

**Allocation of Unidentified Gas Expert Update for CoMC 18th May 2022**

This update is in relation to MOD 0782 which proposed that the services of an independent Assessor should be procured to fulfil a role to sit alongside the Incumbent AUG-E (Engage Consulting) with the objective of confirming that the AUG-E were compliant with their obligations as set out within the Framework for the Appointment of an Allocation of Unidentified Gas Expert document and to potentially produce an alternative or second annual statement. The full role of the Assessor was never completely determined within MOD 0782 but would have been a requirement prior to the commencement of any Procurement activities.

In response to MOD 0782, Xoserve’s undertook a further review of their management of engage Consulting. This interim Audit determined that adequate performance and control measures were in place and realised through Monthly performance meetings with the AUG-E. It was Xoserve’s opinion, that Engage Consulting were compliant in their duties.

Following Xoserve’s audit, a report was written and registered with the Joint Office proposing that some minor improvements had been implemented or were in the process of being implemented and a proposal presented recommending the appointment of a retained Xoserve Auditor who could be utilised to undertake a further and more encompassing Audit of Engage Consulting with a timeframe to be detailed.

The Audit recommendation and minor improvements detailed with the published report provided enough comfort for the Proposers of MOD 0782 to withdraw it.

It should be noted that Xoserve’s recommendation to instruct KPMG (retained Auditor) simply constitutes Xoserve’s ability to invoke their Audit rights under the Contract terms with Engage consulting and does not represent any activity that is materially different to Audit obligations and conditions as set out within the Contract terms.

The status of the proposal is set out below:

* AN UPDATED NDA IS IN PLACE BETWEEN XOSERVE AND KPMG
* AN INTRODUCTORY MEETING HAS BEEN CONDUCTED TO HIGHLIGHT KEY PURPOSE AND OBEJECTIVES
* BASED ON THE OUTPUT OF THE INITIAL MEETING KPMG WILL BE PROVIDING AN INITIAL AUDIT SCOPE SUMMARY FOR REVIEW.
* KEY MILSTONES DATES, PURPOSE, AND STRUCTURE WILL BE COMMUNCATED OUT TO CUSTOMERS FOR APPROVAL
* INDICATIVE AUDIT COSTS WILL BE SHARED AHEAD OF ANY INSTRUCTION TO KPMG.

Embedded Documents

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| 1. MOD 0782 |  |
| 1. Xoserve report. |  |