

# Technology and information security

## Authority monitoring of MOSPs

Security and Reliability Council

26 October 2023

# Summary of commercial management activities

Activities undertaken to oversee the Market Operations Service Providers

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## Contract governance

- Annual reviews
- Work programme oversight – subgroups monitoring delivery
- Management oversight – senior responsible owner
- Board oversight – Market Operations Committee
- System oversight – MBIE significant service reporting

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## Performance management

- Monthly, quarterly and annual reporting
- Maintenance reports
- Key performance indicators, performance measures, service levels
- Request adhoc reports

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## Relationship management

- Informal meetings
- Formal review meetings
- Contract management plans
- Designated contract managers & subject matter experts
- Established contact & escalation points

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## Risk management

- Risk management plans
- High level risk assessments, security risk assessments, security penetration testing\*
- Annual audits & business assurance audits
- Request adhoc audits
- Industry exercises\*

\* Activities specific to certain agreements

## General reporting, reviews, and audits

### Monthly self reviews

- MOSP conducts a monthly self review of its performance (focus on compliance with Code and contract).
- MOSP prepares a written report for the Authority on the results of the review. Must contain details of circumstances in which the MOSP failed to comply with obligations, and any other matters the Authority requires.

### Monthly meetings

- Each MOSP meets with the Authority at least once per month.

### Annual review

- Authority reviews each MOSP's performance.

### Audits

- The Authority may conduct audits of the Provider's performance of the services.
- The MOSP must conduct an audit of systems and processes every three years.

## Software specs and audits

### Software specification

- Software specification for all software to be used by a MOSP must be described in the MOSP agreement.
- Each MOSP must ensure that its software performs in accordance with the relevant software specification and the Code.

### Audit scope

- Software that the MOSP agreement requires the MOSP to use.
- Not inclusive of wider ICT environment

### Audit

- Each MOSP must arrange and pay for an auditor approved by the Authority to carry out an audit of:
  - all software and software specifications to be used by the MOSP (before any software is first used by the MOSP)
  - all software used by the MOSP (on an ongoing annual basis) and
  - any changes to the software or the software specification, before it is used by the MOSP.
- Results are then reported to the Authority – an opinion as to the performance (including likely future performance) of all of the software in accordance with the software specification.

## Business continuity plans

Each MOSP must put in place and comply with:

- business continuity plans for any unplanned interruption to the MOSP's ability to provide the services
- back-up procedures for all data and processed data held by the MOSP that comply with the non-functional specification.

The BCP must:

- be aligned with ISO standards
- be regularly tested (at least annually) and the results reported to the Authority.

Back-up copies of the software to be kept off-site in a location at least 100 kilometres from the MOSP's premises.

# Ongoing development and assurance

## Contractual tools

Each contract varies, but typically requires:

- industry best practice and ongoing development
- continued investment in systems and processes – typically paid for by the Authority as capital expenditure

## Expert advice

Third party experts retained as required to give expert assistance / assurance

## Governance oversight and reporting

- SOC – considered the system operator's:
  - annual IT security assurance
  - risk register and bowties
- MOC – continues SOC's work, and will expand to include all MOSPs

## Future enhancements

- New procurements will include more stringent IT security clauses
- Annual industry exercises – potential for ICT and more MOSPs to be in scope