

Service Provider, Sub-contracting and Resource agreements

Service Provider agreement:

What is a Service Provider agreement?

- A Service Provider agreement is used where KPMG procures services from a third party.
- The services will be for KPMG's benefit and not of the client, i.e KPMG obtain services for their benefit, such as a painting company to paint the buildings, a company that provides us staff to assist with cleaning etc.

Who do you contact for a Service Provider agreement?

- You can contact our Legal and Compliance department (Oloff Van Niekerk, Rakhee Balram, Prabashni Govender, Mark Grobler and Ross Richards).

Sub-contractor agreement:

What is a Sub-contractor agreement?

- A Sub-contractor agreement is used where KPMG assigns a portion of the services in terms of a contract signed between a Client and KPMG to a third party (non-KPMG party), who will be the sub-contractor and who will assist KPMG in rendering the services to the Client. The third party will be contracted for a specific component of the services (sub-contracted services) and will be required to deliver the sub-contracted services in accordance with the provisions of the Sub-contractor agreement, which will govern the relationship between KPMG and the sub-contractor only. The Sub-contractor agreement is subject and conditional upon the Client providing KPMG with consent to use the third party as a sub-contractor.

Important to note:

- Typically, the individuals/organisations acting as sub-contractors have to be cleared/approved on Sentinel/NBA before we can engage with them and are accounted for as a "disbursement" to the project.

Important to note:

- The sub-contractor will not be under the direct supervision/control of KPMG and will not be managed as an employee or resource would be. The sub-contractor works independently, in accordance with the Sub-contractor agreement, and is responsible for providing a deliverable to KPMG which will be incorporated by KPMG into its overall deliverable to the Client.
- You will have to select the appropriate annexures for the Sub-contractor agreement, i.e. the Independent declaration is to be signed and used for work being done on an Audit/assurance client.
- The B-BBEE form needs to be completed as this is captured as procurement spend and is used for our B-BBEE rating.

- Should you need to extend the agreement, an addendum should be completed and signed at least a week or two before the contract ends to avoid network and payment issues.

Process to be followed for the engagement of a sub-contractor who is a natural person/individual:

- A motivation e-mail should be forwarded to the People Partner or PPL at least a week before the start date of the sub-contractor. This should include:
 - Name of person
 - Service line and competency area
 - Name of requesting Director/AD/Manager
 - Duration of contract (start and end date)
 - Rate to be paid
 - Chargeability
 - Charge out rate
- The People Partner or PPL will forward the motivation to National Recruiting, who will ensure that the details are logged on the recruitment system (Kenexa). This will then be routed for the relevant required approvals.
- We will be notified once the motivation has been approved by the relevant parties. The contract or addendum (for extensions) will then be completed by the business unit and signed by the relevant parties.
- The recruiter will send through the Kenexa approval to the PPL, who will ensure that the original contract is returned, along with all supporting documentation and ensure that it reaches support services to be loaded on Oracle.
- These people should submit manual timesheets.
- The contract and supporting documentation is kept at National Recruiting and your relevant recruiter will be able to forward you the relevant documents.
 - The recruiters are:
 - Sharene Loupo (MC)
 - Rani Moodley (ITA)
 - Nelene Sokay (Tax, FRM, Forensics)
 - Mabothe Mojapelo (IARCS)
 - Evelyn Madubanya (Infrastructure and Audit)

Process to be followed for the engagement of a sub-contractor who is a juristic person or legal entity:

Please contact Legal & Compliance (Oloff Van Niekerk, Rakhee Balram, Prabashni Govender, Mark Grobler and Ross Richards) for the engagement of a Sub-contractor who is a juristic person or a legal entity such as a company. They will be able to provide you with the correct guidance.

Resource agreement:

What is a Resource agreement?

- A Resource agreement is used to engage specialist or skilled professionals (either as natural persons/individuals or juristic persons/legal entities) [“Resource”] to assist KPMG in providing services to one or more different Clients and which Resource will work under KPMG’s sole direction, supervision and control.
- The Resource will work under KPMG’s sole control, supervision and guidance similar to how a secondee or employee would work. What is important is that they are not employed on an employment basis but on an independent contracting basis. Unlike a sub-contractor, KPMG directs the Resource in the provision of the services and therefore KPMG takes more responsibility for the Resource’s work and outputs in this type of engagement.
- The Resource receives monthly payment based on agreed hourly/daily/weekly/monthly rates – not linked to a specific deliverables/milestones – but based on approved timesheets.
- No entitlement to additional benefits such as leave, sick leave, medical, provident fund, etc – effectively a “no work, no pay” arrangement.

Important to note:

- Risk management checks can be done, similar to employees going through Kenexa – prior to appointment – similar to an employee – without the need to load them on Sentinel/NBA.
- Accounting as a salary cost in “cost of sales”
- Terms of the contract are to be defined and agreed on by the business unit, i.e. should you want the resource to get paid for public holidays this needs to be specified in the contract.
- Permission from the Client is required before engaging with a Resource.
- You will have to select the appropriate annexures for the contract, i.e. the Resource Independent declaration is to be signed and used for work being done on an Audit/assurance client.
- The BEE form needs to be completed as this is captured as procurement spend and is used for our BEE rating.

- Should you need to extend the agreement, an addendum should be completed and signed at least a week or two before the contract ends to avoid network and payment issues.

Process to be followed for an engagement of a Resource who is a natural person/Individual:

- A motivation e-mail should be forwarded to the People Partner or PPL at least a week before the start date of the contractor or temporary staff member. This should include:
 - Name of person
 - Service line and competency area
 - Name of requesting Director/AD/Manager
 - Duration of contract (start and end date)
 - Rate to be paid
 - Chargeability
 - Charge out rate
- The People Partner or PPL will forward the motivation to National Recruiting, who will ensure that the details are logged on the recruitment system (Kenexa). This will then be routed for the relevant required approvals.
- We will be notified once approved by relevant parties. The contract or addendum (for extensions) will then be completed by the business and signed by the relevant parties.
- The recruiter will send through the Kenexa approval to the PPL, who will ensure that the original contract is returned, along with all supporting documentation and ensure that it reaches support services to be loaded on Oracle.
- These people should submit manual timesheets, unless otherwise specified by the BU
- The contract and supporting documentation is kept at National Recruiting and your relevant recruiter will be able to forward you the relevant documents.
 - The recruiters are:
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 - Rani Moodley (ITA)
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 - Mabothe Mojapelo (IARCS)
 - Evelyn Madubanya (Infrastructure and Audit)

Process to be followed for the engagement of a Resource who is a juristic person or legal entity:

Please contact Legal & Compliance (Oloff Van Niekerk’s team) for the engagement of a resource who is a juristic person or a legal entity such as a company. They will be able to provide you with the correct guidance.

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