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Ms T. van Wyk  
Department of Education  
Private Bag X895  
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Your ref DoE e-Education Initiative

Our ref DoE e-Education Initiative

28 July 2009

Dear Mrs Trudi van Wyk

### **DoE e-Education Feasibility Study**

Our Service Level Agreement dated 16<sup>th</sup> March 2007 in respect the above mentioned project refers. Our deliverable in respect of Treasury Approval I ("TAI") is being delivered to the Department in hard copy and on compact disc.

The purpose of this letter is to support the Department's application for TAI to National Treasury and should not be distributed to any other party. This letter should be used for this purpose only and any person that uses this letter for any other purpose shall do so at own risk.

This letter serves as a statement for information verification and addresses specifically the following: the reasonableness of the information used in the feasibility study, the process whereby the Transaction Advisors collected the information, proof that the information collected and utilized was realistic and sensible, an indication that the assumptions used in developing the PSC and PPP-reference are realistic and appropriate and a statement regarding how an audit trail of all documentation has been established and maintained to date.

### **The reasonableness of the information used for the feasibility study**

Some of the information obtained from department was inconsistent and unreliable from the different database and sources. Reasonable assumptions had to be made by the Transaction Advisors in this regard, all of which were presented to the Department for comment, suggested amendments and approval.

### **The process whereby the Transaction Advisors collected the information**

We collected the data from the department through meetings, workshops and emails with individuals identified by the department as being responsible for the information sought. We also conducted personal interviews with responsible individuals and key staff. Furthermore site visits to the provincial departments were conducted and consultation with SITA.

Policy Board:  
Chief Executive RM Kgosana  
Executive Directors TH Bashall\*, DC Duffield A Hari, TH Hoole FB Leith,  
JS McIntosh, AM Mokgabudi, D van Heerden  
Other Directors LP Fourie, A Jaffer E Magondo PJ Marais CM Read  
T Rossouw Y Suleman (Chairman of the Board),  
A Thunström, JM Vice

The company's principal place of business is at KPMG Crescent,  
85 Empire Road, Parktown where a list of the directors' names is  
available for inspection. \* British

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For relevant market related information we issued an Expression of Interest and contacted market leaders in related service offerings.

**The Institution must show that the information collected and utilised was realistic and sensible.**

The information was collected over a number of months. During monthly Project meetings involving representatives from the Department's and KPMG's Project Teams, the current state of the information retrieval was reviewed, and ways forward agreed for obtaining/clarifying needed information. In some instances, information did not exist, and in such cases, assumptions were discussed and agreed upon. In other cases the most up to date information was two to three years old, this was confirmed and discussed with the Department and used as is.

All information used and assumptions made were presented to the Department for comment, suggested amendments and approval and updated as requested.

**An indication that the assumptions used in developing the PSC and PPP-reference are realistic and appropriate, taking into account observation of past practice, performance, current practice and anticipated future developments.**

The assumptions used in developing both the PSC and the PPP reference model are described in detail in our PSC and PPP reference model discussions, above and in the Annexures to the feasibility report. They were determined based upon our experience gleaned from similar type projects internationally, and in our view, are realistic and appropriate. Our view takes into account our past practices, experience, our collective current practices and our understanding of future developments. Furthermore, the assumptions were agreed and discussed with the specific industry specialist in the relevant fields in meetings and workshops.

**A statement regarding how an audit trail of all documentation has been established and maintained to date, and how it will be managed throughout the project.**

KPMG's risk management policies include the requirement that an official file (or series of files) be maintained by each project manager for each project. That file is subject to internal audit by KPMG.

The contents of each file must contain the following:

- A cover sheet containing
  - The client's name
  - The client's contact details

- Name of the Project
- Project Director details
- Project Manager details
- Conflict and Independence Review
- Sub-contractors contracts and arrangements.
- The Request for Proposals or other tender document by which the project became an assignment.
- An internal risk management form.
- The KPMG proposal.
- The contract by which the assignment was awarded to KPMG.
- The Project Charter.
- Official correspondence to and from the client in terms of the project.
- The Minutes of meetings with the client.
- All Reports filed with the client.
- Working papers.

A list of the contents and documentation of this file is attached as Annexure 13.

Please contact Uven Bunsee (012 431 1344) if you have any questions

Yours faithfully

KPMG Services (Proprietary) Limited



Per U Bunsee  
Director