

**Further information in relation to XRN5554 and how the proposal was prepared.
13 October 2022**

In response to:

Ahead of the UNCC meeting to discuss this appeal I believe it would be helpful if we could have some further information in relation to how the proposed cost of the service was arrived at. In particular the extent to which Xoserve market tested the service and sought quotations so we can be assured that the proposed cost of the service is reasonable for an undertaking of this type.

XRN5554 was raised to appoint a recognised external auditor, to undertake an annual detailed review, and report on the incumbent AUGE's compliance. The external auditor we proposed to use for this activity were KPMG. KPMG are Xoserve's retained auditor and therefore deemed to be the most prudent option, especially taking into consideration the required timescale to procure the service. KPMG met all the requirements and had the necessary industry experience to undertake an audit on the AUGE.

Please note, Xoserve have an internal process to procure additional services and the necessary due diligence is always performed. For this specific Change Proposal, we considered recognised external auditor rate cards against KPMG as the Xoserve retained auditor. Based on all of the above, we are confident in the cost provided for this activity.

Kind Regards

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