

# Compliance plan for VircomEMS ATH – 2020

Provision of Accurate Information		
Non-compliance	Description	
<p>Audit Ref: 2.2</p> <p>With: 10.6 of Part 10</p> <p>From: 01-May-19</p> <p>To: 10-Mar-20</p>	<p>VEMS provided edited certification reports to the auditors, which I consider misleading and deceptive.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: None</p> <p>Breach risk rating: 12</p>	
Audit risk rating	Rationale for audit risk rating	
High	<p>There are no controls in place to ensure information provided to auditors is not misleading or deceptive. Significant trust is placed in a small number of individuals with a high level of responsibility.</p> <p>The impact is significant because the information provided indicates compliance when the correct result is non-compliance. Non-compliance results in Category 2 metering installations over recording kWh because CTs can be operating outside their class. This matter also causes significant reputational harm to VEMS and is likely to affect confidence in the metering industry in general.</p>	
Actions taken to resolve the issue		Completion date
<p>VM accepts the findings raised in this report and has launched an internal investigation. VM will advise the Authority of this investigation and its outcome.</p> <p>The original certification documentation remains unedited in the VEMS system.</p>		30/03/2020
Preventative actions taken to ensure no further issues will occur		Completion date
<p>A quality assurance review was carried out on the end to end certification process leading to new measures being implemented.</p> <ul style="list-style-type: none"> <li>• Clear guidelines introduced to define the process for corrections to certification documentation.</li> <li>• Introduction of new system to improve document control and provide full auditing trail of allowable corrections to ensure compliance.</li> </ul>		30/03/2020
		Identified

ATH Requirements		
Non-compliance	Description	
<p>Audit Ref: 2.5</p> <p>With: Clause 10.41 of Part 10</p> <p>From: 01-May-19</p> <p>To: 10-Mar-20</p>	<p>VEMS has not acted professionally in relation to the audit process and when dealing with auditors. Edited certification reports were provided to auditors, indicating a higher level of compliance than was actually achieved.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: None</p> <p>Breach risk rating: 12</p>	
Audit risk rating	Rationale for audit risk rating	
High	<p>There are no controls in place to ensure the audit process is approached in a professional way. Significant trust is placed in a small number of individuals with a high level of responsibility.</p> <p>The impact is significant because the information provided indicates compliance when the correct result is non-compliance. Non-compliance results in Category 2 metering installations over recording kWh because CTs can be operating outside their class. This matter also causes significant reputational harm to VEMS and is likely to affect confidence in the metering industry in general.</p>	
Actions taken to resolve the issue		Completion date
<p>VM accepts the findings raised in this report and has launched an internal investigation. VM will advise the Authority of this investigation and its outcome.</p> <p>The original certification documentation remains unedited in the VEMS system.</p>		30/03/2020
Preventative actions taken to ensure no further issues will occur		Completion date
<p>A quality assurance review was carried out on the end to end certification process leading to new measures being implemented.</p> <ul style="list-style-type: none"> <li>• Clear guidelines introduced to define the process for corrections to certification documentation.</li> <li>• Introduction of new system to improve document control and provide full auditing trail of allowable corrections to ensure compliance.</li> </ul>		30/03/2020
		Identified

Participants to give access		
Non-compliance	Description	
Audit Ref: 2.16 With: Clause 16A.4 From: 15-Feb-20 To: 13-Mar-20	29 certification reports not received within 15 business days. Potential impact: Medium Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as weak. The process for obtaining certification reports has been problematic for several years. The impact is low because I had other records to evaluate.	
Actions taken to resolve the issue		Completion date
VM accepts this non-compliance. The process for retrieval of certification documentation is very manual. For future requests, dedicated resource will be assigned to ensure the 15-day rule is complied with.		In Place
Preventative actions taken to ensure no further issues will occur		Completion date
VM will prioritize this task and assign resource to extract certificates and commissioning documentation for future audits.		In place
		Identified

Metering Installation Type		
Non-compliance	Description	
Audit Ref: 3.2 With: Clause 8(2) of Schedule 10.7 From: 09-Dec-19 To: 13-Mar-20	HHR/NHH flag not populated for ICP 0000029754CH9E8. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are recorded as strong because they minimise risk to an acceptable level. The impact on settlement and participants is minimal; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
This particular ICP will be corrected. Overall the process is working.		30/04/2020
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		30/04/2020

ATH Record Keeping Requirements		
Non-compliance	Description	
<p>Audit Ref: 3.7</p> <p>With: Clause 12 of Schedule 10.4</p> <p>From: 01-Mar-19</p> <p>To: 10-Mar-20</p>	<p>Records not stored in such a way that they cannot be edited.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: None</p> <p>Breach risk rating: 12</p>	
Audit risk rating	Rationale for audit risk rating	
High	<p>There are no controls in place to ensure records cannot be altered.</p> <p>The impact is significant because the information provided to me for the audit indicates compliance when the correct result is non-compliance. This matter causes significant reputational harm to VEMS and is likely to affect confidence in the metering industry in general.</p>	
Actions taken to resolve the issue		Completion date
<p>VM believes this clause allows editing of documentation but there must be a clear audit trail of changes. The introduction of Jira Service desk creates a clear audit trail of any changes which we believe now makes our process compliant. All documents are stored securely in restricted access systems.</p> <p>Schedule 10.4, clause 12: ATH record keeping and documentation</p> <p>(1) An ATH must ensure it documents and maintains a record system for all records, certificates, and reports for any activity regulated under this Part.</p> <p>(2) An ATH must ensure that—</p> <p>(a) all its records, certificates, and reports are stored securely;</p>		In place
Preventative actions taken to ensure no further issues will occur		Completion date
<p>A quality assurance review was carried out on the end to end certification process leading to new measures being implemented.</p> <ul style="list-style-type: none"> <li>Clear guidelines introduced to define the process for corrections to certification documentation.</li> <li>Introduction of new system to improve document control and provide full auditing trail of allowable corrections to ensure compliance.</li> </ul>		In place
		Identified

Advise MEP of Records, Certificates or Reports for a Metering Installation		
Non-compliance	Description	
Audit Ref: 3.9 With: Clause 14 Of Schedule 10.4 From: 01-Feb-19 To: 31-Dec-19	24 of 30 records sent late to the MEPs Potential impact: Medium Actual impact: Medium Audit history: Medium Controls: Weak Breach risk rating: 6	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	The controls are recorded as weak because they do not ensure records are provided to MEPs within the allowable timeframe most of the time. The impact is that MEPs can end up being non-compliant with their registry responsibilities and traders can have billing and submission re-work. The impact is moderate, therefore the audit risk rating is medium.	
Actions taken to resolve the issue		Completion date
VM accepts this non-compliance and is working to improve the delivery of records to MEPs.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
VM monitor this KPI daily with all ATHs, and it is an agenda item in the weekly meeting with each ATH.		Ongoing
		Identified

Data Storage Device Certification			
Non-compliance	Description		
<p>Audit Ref: 4.12</p> <p>With: Clause 5 of Schedule 10.8</p> <p>From: 01-Jan-12</p> <p>To: 10-Mar-20</p>	<p>301 data storage devices certified when they don't comply with the Code, as recorded in the type test report.</p> <p>Calibration reports not checked as recorded in Section 5.57.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>The controls are recorded as weak because although type test reports are obtained by VEMS, it doesn't appear they are checked in sufficient detail to determine compliance.</p> <p>The impact on settlement is minor because interrogation occurs daily, but when power is lost then restored there is a risk of losing data for a small number of ICPs. The greater impact is on ARC Innovations, because it appears the certification of Generation 2 data storage devices may be invalid.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The data storage devices specified in this non-compliance are the subject of an alleged self-breach by VM, which is currently sitting with the Electricity Authority for review and/or further investigation. VM cannot comment further on this issue until the Authority has made its determination.		Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
As above.		Ongoing	

ATH Must Not Certify Metering Installations under Certain Circumstances			
Non-compliance	Description		
<p>Audit Ref: 5.1</p> <p>With: Clause 8(1) Of Schedule 10.7</p> <p>From: 01-Feb-19</p> <p>To: 13-Mar-20</p>	<p>33 Category 2 metering installations certified with burden lower than 25% of the rated burden.</p> <p>One Category 1 installation certified without any test results recorded.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	<p>The controls are recorded as weak because they are not sufficient to identify situations of non-compliance.</p> <p>The impact on settlement could be moderate and the impact on MEPs is moderate because certification is cancelled, leading to non-compliance for the MEP in addition to non-compliance for VEMS; therefore, the audit risk rating is medium.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The subject of CT burdening has been a hot topic in the industry over the past few years. No one disputes that when CTs are installed or a site is certified using selected component, burdening must occur. The confusion is around the wording in the Code when applying comparative certification, where the specific clause does not specify testing of the CTs. An industry wide forum in April 2019, hosted by the Authority to resolve this topic, failed to do so. The Authority took away an action from that forum to get legal interpretation of that clause, however, this has not eventuated, leaving the industry in limbo.</p> <p>VEMS has decided to apply burdening to all metering installations whether fully, selected, or comparative certified.</p>		In place	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
VEMS is now applying burdening to all CTs including when comparative certified.		In place	



Test Results			
Non-compliance	Description		
Audit Ref: 5.16 With: Clause 10(1) & (2) of Schedule 10.7  From: 01-Jan-12 To: 10-Mar-20	33 installations certified with low burden. 301 installations certified despite the data storage device failing type testing. Potential impact: High Actual impact: High Audit history: None Controls: Weak Breach risk rating: 9		
Audit risk rating	Rationale for audit risk rating		
High	The controls are recorded as weak because they don't identify instances of non-compliance prior to certification being applied.  There is an impact on settlement because CTs over record with low burden. There is a significant impact on MEPs because certification is cancelled for these installations, leading to re-work and the possibility of additional audit overhead.		
Actions taken to resolve the issue		Completion date	Remedial action status
The two issues associated with this non-compliance have been discussed in depth in earlier non-compliances.  1. Certifications for the 33 installations will be cancelled and jobs will be raised to revisit and recertify these meters.  VEMS has decided to apply burdening to all metering installations whether fully, selected, or comparative certified.  2. 301 installations are certified despite the data storage device failing type testing.  This issue is the subject of a self-breach by VM and is currently with the Authority for investigation. VM will not make any comment on this issue until the Authority has made its determination.		30/04/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
VEMS is now applying burdening to all CTs including those that are comparative certified.		In place	

Selected Component - Circumstances Where Method May Be Used		
Non-compliance	Description	
<p>Audit Ref: 5.18</p> <p>With: Clause 11(4) of Schedule 10.7</p> <p>From: 01-Jan-12</p> <p>To: 13-Mar-20</p>	<p>482 installations certified as HHR despite the data storage devices not being accurate or fit for purpose.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>	
Audit risk rating	Rationale for audit risk rating	
High	<p>The controls are recorded as weak because data storage devices have been certified for many years despite not being suitable for recording HHR.</p> <p>The impact on settlement is major because each HHR interval has a different price and consumption is being recorded in the incorrect intervals. There is also a major impact on the MEP because certification is cancelled. The other major impact is on retailers due to inaccurate invoicing and because they may need to arrange for displacement.</p>	
Actions taken to resolve the issue		Completion date
The data storage devices specified in this non-compliance are the subject of an alleged self-breach by VM, which is currently sitting with the Electricity Authority for review and/or further investigation. VM cannot comment further on this issue until the Authority has made its determination.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		Ongoing
		Investigating

Fully Calibrated – Use Meter Class Accuracy		
Non-compliance	Description	
<p>Audit Ref: 5.24</p> <p>With: Clause 13(7) Of Schedule 10.7</p> <p>From: 01-Mar-18</p> <p>To: 28-Feb-19</p>	<p>Meter measured accuracy used instead of meter class accuracy for fully calibrated installations.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>I have rated the controls as strong because compliance is achieved with ISO 17025.</p> <p>There is no impact on settlement or other participants therefore the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
VEMS is compliant with ISO17025, however, the Code and ISO17025 are at odds so we are unable to comply with both simultaneously.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		Ongoing
		Disputed

Burden & Compensation		
Non-compliance	Description	
<p>Audit Ref: 5.40</p> <p>With: Clause 31 Of Schedule 10.7</p> <p>From: 01-Apr-18</p> <p>To: 13-Mar-20</p>	<p>VEMS has not confirmed the accuracy of CTs when the in-service burden is lower than the lowest test point recorded in the IEC standard.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are recorded as moderate because there is room for improvement in order to identify and resolve such situations.</p> <p>The impact on settlement could be moderate and the impact on MEPs is moderate because certification is cancelled, leading to non-compliance for the MEP in addition to non-compliance for VEMS; therefore, the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
<p>The subject of CT burdening has been a hot topic in the industry over the past few years. No one disputes that when CTs are installed or a site is certified using selected component, burdening must occur. The confusion is around the wording in the Code when applying comparative certification, where the specific clause does not require testing of the CTs. An industry wide forum in April 2019, hosted by the Authority to resolve this topic, failed to do so. The Authority took away an action from that forum to get legal interpretation of that clause, however, this has not eventuated, leaving the industry in limbo.</p> <p>VEMS has decided to apply burdening to all metering installations whether fully, selected, or comparative certified.</p>		In place
Preventative actions taken to ensure no further issues will occur		Completion date
VEMS is now applying burdening to all CTs including when comparative certified.		In place
		Identified

Alternative Certification		
Non-compliance	Description	
<p>Audit Ref: 5.41</p> <p>With: Clauses 32(2), (3) and (4) of Schedule 10.7</p> <p>From: 22-Oct-19</p> <p>To: 11-Mar-20</p>	<p>Invalid alternative certification applied.</p> <p>Potential impact: Medium</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	
<b>Low</b>	<p>I have recorded the controls as moderate because most alternative certification was applied correctly. Alternative certification should not have been applied to this installation without records confirming that access could not be obtained to the measuring transformers.</p> <p>The certification report records that the installation is likely to be accurate. The audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
VEMS will investigate why an alternative certification was applied in this case. If it can be determined that there were no access issues, the certification will be cancelled.		30/05/2020
Preventative actions taken to ensure no further issues will occur		Completion date
VM will remind field staff about the requirements for applying alternative certification.		30/05/2020

Data storage device requirements			
Non-compliance	Description		
<p>Audit Ref: 5.45</p> <p>With: clause 5(1) of Schedule 10.8</p> <p>From: 01-Jan-12</p> <p>To: 13-Mar-20</p>	<p>482 installations certified as HHR despite the data storage devices not being accurate or fit for purpose.</p> <p>301 data storage devices certified when they don't comply with the Code, as recorded in the type test report.</p> <p>Potential impact: High</p> <p>Actual impact: High</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 9</p>		
Audit risk rating	Rationale for audit risk rating		
High	<p>The controls are recorded as weak because data storage devices have been certified for many years despite not being suitable for recording HHR.</p> <p>The impact on settlement is major because each HHR interval has a different price and consumption is being recorded in the incorrect intervals. There is also a major impact on the MEP because certification is cancelled. The other major impact is on retailers due to inaccurate invoicing and because they may need to arrange for displacement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The data storage devices specified in this non-compliance are the subject of an alleged self-breach by VM, which is currently sitting with the Electricity Authority for review and/or further investigation. VM cannot comment further on this issue until the Authority has made its determination.		Ongoing	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
As above.		Ongoing	

Calibration of Metering Components Where Relevant		
Non-compliance	Description	
<p>Audit Ref: 5.57</p> <p>With: Clause 7(1) Of Schedule 10.4</p> <p>From: 01-Mar-19</p> <p>To: 11-Mar-20</p>	<p>Calibration reports not checked for installations where VM is not the MEP.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as weak because there doesn't appear to be a check to ensure calibration reports are obtained and checked.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
VEMS will obtain calibration reports for installations where VM is not the MEP in the same vein as it does for installations where VM is the MEP.		30/05/2020
Preventative actions taken to ensure no further issues will occur		Completion date
VEMS will apply the same process that it does for installations where VM is the MEP. This involves receiving and checking that metering is calibrated prior to certifying a metering installation.		30/05/2020
		Identified

Requirement for Calibration of Metering Components		
Non-compliance	Description	
<p>Audit Ref: 5.58</p> <p>With: Clause 7(2) Of Schedule 10.4</p> <p>From: 01-Mar-19</p> <p>To: 11-Mar-20</p>	<p>Calibration reports not checked for installations where VM is not the MEP</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>The controls are recorded as weak because there doesn't appear to be a check to ensure calibration reports are obtained and checked.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>	
Actions taken to resolve the issue		Completion date
VEMS will obtain calibration reports for installations where VM is not the MEP in the same vein that it does for installations where VM is the MEP.		30/05/2020
Preventative actions taken to ensure no further issues will occur		Completion date
VEMS will apply the same process that it does for installations with VM as the MEP. This involves receiving and checking that metering is calibrated prior to certifying a metering installation.		30/05/2020
		Identified



Measuring Transformers In-Service Burden Lower Than Calibration Test Point Burden		
Non-compliance	Description	
<p>Audit Ref: 5.67</p> <p>With: Clause 2(1)(C) Of Schedule 10.8</p> <p>From: 01-Apr-18</p> <p>To: 13-Mar-20</p>	<p>VEMS has not confirmed the accuracy of CTs when the in-service burden is lower than the lowest test point recorded in the IEC standard.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are recorded as moderate because there is room for improvement in order to identify and resolve such situations.</p> <p>The impact on settlement could be moderate and the impact on MEPs is moderate because certification is cancelled, leading to non-compliance for the MEP in addition to non-compliance for VEMS; therefore, the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
<p>The subject of CT burdening has been a hot topic in the industry over the past few years. No one disputes that when CTs are installed or a site is certified using selected component, burdening must occur. The confusion is around the wording in the Code when applying comparative certification, where the specific clause does not require testing of the CTs. An industry wide forum in April 2019, hosted by the Authority to resolve this topic, failed to do so. The Authority took away an action from that forum to get legal interpretation of that clause, however, this has not eventuated, leaving the industry in limbo.</p> <p>VEMS has decided to apply burdening to all metering installations whether fully, selected, or comparative certified.</p>		In place
Preventative actions taken to ensure no further issues will occur		Completion date
VEMS is now applying burdening to all CTs including when comparative certified.		In place
		Identified

Provide Inspection Report to MEP		
Non-compliance	Description	
Audit Ref: 6.4 With: Clause 44(3) Of Schedule 10.7 From: 01-Mar-19 To: 13-Mar-20	One inspection report sent late. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because there is room for improvement. The impact on MEPs is minor; therefore, the audit risk rating is low.	
Actions taken to resolve the issue		Completion date
VEMS accepts the non-compliance but does not agree that a single ICP inspection report sent late requires 'moderate' controls. We believe this only requires 'low' controls.		Ongoing
Preventative actions taken to ensure no further issues will occur		Completion date
VM, will continue to monitor paperwork returns to ensure VEMS is fully compliant.		Ongoing

Testing of Faulty Metering Installations		
Non-compliance	Description	
<p>Audit Ref: 7.2</p> <p>With: Clause 10.43(3) of Part 10</p> <p>From: 01-Mar-18</p> <p>To: 13-Mar-20</p>	<p>MEP not notified that at least 33 metering installations with low burden are not fit for purpose and therefore have cancelled certification.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 4</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Medium</b>	<p>The controls are recorded as moderate because there is room for improvement in order to identify and report on such situations.</p> <p>The impact on settlement could be moderate and the impact on MEPs is moderate because certification is cancelled, leading to non-compliance for the MEP in addition to non-compliance for VEMS; therefore, the audit risk rating is medium.</p>	
Actions taken to resolve the issue		Completion date
<p>VEMS accepts this non-compliance. We did not inform the MEP because we were not aware the installations should be cancelled.</p> <p>As stated above, VEMS has decided to apply burdening to all metering installations whether fully, selected, or comparative certified. Going forward, this will not be an issue.</p>		In place
Preventative actions taken to ensure no further issues will occur		Completion date
As above.		In place
		Identified