

**Terms and conditions of
appointment as an approved Retail
auditor under Parts 10, 11, and 15 of
the Code**

Scope of approval

1. You may only sign off on audit tasks in relation to the categories of Electricity Industry Participation Code 2010 (**Code**) audits for which you have been specifically approved.
2. You warrant that you will continue to meet the selection criteria set by the Electricity Authority (**Authority**) in the Code and the Authority's policy for the approval of auditors for the purposes of Parts 10, 11 and 15 of the Code¹ (**Policy**), as amended or replaced from time to time throughout the term of your appointment.

Duty of care

3. You acknowledge that the Authority relies on the reports you produce to determine the compliance of the relevant electricity industry participant (**Participant**) with its obligations under the Code.
4. In conducting the audits and preparing audit reports, you must:
 - (a) maintain a detailed knowledge of the relevant clauses in the Code and any relevant changes to the Code;
 - (b) act honestly, fairly, independently and objectively;
 - (c) exercise a standard of skill, care, and diligence that would be reasonably expected of a person who is skilled and who has experience in the provision of services of a similar nature to those you are providing; and
 - (d) comply with the relevant clauses of the Code concerning an audit at the time of the audit.
5. The Authority may publish material (including guidelines for auditors) to assist auditors from time to time. You acknowledge that any such material is intended to be for guidance only and does not relieve you from your obligation to comply with the Code.
6. You will conduct audits in accordance with any guidelines (e.g. in relation to the form of audit report) set by the Authority. However, in the event of inconsistency between the Code and any guidelines or other material, the Code will prevail.

Subcontracting and employment

7. You will ensure that you have sufficient resources to enable you to perform your auditing obligations as set out in the Code in relation to any audits you agree to carry out.

¹ A copy of the Policy can be found at <https://www.ea.govt.nz/operations/retail/audits-approvals-and-certification/approved-auditors/>

8. You may use suitably qualified employees or subcontractors to assist you in carrying out parts of the audit tasks. However, you will be responsible for the accuracy and veracity of the final audit, and if you are relying on the work of another auditor, you must comply with NZICA Auditing Standard AS604, or IIA Standard 220.

Independence and conflicts

9. You, and any employees or subcontractors involved in an audit, must:
 - (a) be independent of the Participant you audit;
 - (b) not audit any Participant you have advised in relation to any of the processes relevant to the audit in the six months prior to the audit;
 - (c) not have any interest, obligation or duty (whether to the Participant or to any other person) which is or could reasonably be seen to be in conflict with your duties as an auditor of that Participant.
10. If at any stage during an audit, you become aware of circumstances which could be deemed a conflict of interest, you must:
 - (a) immediately notify the Authority and the Participant you are auditing; and
 - (b) if you wish to continue carrying out the audit, seek the Authority's approval to continue. The Authority may give approval subject to conditions.
11. A conflict of interest disclosed to and approved by the Authority in writing is not a breach of clause 9(c) above.

Insurance

12. You must obtain, and maintain throughout the term of your appointment as an approved auditor, professional indemnity insurance for an amount which is sufficient to recompense Participants for losses incurred by inadequate or inaccurate reports.
13. If you are an auditor of approved test houses, you must obtain, and maintain throughout the term of your appointment as an approved auditor, public liability insurance for an amount not less than \$1 million.
14. If requested, you must promptly provide the Authority with satisfactory proof as to the coverage of the insurance referred to above.
15. The Authority recommends that you consider obtaining and maintaining public liability insurance.

Term of appointment and removal from list

16. On the expiration of the term of your appointment:
- (a) there will be no automatic renewal; and
 - (b) you will be required to re-apply under the selection process should you wish to be considered for approval.
17. The Authority reserves the right to:
- (a) review the quality of audit reports and/or auditors; and
 - (b) remove an auditor from the list in accordance with the Policy.

Relationship

18. You acknowledge that there is no employment, contractual, agency, partnership, or licence arrangement between you and the Authority.

Acceptance

19. Please sign and date below to accept the terms and conditions outlined in this document.

Signature

Name

Date