

Compliance plan for Lakeland - 2019

Non-compliance	Description		
<p>Audit Ref: 2.1 With: 11.2(1)</p> <p>From: 01-Aug-18 To: 15-Aug-19</p>	<p>The Effective Date for changing an ICPs status to “decommissioned” is incorrect. Incomplete information for a small number of ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are recorded as moderate because some refinement could still be made. PowerNet runs a few reports which monitor the integrity and validity of information in the registry. Audit risk rating is assigned as low because the impact on the settlement outcome is minimal.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Decommission Date – During last year’s audit we learned we had been treating this date incorrectly. We immediately change our processing to loading the correct Event Date. However, is has now been discovered our data tool was ignoring the Event Date. This is being rectified.</p> <p>An error in our data processing tool resulted in a number of ICPs not populating to the registry the Initial Electrical Connection Date, even though the information was received, and operators took required action with it. The error has been rectified and the missing data loaded.</p>		30/09/19	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Corrections of data processing tool as mentioned above.		30/09/19	

Non-compliance	Description		
Audit Ref: 3.4 With: 7(2) of Schedule 11.1 From: 15-Oct-18 To: 09-May-19	2 ICPs were electrically connected without an ICP recorded in the registry Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. Power Net implemented preventative controls in 2017 by altering the new connection process so that new ICPs would only be populated to the registry once acceptance of the ICP was received from the trader. There is a good process in place which has not been followed. Non-compliance has been recorded in a few audits. Audit risk is assigned as low because it is related to a small number of ICPs.		
Actions taken to resolve the issue		Completion date	Remedial action status
A report is being developed to monitor ICP numbers generated in the PowerNet database, but not yet populated to the Registry.		30/9/19	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Finalize reports as above and fully implement regular review of ICP number not yet on the Registry		30/09/19	

Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: 7(2A) of Schedule 11.1</p> <p>From: 01-Aug-18</p> <p>To: 15-Aug-19</p>	<p>Late update of Initial Electrical Connection Date for 19 ICPs</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate because there are some improvements that can be made to them. The number of late updates is the same as identified last year. Audit risk rating assigned as low because the impact on settlement outcomes is low</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Reporting of ICPs to identify anywhere Initial Electrically Connected Date has not been recorded is being reviewed to create improvements. This includes the regularity of running the report, which it appears has fallen away over the year, due to some changes of staff/roles.		30/09/19	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
ICPs identified with no IEC Date are investigated with the connecting agent to ensure future compliance with policy and timely forwarding of information from the field.		Ongoing	

Non-compliance	Description		
Audit Ref: 3.6 With: 11.17 From: 01-Jul-17 To: 31-Jul-18	For 2 ICPs the connection process, as set out in clause 10.31, was not followed Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak because the process for new connections was not followed for 7 ICPs and it was identified during the audit. The Audit risk is assigned as low because it is related to a small number ICPs.		
Actions taken to resolve the issue		Completion date	Remedial action status
Same comments as 3.5		30/09/19	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Same comments as 3.5		Ongoing	

Non-compliance	Description		
<p>Audit Ref: 3.14</p> <p>With: 15 of Schedule 11.1</p> <p>From: 01-Aug-18</p> <p>To: 15-Aug-19</p>	<p>The process of asking the trader who intends to trade at the ICP whether the ICP should continue to have that status was not followed. Number of ICPs with the status “new” and “ready” increased</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate because the process of checking with traders has not been followed. Audit risk rating is recorded as low because a small number of ICPs is affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
In previous years a purge has been carried out which removed a backlog of aged ICPs.		Historic	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Review procedures to ensure this review aged ICPs is carried out regularly		30/11/19	

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 01-Aug-18 To: 15-Aug-19	Registry information not updated within 3 business days Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate. Compliance in this is improved due to stricter processes. Our audit risk rating is low because backdating of price codes has no financial impact, most of them occur within the same billing month. There is no impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
Some updates have been outside of required timeframes due to correction of database processing errors covered in other sections of this audit. PowerNet is cognisant of required timeframes and makes ever endeavor to meet them. In some instances backdating takes precedent for the correctness of data.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above			

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1) of Schedule 11.1 From: 01-Aug-18 To: 15-Aug-19	Lack of information in the registry for a small number of ICPs Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate because some refinement could still be made. PowerNet run a number of reports which monitor integrity and validity of information in the registry. Audit risk rating is assigned as low because the impact on settlement outcomes is minimal (a small number of ICPs)		
Actions taken to resolve the issue		Completion date	Remedial action status
See comments in 2.1 regarding an error in our database affecting IED population to the registry. This error has been resolved.		In progress	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Issues are noted and consideration will be given to any safeguards that can be developed to alert for these or similar situations.		Ongoing	

Non-compliance	Description		
Audit Ref: 4.11 With: 20 of Schedule 11.1 From: 01-Aug-18 To: 15-Aug-19	Effective date of ICPs being decommissioned is the same as the date of update of the registry Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as weak. The process was corrected but it was not followed up to check if the information sent to the registry was correct. Audit risk rating is recorded as low because the impact on the settlement outcome is small		
Actions taken to resolve the issue		Completion date	Remedial action status
See Comments in 2.1			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See Comments in 2.1			

Non-compliance	Description		
Audit Ref: 5.1 With: 21 of Schedule 11.1 From: 01-Feb-19 To: 09-Feb-19	New Loss Factor Code was recorded in the registry late by 19 days Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate. Only one network has been effected by this non-compliance. New Loss Factor has been late, but it has not been used by the reconciliation manager. Audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The requirements of the code are noted to ensure compliance in future.		Ongoing	

Recommendation	Description	Audited party comment	Remedial action
To implement some detective controls and regularly download LIS files to check accuracy and correctness of ICP information	Some information is transferred to the registry incorrectly or not at all		

Recommendation	Description	Audited party comment	Remedial action
<p>To have an acceptance of the ICP from traders “delivered” to a single email address, which is monitored by the administration team.</p> <p>Implement detective controls, which will identify new ICPs for which acceptance was not received or not actioned</p>	A small number of new connections are electrically connected without an ICP recorded in the registry	In previous audits occurrences of ICPs electrically connected with no Proposed Trader were discovered. Therefore processes were changed to withhold the ICP from the Registry until the trader had accepted the ICP. Expectation had been traders would be prevented from progressing the ICP without the Registry record. This has proven not to be the case for particularly TrustPower and resulted in a greater non-compliance	Implement reporting as outlined, and investigate other process changes to create a safeguard from this situation.