

## Reconciliation participant inherent risk register

<b>Inherent Risk Register</b>							
<b>Reconciliation participant audits</b>							
<b>Function 1 – Administrative tasks</b>							
Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
Audit of reconciliation participants' processes	Clauses 15.37A and 15.37C, Part 16A	The inherent risks identified under the reconciliation participant functions 2–9	Functions 2–9 are not audited	All three key goals	Major	Almost certain	High
<b>Function 2 – Operational infrastructure</b>							
Provision of complete and accurate information in a timely manner	Clauses 10.6, 11.2, 15.2 and 15.35	Inaccurate* records and publications  Incorrect submission information  (* by “inaccurate”	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers  Reduced potential	Participants provide accurate and complete information to others in a timely manner  Timely and accurate	Major	Possibly	High

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		<i>is meant not complying with the applicable accuracy tolerances specified in the Code)</i>	for consumer(s) at an ICP to receive innovative service offerings	settlement of the WEM			
Electronic transfer of metering data	Schedule 15.2, clause 20	Data cannot be transferred electronically or is corrupted during transfer  Data is transferred to incorrect party	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers  Breach of privacy and/or confidentiality	Participants provide accurate and complete information to others in a timely manner  Timely and accurate settlement of the WEM	Major	Possibly	High
Maintenance of information audit trail	Schedule 15.2, clause 21	Inaccurate records and publications	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Participants provide accurate and complete information to others in a timely manner	-Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
			Inability to demonstrate compliance with Code	Timely and accurate settlement of the WEM			
Arranging consumer consent and access for others to metering installation	Clauses 10.4 and 10.7(2), 10.7(4)-(6)	Inaccurate records and publications  Incorrect submission information  Use of faulty, inaccurate or uncertified metering installations	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Possibly	High
Trader contracts with customers to permit assignment by Authority	Clause 11.15B	In event of a trader default, the consumer may not legally be allowed to be transferred by the Authority to a non-defaulting retailer.	Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Likely	High
Switch saving protection	Clauses 11.15AA and	Protected traders customers saved	Delayed customer/ embedded	Timely and error-free consumer	Minor	Possibly	Medium

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
	11.15 AB	during switch process	generator switching	switching			
Electrical connection and energisation of ICP	Clauses 10.32(b) and 10.33(2)	Delayed energisation	<p>Delayed consumer / embedded generator switching</p> <p>Inaccurate reconciliation</p> <p>Inaccurate invoicing of participants and consumers</p> <p>Delayed benefits to consumer from using electricity</p>	All three key goals	Major	Possibly	High
Establishing arrangements for line function services	Clause 11.16(a)	Delayed energisation	<p>Delayed consumer / embedded generator switching</p> <p>Inaccurate reconciliation</p> <p>Inaccurate invoicing of participants and consumers</p>	All three key goals	Major	Possibly	High

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			Delayed benefits to consumer from using electricity				
Having in place an arrangement with an MEP	Clauses 10.36 and 11.16(b)	Delayed energisation or unaccounted for electricity	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers  Delayed benefits to consumer from using electricity	All three key goals	Major	Possibly	High
<b>Function 3 – Maintenance of registry information</b>							
Populating ICP information in the registry	Clauses 11.2, 11.3, 11.7(2), 11.18(1), 11.18(4),	Registry information is inaccurate	Delayed consumer / embedded generator switching	All three key goals	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
	11.18(5) and 15.38(1)(a), Schedule 11.1, clause 9		<p>Inaccurate reconciliation</p> <p>Inaccurate invoicing of participants and consumers</p> <p>Inaccurate information for policy and business decisions</p>				
Updating ICP information in the registry	Clause 11.2, Schedule 11.1, clause 10	ICP information incorrect or not updated in a timely manner	<p>Delayed consumer / embedded generator switching</p> <p>Inaccurate reconciliation</p> <p>Inaccurate invoicing of participants and consumers</p> <p>Inaccurate information for policy and business decisions</p>	All three key goals	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
A trader ceasing to be responsible for an ICP	Clauses 11.18(2) and 11.18(3)	Missing, incorrect or duplicate submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Likely	High
Managing the status of an ICP	Schedule 11.1, clauses 15, 17 and 19	ICP has wrong status in the registry	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	All three key goals	Major	Possibly	High
Change of MEP at an ICP	Clause 10.22(1)(a)(i)	Incorrect submission information	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Delayed invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
<b>Function 4 – Performing customer and embedded generator switching</b>							
Customer and embedded generator switching	Clauses 11.2 and 15.38(1)(a), Schedule 11.3, clauses 2–5, 9–11, 14–16(1), 17, and 18	The registry is not updated in a timely manner or transferred information is incorrect	Delayed consumer / embedded generator switching  Inaccurate reconciliation  Delayed invoicing of participants and consumers  Delayed distributor reporting	Timely and error-free consumer switching  Timely and accurate settlement of the WEM	Major	Likely	High
Customer and embedded generator switching	Clause 15.38(1)(a), Schedule 11.3, clauses 5–7, 12, and 21	Validated meter readings or permanent estimates are not used for a non-half-hour metered switch	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and error-free consumer switching  Timely and accurate settlement of the WEM	Major	Likely	High



Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
<b>Function 5 – Maintenance of unmetered load</b>							
Maintaining shared unmetered load	Clause 11.14	Unaccounted for electricity occurs	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Distributed unmetered load database	Schedule 15.3, clause 11 Clause 15.37B	Unaccounted for electricity occurs	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Cap on quantity of unmetered load	Clause 10.14	Unaccounted for electricity occurs  Sites that should be metered are unmetered	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
<b>Function 6 – Gathering and storing raw meter data</b>							
Having in place a metering installation	Clauses 10.13, 10.24, 10.26, and 10.35	Unaccounted for electricity occurs	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Use of a control device	Schedule 10.7, clause 33, Schedule 15.3, clause 2(2)	Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Moderate	Almost certain  Hundreds of thousands of control devices in situ	High
Investigating inaccurate, defective, not fit-for-purpose installations	Clause 10.43	Inaccurate metering components / installations	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Collecting and storing raw meter data	Schedule 15.2, clauses 2, 3(1) and (2), 11, 13,	Incorrect submission information	Inaccurate reconciliation  Inaccurate	Timely and accurate settlement of the WEM	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
	18, and 21(5)		invoicing of participants and consumers	Participants provide accurate and complete information to others in a timely manner			
Interrogation of non-half-hour metering	Schedule 15.2, clauses 5–10	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
<b>Function 7 – Creating and managing (including validating, estimating, storing, correcting, and archiving) volume information</b>							
Sourcing volume information from raw meter data	Schedule 15.2, clause 3(3)–(5)	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Estimating volume information	Schedule 15.2, clause 15	Unaccounted for electricity occurs	Inaccurate reconciliation	Timely and accurate settlement of the	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
		Incorrect submission information	Inaccurate invoicing of participants and consumers	WEM			
Checking validity of actual and estimated meter readings	Schedule 15.2, clauses 16 and 17	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Correction of meter readings	Schedule 15.2, clauses 19 and 22	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
<b>Function 8 – Providing metering information to the grid owner</b>							
Provision of metering information to grid owner	Clauses 13.136, 13.137, 13.138(1)(b) and (c), 13.138(2),	Generator fails to provide grid owner with metering information or to notify grid owner that it has been	Generator's actual metering information is not used in calculating market prices, resulting in	Timely and accurate settlement of the WEM  Participants	Major	Unlikely	Medium

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
	13.140	provided	inaccuracies	provide accurate and complete information to others in a timely manner			
Adjusting metering information for losses	Clause 13.138(1)(a)	Generator uses no or incorrect loss factor to adjust for losses	Incorrect generation information is used in market pricing,	Timely and accurate settlement of the WEM  Participants provide accurate and complete information to others in a timely manner	Major	Unlikely	Medium
<b>Function 9 – Providing submission information for reconciliation</b>							
Buying and selling notifications	Clause 15.3	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Provision of	Clauses	Unaccounted for	Inaccurate	Timely and	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
submission information to reconciliation manager	15.2, 15.4, 15.9-15.12, 15.13 and 15.36, Schedule 15.2, clause 4	electricity occurs  Incorrect submission information	reconciliation  Inaccurate invoicing of participants and consumers	accurate settlement of the WEM			
Provision of revised volume information	Clauses 15.2 and 15.4	Reconciliation participant fails to provide reconciliation manager with corrected metering information or to do so on time	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM  Participants provide accurate and complete information to others in a timely manner	-Major	Possibly	High
Allocation of volume information to correct NSP	Clause 15.5	Unaccounted for electricity occurs at an NSP  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Provision of ICP days information to reconciliation	Clauses 15.2 and 15.6	Unaccounted for electricity occurs  Incorrect	Inaccurate reconciliation  Inaccurate	Timely and accurate settlement of the WEM	Major	Possibly	High

Process	Code reference	Inherent risk description	Manifestation of risk	Participant audit regime goal at risk	Consequence	Likelihood	Inherent risk rating
manager		submission information	invoicing of participants and consumers				
Provision of electricity quantities to reconciliation manager	Clauses 15.2, 15.7 and 15.8	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Content of submission information	Schedule 15.3, clause 2	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Creating forward and historical estimates	Schedule 15.3, clauses 3–6 and 10	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Timely and accurate settlement of the WEM	Major	Possibly	High
Changing profiles	Schedule 15.3, clause 7	Unaccounted for electricity occurs  Incorrect	Inaccurate reconciliation  Inaccurate	Timely and accurate settlement of the WEM	Major	Possibly	High

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		submission information	invoicing of participants and consumers				
Aggregation of volume information	Schedule 15.3, clauses 8 and 9	Unaccounted for electricity occurs  Incorrect submission information	Inaccurate reconciliation  Inaccurate invoicing of participants and consumers	Participants provide accurate and complete information to others in a timely manner  Timely and accurate settlement of the WEM	Major	Possibly	High