

## Compliance plan for Switch Utilities 2020

Title: Relevant information		
Non-compliance	Description	
Audit Ref: 2.1 With: Clause 10.6, 11.2, 15.2 From: 01-Jul-18 To: 21-Jan-20	Some errors found in registry data. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as moderate as they are sufficient to mitigate risk most of the time, but there is room for improvement. The audit risk rating is low as the overall volume of ICPs affected is low.	
Actions taken to resolve the issue		Completion date
Since the last audit we made improvements to the process for administering status updates to reduce the number of status mismatches which seems to have had some effect (in particular, the monitoring of inactive sites with consumption) Based on auditor feedback we will be building additional validation alerts from the NOT files which we import to flag other actions required (such as PV1/gifting notifications).		06/2020 (new validation reports)
Preventative actions taken to ensure no further issues will occur		Completion date

Title: Audit trails			
Non-compliance	Description		
<p>Audit Ref: 2.4</p> <p>With: Clause 21 Schedule 15.2</p> <p>From: 01-Jun-18</p> <p>To: 21-Jan-20</p>	<p>EDMI's IE2 and DQM audit trails do not record the operator identifier for the person who completed the activity; operator identifiers correspond to a user group not an individual.</p> <p>The DRS/MDMS audit logs do not record the individual who imported information into the database.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are rated as strong and the impact as low.</p> <p>Audit trails are available and contain the required information, but the person who processed the change is not identifiable within the audit trail. A small number of users have access to the affected systems.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We note the auditors feedback and will monitor EDMIs audit trails.		MDMS – 03/2020	Identified
We are making updates to the MDMS system to add additional audit logging. We are reviewing with our developer how such changes could be implemented in DRS.		DRS - TBC	
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Electrical Connection of Point of Connection	
Non-compliance	Description
<p>Audit Ref: 2.11</p> <p>With: Clause 10.33A</p> <p>From: 30-Jan-19</p> <p>To: 01-Oct-19</p>	<p>Five bridged ICPs were not re-certified on unbridging.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong, because meter certification is an MEP responsibility and Switch Utilities sometimes cannot achieve compliance.</p> <p>The impact is assessed to be low because a small number and proportion of meters were not certified within the timeframes and all were certified at a later date. Uncertified metering installations are likely to be less accurate than certified metering installations, so there could be a minor impact on settlement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We will provide further training to our teams, and ask them to follow up with metering equipment providers to remind them of the need to complete recertification.		03/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Changes to registry information			
Non-compliance	Description		
<p>Audit Ref: 3.3</p> <p>With: Clause 10</p> <p>Schedule 11.1</p> <p>From: 02-Apr-19</p> <p>To: 16-Dec-19</p>	<p>167 late status updates to active.</p> <p>111 late status updates to inactive.</p> <p>Nine late trader updates.</p> <p>Two late ANZSIC code updates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three 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 they are adequate to ensure that the registry is updated on time most of the time, but there is room for improvement. Recent changes to decentralise registry management by brand appear to have improved the timeliness of updates.</p> <p>The risk is low as most updates were completed on time or soon after they were due, unless they were backdated corrections.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have identified that the primary cause of this issue was staff absence/leave and a lack of backup resources. We are cross-training our larger consumer provisioning team to assist with field service paperwork to improve the timeliness of registry updates.		4/2020	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	

Title: Provision of information to the registry manager		
Non-compliance	Description	
<p>Audit Ref: 3.5</p> <p>With: Clause 9 Schedule 11.1</p> <p>From: 04-Feb-19</p> <p>To: 07-May-19</p>	<p>Five late status updates to “active” for new connections.</p> <p>Two newly connected ICPs had incorrect “active” status event dates applied.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Weak</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are rated as weak, because none of the status updates to active were processed on time, and two of the seven updates to active status were processed with errors.</p> <p>The risk rating is low, Switch Utilities ceased completing new connections during the audit period, and no new connections were completed after May 2019. Submission data is revised once late updates are completed, and corrections are processed.</p>	
Actions taken to resolve the issue		Completion date
We have ceased new connections since May 2019 as noted by the Auditor.		Cleared
Preventative actions taken to ensure no further issues will occur		Completion date

Title: ANZSIC codes		
Non-compliance	Description	
<p>Audit Ref: 3.6</p> <p>With: Clause 9 (1(k) of Schedule 11.1</p> <p>From: 16-Dec-19</p> <p>To: 21-Jan-20</p>	<p>ICP 0009725850CNA35 temporarily had a T99 series ANZSIC code applied.</p> <p>Incorrect ANZSIC codes were assigned for at least 16 ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	<p>Controls are moderate, because all ANZSIC codes are checked upon customer sign up but there was evidence that some ANZSIC codes are incorrectly recorded.</p> <p>There is no impact on other participants or settlement, but there is a minor impact on the Authority because this information is used for reporting.</p>	
Actions taken to resolve the issue		Completion date
We identified that this was principally from third-party sales channels where incorrect ANZSIC codes were selected, and we will be providing refresher training to those agents to remind them of the importance of correct ANZSIC code selection.		04/2020
Preventative actions taken to ensure no further issues will occur		Completion date

Title: Changes to unmetered load		
Non-compliance	Description	
<p>Audit Ref: 3.7</p> <p>With: Clause 9(1)(f) of Schedule 11.1</p> <p>From: 02-May-17</p> <p>To: 21-Jan-19</p>	<p>ICP 0010426583EL500 does not have unmetered load connected, but the daily unmetered kWh applied for submission and recorded on the registry is 6.9 kWh.</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		
Low	<p>Controls are rated as weak, because there is currently no regular validation between the trader and distributor unmetered load details. This validation would have detected the discrepancy for ICP 0010426583EL500, which has been present since the ICP switched in on 02/05/17.</p> <p>The impact is low, and resulted in over submission of 2,518 kWh per annum. Once the data is corrected, revision submissions will be provided.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have raised a development item internally to trigger automatic validation events for internal teams to check unmetered load when a site with unmetered load is gained, and then every 12 months thereafter. This will appear in the Electricity Interface along with existing validation event queues.		06/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Management of “active” status			
Non-compliance	Description		
<p>Audit Ref: 3.8</p> <p>With: Clause 17 of Schedule 11.1</p> <p>From: 06-Jan-19</p> <p>To: 26-Nov-19</p>	<p>ICP 1002023505LC6A8 was reconnected on 26/11/19 but had an “active” event date of 25/11/19.</p> <p>Two newly connected ICPs had incorrect “active” status event dates applied.</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>The controls are recorded as moderate, because a small number of accuracy exceptions occurred due to manual data entry errors.</p> <p>Switch Utilities ceased completing new connections during the audit period, and no new connections were completed after May 2019. The one reconnection with an inaccurate date will not result in under submission, because the reconnection event date was recorded one day too early.</p> <p>Submission does not occur unless the status for the period is “active”. Submission data is revised once late updates are completed, and corrections are processed.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We ceased adding new connections in May 2019.		Cleared	Identified

<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	

<b>Title: Management of “inactive” status</b>			
<b>Non-compliance</b>	<b>Description</b>		
<p>Audit Ref: 3.9</p> <p>With: Clause 19</p> <p>Schedule 11.1</p> <p>From: 25-Apr-19</p> <p>To: 15-May-19</p>	<p>At least nine ICPs with inactive consumption did not have status corrections processed, or disconnection and/or reconnection reads had not been entered resulting in consumption being recorded in inactive periods.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Weak</p> <p>Breach risk rating: 6</p>		
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>		
<b>Medium</b>	<p>Controls are rated as weak, because they are not sufficient to identify and correct all instances of inactive consumption during the audit period.</p> <p>The audit risk rating is medium based on the kWh differences identified. The report of ICPs with inactive consumption during the audit period indicated that -11,794 kWh of consumption was attributed to the 532 ICPs on the report, indicating potential over submission.</p>		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
We have identified that the cause of these discrepancies is primarily a lack of resourcing in this area. We are cross-training our consumer provisioning team to assist with the management of field services reports and will be providing further guidance on the need to enter either disconnection/reconnection readings or permanent estimates.		05/2020	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	

Title: Losing trader must provide final information - standard switch			
Non-compliance	Description		
<p>Audit Ref: 4.3</p> <p>With: Clause 5 of Schedule 11.3</p> <p>From: 11-Apr-19</p> <p>To: 13-Nov-19</p>	<p>One late CS file.</p> <p>Incorrect average daily consumption for at least 12 ICPs.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are moderate. All CS content was correct except for the average daily consumption, which was based on consumption for the past month instead of for the last read to read period. One CS file was delayed by a meter change.</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	Remedial action status
We are going to modify our CS file average daily consumption input to use the last read-to-read as indicated by the auditor – it previously used the average consumption in the previous month which we had felt was more accurate due to drops in consumption after move-out on smart metered sites.		06/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Retailers must use same reading - standard switch			
Non-compliance	Description		
<p>Audit Ref: 4.4</p> <p>With: Clause 6(1) and 6A Schedule 11.3</p> <p>From: 25-Sep-19</p> <p>To: 10-Dec-19</p>	<p>One late RR file.</p> <p>One late AC file.</p> <p>The RRs for 0000426550TP490 (24/05/19) and 0000845315NVB5A (13/11/19) were supported by unvalidated customer readings instead of validated actual readings.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</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:</p> <ul style="list-style-type: none"> <li>in most cases the sampled RRs were supported by two validated actual readings, but Switch Utilities' policy allows RRs to be supported by one validated actual and one customer reading, and</li> <li>most RR and AC files were issued on time, and the delays were caused by waiting for information, or a temporary issue with workloads which delayed processing of some AC files.</li> </ul> <p>The impact is low because, the event readings were correctly recorded, the read type difference has no impact on submission, and the customer readings appeared reasonable.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We will continue to monitor our compliance in this area, but believe that the two instances were one-off occurrences and not systematic.		Monitoring	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Non-half hour switch event meter reading - standard switch			
Non-compliance	Description		
<p>Audit Ref: 4.5</p> <p>With: Clause 6(2) and (3) Schedule 11.3</p> <p>From: 26-Jul-19</p> <p>To: 26-Jul-19</p>	<p>The RR for 1001150629CK277 was invalidly rejected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>There are processes in place to support compliance, but they did not operate as intended for one of the 61 AC files.</p> <p>The risk rating is low, the Energy database reflected the outcome of the RR process, and the RR was not reissued.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We acknowledge the incorrect rejection of the RR and believe that this was the result of human error on one occasion and is not a systematic problem.		Monitoring	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	

<b>Title: Losing trader provides information - switch move</b>			
Non-compliance	Description		
<p>Audit Ref: 4.8</p> <p>With: Clause 10(1) Schedule 11.3</p> <p>From: 02-Apr-19</p> <p>To: 01-Oct-19</p>	<p>One late switch move AN file.</p> <p>73 late switch move CS files.</p> <p>253 ANs had proposed event dates before the requested event date, because of a temporary system issue for AN files between 31/07/19 and 15/08/19.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Switch Utilities' controls are now strong:</p> <ul style="list-style-type: none"> <li>the HH switch process has been automated and exceptions for category 2 ICPs are not expected to occur. The other delays were largely caused by late receipt of paperwork; and</li> <li>the time zone discrepancy which temporarily resulted in incorrect AN event dates has been resolved.</li> </ul> <p>This has no direct impact on reconciliation hence audit risk rating is low. All the late files were processed within 22 business days of the event date, and switches were completed as required.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We implemented new automated half hourly switching processes which have resolved the issue related to late half hourly files.</p> <p>We have made a number of improvements and bugfixes to our switching application to attempt to reduce the frequency of file generation failures.</p> <p>The most common cause was delayed processing of meter changing, and we anticipate that our previously mentioned cross-training of consumer provisioning teams to improve field service process timeliness will assist in reducing non-compliance here.</p>		05/2020 (cross-training)	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Various code-level improvements and bugfixes to our switching application to attempt to reduce the frequency of file generation failures.	Completed (On-going)	

Title: Losing trader must provide final information - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.10</p> <p>With: Clause 11 of Schedule 11.3</p> <p>From: 03-Apr-19</p> <p>To: 06-Dec-19</p>	<p>Incorrect average daily consumption for at least 13 ICPs.</p> <p>Incorrect last actual read dates for two ICPs.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are moderate. All CS content was correct except for the average daily consumption, which was based on consumption for the past month instead of for the last read to read period, and last actual read dates for two ICPs.</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	Remedial action status
<p>As noted in the previous sections we have taken on the auditors feedback on daily consumption calculation methodologies and will modify our application accordingly.</p> <p>We have identified the cause of the incorrect actual read dates and a bug fix has been raised with our development team.</p>		05/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Gaining trader changes to switch meter reading - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.11 With: Clause 12 of Schedule 11.3</p> <p>From: 04-Mar-19 To: 26-Nov-19</p>	<p>Four late RR files. Seven late AC files. The RRs for 0000946432TEE9C (18/07/19) and 0000219844UN1DD (24/08/19) were supported by unvalidated customer readings instead of validated actual readings. For ICP 0000166984UN05B (19/08/19) the agreed switch reading was recorded as actual, when it was an estimate, because an actual reading was received on the same day. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are rated as moderate, because:</p> <ul style="list-style-type: none"> <li>in most cases the sampled RRs were supported by two validated actual readings, but Switch Utilities' policy allows RRs to be supported by one validated actual and one customer reading,</li> <li>most RR and AC files were issued on time, and the delays were caused by waiting for information, and a temporary issue with workloads which delayed processing of some AC files; and</li> <li>one agreed switch reading was recorded with an incorrect type, because an actual read with same value existed on the same day.</li> </ul> <p>The impact is low because, the event readings were correctly recorded, the read type difference has no impact on submission, and the customer readings appeared reasonable.</p>	
Actions taken to resolve the issue		Completion date
We are providing further training to our teams on the use of unvalidated customer readings and the requirement to support all read changes by at least one contractor reading. We are expecting that changes to internal resourcing previously described will assist in reducing the frequency of late AC files.		04/2020
Preventative actions taken to ensure no further issues will occur		Completion date
		Identified

Title: Losing trader provision of information - gaining trader switch			
Non-compliance	Description		
Audit Ref: 4.13 With: Clause 15 Schedule 11.3  From: 26-Apr-19 To: 26-Sep-19	Six late AN files. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as strong, because the HH process is now automated and there have been no late HH ANs since September 2019. The impact on settlement and participants is minor, as all the files were provided between one and seven business days late. The audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have automated the HH switching process.		Completed	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Withdrawal of switch requests			
Non-compliance	Description		
Audit Ref: 4.15 With: Clauses 17 and 18 of Schedule 11.3  From: 03-May-19 To: 19-Nov-19	63 late AW files. One late withdrawal cycle resolution. 0006178600RNAB7 (16/09/19) was sent with withdrawal reason code “wrong switch type” instead of “wrong premises”. 0026169175WE3AA (20/07/19) had a withdrawal sent in error. 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	<p>Controls are moderate. Workflows are automated but there are sometimes delays in processing files during periods with high workloads. One withdrawal was sent with an incorrect code, and one withdrawal was sent in error due to data processing errors.</p> <p>The impact on other participants is minor, therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
As noted in previous sections, we believe cross-training with additional agents in the consumer provisioning team will assist in the reduction of the frequency of late files, these issues were confirmed to be workload related.		05/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<b>Title: Switch saving protection</b>			
Non-compliance	Description		
<p>Audit Ref: 4.17</p> <p>With: Clause 11.15AA to 11.15AB</p> <p>From: 16-Sep-19</p> <p>To: 16-Sep-19</p>	<p>Switch Utilities is a save protected retailer, and an account credit was offered as an enticement to remain a customer before the switch was completed for ICP 0000119574UNF99.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are strong, policies are in place to prevent enticements from being offered, but they were not followed in one instance.</p> <p>The audit risk rating is low. One switch was affected, and the switch completed as requested.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We accept that a breach did occur in this instance, and this was the result of an error by a single agent. We are providing refresher training to the agents on their obligations under the Save Protection Scheme.		03/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Electricity conveyed & notification by embedded generators			
Non-compliance		Description	
<p>Audit Ref: 6.1</p> <p>With: Clause 10.13, Clause 10.24 and 15.13</p> <p>From: 01-Mar-19</p> <p>To: 21-Jan-20</p>		<p>Notifications of gifting have not been provided to the RM for ICPs 0000158386UN338, 0000292879WE5FA, 0001418721UNA13 and 0113877767LCF32, and generation consumption is not measured or submitted.</p> <p>ICP 0000292879WE5FA has submission against the RPS profile only, but the RPS and PV1 profiles are recorded on the registry.</p> <p>24 bridged meters were identified during the audit period. Energy was not quantified in accordance with the code during the bridged periods.</p> <p>Potential impact: Medium</p> <p>Actual impact: Medium</p> <p>Audit history: Once</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 they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is estimated to be medium based on the number and nature of exceptions identified, and because corrections for consumption during bridged periods do not consistently occur.</p>	
Actions taken to resolve the issue		Completion date	Remedial action status
<p>This non-compliance was the result of agents not having a clear understanding of process, as we had implemented a new bridged meter data loading interface during the previous audit period. We are now providing further training to those agents, along with the consumer provisioning team who will be assisting with these processes moving forward.</p> <p>Gifting notifications was an existing process, but had stopped after a change in resource performing the reconciliation function and we have provided further training to that agent on the gifting process, and will be updating our gifting records accordingly this month.</p>		04/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Collection of information by certified reconciliation participant			
Non-compliance	Description		
<p>Audit Ref: 6.5</p> <p>With: Clause 2 Schedule 15.2</p> <p>From: 01-Jun-18</p> <p>To: 21-Jan-20</p>	<p>FCLM does not usually provide a screen shot confirming time differences for meters which are manually read using MV90. If this information is not provided, EDML is unable compare the system time to the meter time.</p> <p>Clock synchronisation events provided by MEPs are not consistently reviewed and actioned.</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		
<b>Low</b>	<p>HHR controls are rated as strong and the impact as low, because the issue only affects manual downloads for FCLM meters.</p> <p>NHH controls are rated as moderate, because any emailed events are likely to be actioned and it is rare for clock synchronisation events to affect NHH submission.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have noted the auditors feedback here. We have identified that the non-monitoring of clock-synchronisation events is due to workload related issues, and we believe the cross-training of the provisioning team to provide support will resolve this issue.		05/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Interrogate meters once	
Non-compliance	Description
<p>Audit Ref: 6.8</p> <p>With: Clause 7(1) and (2) of Schedule 15.2</p> <p>From: 01-Jan-19</p> <p>To: 30-Nov-19</p>	<p>122 ICPs were not read during the period of supply. The best endeavours requirement was not met for at least seven of these ICPs.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three 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 recorded as moderate, because they are not sufficient to ensure that a reading is received within the period of supply where the period is short or the brand is not Switch Utilities. Once implemented, the new meter reading attainment reports are expected to improve compliance for all customers.</p> <p>The impact on settlement from an estimate for a short period is minor therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We implemented new reporting during the audit period but the development took longer than anticipated so it was not ready by the time of this audit round. We expect that the use of this reporting and new processing will begin from the end of February.		03/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: NHH meters interrogated annually	
Non-compliance	Description
<p>Audit Ref: 6.9</p> <p>With: Clause 8(1) and (2) of Schedule 15.2</p> <p>From: 31-May-19</p> <p>To: 30-Nov-19</p>	<p>The best endeavours requirement was not met for at least three ICPs not read in the previous 12 months.</p> <p>Meter reading frequency reports were submitted to the Market Administrator late for April 2019 and June 2019.</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>The controls are recorded as moderate, because they are not sufficient to ensure that the best endeavours requirements will be met for all ICPs. Once implemented, the new meter reading attainment reports and processes are expected to improve compliance.</p> <p>Consumption will be estimated for settlement and the impact is expected to be low, based on read attainment being very close to 100% after 12 months.</p> <p>The late meter reading frequency reports have a low impact. The April 2019 report was three business days late, and the June 2019 report was two business days late.</p>

Actions taken to resolve the issue	Completion date	Remedial action status
<p>We have provided further guidance to the reconciliation analyst on the timing requirement of the meter reading frequency report (previously it was incorrectly understood to be due end of the calendar month).</p> <p>We anticipate the new meter reading reports we have completed development on will resolve the remaining issues in relation to read attainment monitoring as noted in previous sections.</p>	03/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Title: NHH meters 90% read rate		
Non-compliance	Description	
<p>Audit Ref: 6.10</p> <p>With: Clause 9(1) and (2) of Schedule 15.2</p> <p>From: 01-Aug-19</p> <p>To: 30-Nov-19</p>	<p>The best endeavours requirement was not met for at least two ICPs not read in the previous four months.</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	
<b>Low</b>	<p>The controls are recorded as moderate, because they are not sufficient to ensure that the best endeavours requirements will be met for all ICPs. Once implemented, the new meter reading attainment reports and processes are expected to improve compliance.</p> <p>Consumption will be estimated for settlement and the impact is expected to be low, based on read attainment being over 99.5% after four months.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
We anticipate the new meter reading reports we have completed development on will resolve the remaining issues in relation to read attainment monitoring as noted in previous sections.	03/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Title: Correction of NHH meter readings			
Non-compliance	Description		
<p>Audit Ref: 8.1 With: Clause 19(1) Schedule 15.2</p> <p>From: 25-Apr-19 To: 15-May-19</p>	<p>24 ICPs had bridged meters for part of the audit period, and no corrections to capture unmetered consumption during the bridged periods were processed. ICP 0006980139RNFF1's meter was not recording consumption and no correction was processed. The removal readings applied matched the meter removal paperwork.</p> <p>Eight ICPs with inactive consumption did not have status corrections processed, or disconnection and/or reconnection reads had not been entered resulting in consumption being recorded in inactive periods.</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>Controls are rated as weak. Where correction processes have been in place for the entire audit period they have not been consistently followed for all corrections. New detection and correction processes are being implemented for stopped, faulty and bridged meters which are expected to improve the controls to strong.</p> <p>The audit risk rating is low based on the kWh differences identified.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As noted in a previous section, processes for handling bridged meters do exist but were not being actioned by the agents so further training across teams is being implemented to correct this.</p> <p>A process exists for creating permanent estimates for meters not recording consumption, but we note that this was not applied in one instance and further training is being provided on this.</p> <p>We also note the feedback on inactive consumption / statuses and as noted in previous sections intend to resolve this also through further training and additional resourcing.</p>		05/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Electronic meter readings and estimated readings			
Non-compliance	Description		
<p>Audit Ref: 9.6</p> <p>With: Clause 17 Schedule 15.2</p> <p>From: 01-Jun-18</p> <p>To: 21-Jan-20</p>	<p>For EDM's manual downloads, the meter event information is not imported into IE2 and is not reviewed and sent to the retailer.</p> <p>Meter event information is not consistently reviewed and actioned.</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		
<b>Low</b>	<p>The controls are rated as moderate, because in most cases meter event data is reviewed and provided to the participant if any events occur.</p> <p>The impact is assessed to be low, because event information is obtained and reviewed for most downloads.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We note the auditors feedback on inconsistencies in the processing of these reports, and as noted in previous sections intend to improve compliance in this area through additional resourcing and training.		04/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: Calculation of ICP days			
Non-compliance	Description		
<p>Audit Ref: 11.2</p> <p>With: Clause 15.6</p> <p>From: Jun -18 r7, Jun-18 r14, Jul-18 r7, Jul-18 r14, Aug-18 r7, Aug-18 r14 Oct-18 r7, Mar-19 r7, Apr-19 r7</p>	<p>There is no zeroing process for ICP days submissions which resulted in some incorrect NHH and HHR ICP days.</p> <p>One ICP day was excluded from the ICP days submission because ICP 0000348556MP8EF was supplied for one day, and a final reading was not recorded.</p> <p>Where default forward estimate is applied, an ICP day is not reported for the first day of supply. This is corrected through the revision process once a subsequent reading is received.</p> <p>Potential impact: Medium</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>The controls are recorded as moderate because they mitigate risk of incorrect ICP days being reported most of the time.</p> <p>The impact is low:</p> <ul style="list-style-type: none"> <li>where the first ICP day is missed because default forward estimate is applied, corrected data is provided through the revision process once another reading is recorded for the ICP,</li> <li>one ICP day was missed for 0000348556MP8EF, because the ICP was supplied for one day, and</li> <li>not zeroing submissions typically only affects NSPs with a small number of ICPs connected, the difference in ICP days is usually small and differences will be washed out once corrections are processed.</li> </ul>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We have provided further guidance to our reconciliation analyst who will ensure that we also zero ICP day submissions, where we previously only zeroed submissions for volume files (NHHVOLS, HHRVOLS). Some development is required to achieve this change.</p> <p>We are reviewing the one-ICP Day issue for ICPs held for a single day, but the resolution timeframe is not yet known for this.</p>		04/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Title: HHR aggregates information provision to the reconciliation manager	
Non-compliance	Description
<p>Audit Ref: 11.4</p> <p>With: Clause 15.8</p> <p>From: 01-Feb-19</p> <p>To: 21-Jan-20</p>	<p>Aggregates file contains submission information.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>
Audit risk rating	Rationale for audit risk rating
Low	The issue relating to content of the aggregates file is an error in the code, Switch Utilities is providing submission information as expected.

Actions taken to resolve the issue	Completion date	Remedial action status
No action to be taken as this is a code error.	04/2020	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

<b>Title: Creation of submission information</b>		
Non-compliance	Description	
Audit Ref: 12.2 With: Clause 15.4  From: 13-Feb-19 To: 13-Feb-19	Breach 1812SWIT1 recorded that some reconciliation submission information was provided 15 minutes late. Potential impact: Low Actual impact: None Audit history: Twice previously Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	The controls are rated as strong because reconciliation submissions are almost always provided on time, and the submission was only 15 minutes late.  The impact is assessed to be low, because there was no impact.	
Actions taken to resolve the issue	Completion date	Remedial action status
Please refer to our written response to the breach for further details.	Cleared	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	

Title: Accuracy of submission information			
Non-compliance	Description		
Audit Ref: 12.7 With: Clause 15.12          From: 02-May-17 To: 21-Jan-19	<p>Breach 1812SWIT1 recorded that some reconciliation submission information was provided 15 minutes late.</p> <p>24 ICPs had bridged meters for part of the audit period, and no corrections to capture unmetered consumption during the bridged periods were processed. ICP 0006980139RNFF1's meter was not recording consumption and no correction was processed. The removal readings applied matched the meter removal paperwork.</p> <p>At least nine ICPs with inactive consumption did not have status corrections processed, or disconnection and/or reconnection reads had not been entered resulting in consumption being recorded in inactive periods.</p> <p>ICP 1002051199LCFA9 became active on 21/07/19, but the status was updated to active effective from 28/07/19. Consumption was only calculated for the registry active days, instead of the true active days.</p> <p>ICP 0010426583EL500 does not have unmetered load connected, but the daily unmetered kWh applied for submission and recorded on the registry is 6.9 kWh.</p> <p>Potential impact: Medium</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are assessed to be weak overall.</p> <ul style="list-style-type: none"> <li>The controls over submission timeliness are rated as strong because reconciliation submissions are almost always provided on time, and the submission was only 15 minutes late.</li> <li>The controls over corrections are rated as weak. Where correction processes have been in place for the entire audit period they have not been consistently followed for all corrections. New detection and correction processes are being implemented for stopped, faulty and bridged meters which are expected to improve the controls to strong.</li> <li>The controls over unmetered load accuracy are rated as weak, because there is currently no regular validation between the trader and distributor unmetered load details. This validation would have detected the discrepancy, which has been present since the ICP switched in on 02/05/17.</li> </ul> <p>The audit risk rating is low based on the kWh differences identified. Submission data is revised once corrections are processed.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Commentary on these issues is provided in the previous sections.		05/2020	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	

<b>Title: Permanence of meter readings for reconciliation</b>			
Non-compliance	Description		
Audit Ref: 12.8 With: Clause 4 of Schedule 15.2  From: Jul-18, Aug-18, Sep-18	Some estimates were not replaced by revision 14. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because a permanent estimate process is in place, but has not consistently been followed.  The impact is low. Total forward estimate for the three months reviewed was 7,377.56 kWh.		
Actions taken to resolve the issue		Completion date	Remedial action status
The instances of missed forward estimate were a result of the process not being correctly implemented during the relevant months, where there was a larger than usual number of corrections required. We are looking to implement automated scripting to deal with the majority of estimation scenarios, which will take some time to implement.		06/2020	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	

<b>Title: Historical estimate reporting to RM</b>			
Non-compliance	Description		
Audit Ref: 13.3 With: Clause 10 of Schedule 15.3  From: Jul-Sep 18 (r14), Feb-Apr 19 (r7) and Jul-Sep 19 (r3)	Historic estimate thresholds were not met for some revisions. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2		



Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are recorded as moderate because a permanent estimate process is in place, but has not consistently been followed.</p> <p>The impact is assessed to be low, because read attainment levels are high. The forward estimate was caused by reads not being obtained by r14 and permanent estimates not being entered, or rounding differences between the total and historic estimate.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Refer to commentary in previous section in relation to permanent estimates not applied.		06/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	