received and submitted
Asset Tracing and advice on recovery options	

Reporting findings and conclusions	<p>This will enable ESFA / DfE to understand its confidence in the colleges' governing body / leaders.</p> <p>ESFA / DfE should also be equipped to make decisions in respect of funding recoveries and recommendations or referral to other agencies.</p>
Expert witness services	
Investigation of allegations of suspected fraud and/or financial irregularity	BDO to establish via review of financial and other records and via interviews with key personnel whether there is evidence to support any of the individual allegations/concerns.
Recognising and assessing potential regulatory breaches	This should be specific to issues connected to taxation which are alluded to in the allegations.
Forensic accounting and complex financial analysis	To establish if funds have been misappropriated and the potential beneficiaries of this.
Assessment of evidence and production of reports to support conclusions reached	
Any other Investigative services which may be required	
Forensic Accounting and Investigation	

Support	
Investigation support to other framework lots	
Expert witness services and assessing quantum on civil claims	
Additional Notes	
Outputs	
<p>In respect of Phase 1 work, the output will be for the Contractor to assist ESFA in preparing questions to be included in ESFA's letter to be sent to the College in respect of the allegations set out in Annex B.</p> <p>The required output for Phase 2 work will be agreed between ESFA and BDO following the completion of the Phase 1 work and the receipt and review of the responses provided by the College in respect of the questions put to the College in respect of the allegations set out in Annex B.</p>	

Annex B
Contractor Proposal

Received via email on 5th September 2023.

<REDACTED>