

Requirements and processes for audits: New guidelines

Summary of submissions Information paper

2 May 2017



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1 Introduction and purpose of this paper

- 1.1 Between 25 October 2016 and 20 December 2016, the Authority consulted on new guidelines and supporting information for the Electricity Industry Participation Code Amendment (Requirements and Processes for Audits) 2016. This amendment comes into force on 1 June 2017.
- 1.2 This paper provides a summary of the submissions received on the consultation paper. This paper does not contain an exhaustive list of the points made in submissions, instead it summarises the key themes that arose.
- 1.3 Submissions were published on 7 February 2017. For more information please refer to <http://www.ea.govt.nz/development/work-programme/operational-efficiencies/review-of-participant-audit-regime/consultations/#c16220>

2 Summary of submissions and the Authority's responses

Overview of submitters

- 2.1 The Authority received 11 submissions. No submitters marked their submission as confidential.
- 2.2 The organisations and individuals that provided submission on the consultation paper are listed in Table 1.

Table 1: List of submitters

Organisation	Role(s)
Contact Energy Limited	Reconciliation participant, metering equipment provider
Genesis Energy Limited	Reconciliation participant
Independent Electricity Generators Association	Industry participant association
Mercury Energy Limited	Reconciliation participant
Meridian Energy Limited	Reconciliation participant, metering equipment provider
Nova Energy Limited	Reconciliation participant
Orion New Zealand Limited	Distributor
Transpower New Zealand Limited	Grid owner / system operator

Organisation	Role(s)
Trustpower Limited	Reconciliation participant, metering equipment provider, approved test house
Vector Limited	Distributor
Veritek Limited	Approved auditor

Structure of the summary of the submissions

2.3 This summary presents the submissions in six key areas:

- (a) Section 3: A summary of the general feedback within introductory comments
- (b) Section 4: A summary of the submissions relating to changes to the purpose of the audit regime
- (c) Section 5: A summary of the submissions on the *Participant audit guideline*
- (d) Section 6: A summary of the submissions on the *Auditor protocol* and the *Risk and materiality guideline*
- (e) Section 7: A summary of the submissions on guidelines and information for distributed unmetered load (DUML)
- (f) Section 8: A summary of the submissions on the *Approved test house audit guideline*.

3 General feedback

Introductory comments

3.1 Submitters made the following salient points in their introductory comments:

- (a) Periodic audit assessments are insufficient for effective monitoring. Additional monitoring needs to be run in parallel with the audit regime.
- (b) Auditors should be required to provide participants with relevant working documents.
- (c) The *Auditor protocol* should be amended to permit participants to become actively involved in the Distributed Unmetered Load (DUML) audit.
- (d) The *DUML audit guideline* should be amended to cater for smaller static DUML configurations.
- (e) The use of certification as the key compliance mechanism under the audit regime conflicts with the efficient operation of the electricity industry.
- (f) The Authority has, at times, used prescriptive language in the proposed guidelines that is not covered by the Code.
- (g) Further discussion with industry is required to better understand operational compliance problems the Authority is seeking to resolve.
- (h) Do not believe that the additional purposes for the audit regime can, or should, lie outside the Code.

- (i) Do not agree with the Authority's rationale for incorporating the purpose into guidelines. The role of a purpose statement in the Code is not only to define obligations but also to limit powers.
- (j) A purpose statement in guidelines is not binding on participants. Participants are not obligated to provide information if that goes beyond confirming compliance with the Code.
- (k) It is not clear in the June 2016 decision paper if the Authority has responded to the point about payment for audit if the Authority is the auditor. Audit costs should be allocated to participants according to the levy regulations.
- (l) If the Authority has been advised that an audit report contains commercially sensitive information it should be required to redact it before publishing the audit report.

4 The Authority proposed changes to the purpose of the audit regime

4.1 The Authority proposed the purpose of the audit regime be changed from:

The purpose of the audit regime is to:

- *evaluate participants' compliance with the Code and to help ensure the ongoing accurate and efficient operation of the wholesale electricity market settlement process*
- *enable the Authority to make an informed decision regarding the certification, approval, and audit frequency of participants.*

to read as follows:

The purpose of the participant audit regime is to:

- *evaluate participants' compliance with the Code provisions that are audited under the regime*
- *enable the Authority to make informed decisions regarding the certification, approval, and audit frequency of participants*
- *support the efficient operation of the electricity industry.*

4.2 The audit regime purpose was changed to address an identified gap that would remove non-settlement functions such as switching and record keeping from the scope of the audit regime.

Support for the proposed changes

4.3 In the consultation paper, the Authority stated it considers that the audit regime needs to:

- (a) include all obligations that are currently audited
- (b) address the impact these obligations have on the efficient operation of the electricity industry
- (c) support the Authority making informed decisions regarding the certification, approval, and audit frequency of participants.

Table 2: Response to questions 1 and 2 regarding purpose of the audit regime

Issue	Question	Summary of submissions
The audit regime needs to include all obligations that are currently audited, address the impact these obligations have on the efficient operation of the electricity industry, and support the Authority making informed decisions	Question 1: Do you agree that the updated audit regime purpose addresses the issue that the current scope excludes obligations that affect the efficient operation of the market, but not settlement of the wholesale market?	<p>Submissions generally agreed that the updated purpose addresses the issues with the current scope.</p> <p>Submitters raised the following points:</p> <ul style="list-style-type: none">• The purpose will not deliver effective monitoring of the efficient operation of the market.• The use of the audit regime to monitor the efficient operation of the market is costly.• Activities previously undertaken by the market administrator would help deliver an effective way of monitoring the operation of the market.• Do not agree with the Authority's decision to continue to attach certification to the audit process.• The purpose statement in the guideline is inconsistent with the purpose of Part 16A of the Code.• Do not support the Authority being involved in audits.• The goals of the audit regime are inconsistent with the purpose in Part 16A of the Code.• If the Code and Code breach provisions are not sufficient to achieve the goals, this is a significant issue that will not be solved by amending a purpose statement in a guideline.• Purpose does not need to be extended. Most of the points are covered by the existing regime.• Switching is already a key focus area and does not require further scrutiny.• We should not be striving for timely and error free switching as this is unrealistic and undesirable due to the efficiency costs of achieving a perfect level of compliance.• Business practice, such as record keeping should not be within scope of the audit

Issue	Question	Summary of submissions
		<p>regime.</p> <ul style="list-style-type: none"> • Changing the scope will contradict the focus of the audit regime on materiality and efficiency. • It is unclear if the Authority is proposing to change the purpose of Part 16A of the Code. • The purpose of Part 16A should be amended to correct the 'flaw' identified by the Authority. • It is critical that the audit regime supports and does not hinder the efficient operation of the market.
	<p>Question 2: Are there any other changes or alternative wording for the purpose that will address the issues identified?</p>	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • The most appropriate way of meeting the key goals would be to undertake regular monitoring in addition to the audit programme. • The guideline incorrectly refers to consumer switching. The function covered by the audit regime is ICP switching. • The Authority should not add that the purpose of the audit regime is to "support the efficient operation of the electricity industry". • The new wording "for participants to provide accurate and complete information to others in a timely manner" is divergent from the "taking practical steps". • Clause 16A.2 of the Code should be reworded to: The purpose of the audit regime, or reason why audits are undertaken is to: <ul style="list-style-type: none"> ○ monitor participants' compliance with the Code provisions ○ enable the Authority to make informed decisions regarding certification, approval and audit frequency of participants ○ support the efficient operation of the electricity industry

Issue	Question	Summary of submissions
		<p>The key goals of the audit regime, or the things the Authority wants to achieve with the audit regime, are:</p> <ul style="list-style-type: none"> ○ the timely and accurate settlement of the wholesale electricity market ○ timeliness and accuracy of registry interactions and information ○ for participants to hold accurate records and provide accurate, complete and timely information to others <ul style="list-style-type: none"> • Supporting the ongoing efficient operations of the electricity industry should be reflected in the wording of the description. • The wording of the purpose statement should be: <ul style="list-style-type: none"> ○ evaluating participants' compliance with the Code provisions that are audited under the regime, forming the basis for continuous improvement in meeting their obligations; ○ enabling the Authority to make informed decisions regarding the certification, approval, and audit frequency of participants; and ○ providing the Authority with insights and information into the efficient operation of the electricity industry, as a basis for delivering continuous improvement. • The alignment between the purpose and the goals of the audit regime needs to be reviewed.

5 The Authority proposed a participant audit guideline

5.1 As a result of the participant audit review, the Authority found misunderstandings among audited participants about the audit and audit review processes. Such misunderstandings were particularly likely if a participant's relevant staff had changed between the participant's audits. A misunderstanding about the audit or audit review process can result in:

- (a) missing or insufficient comments from participants to inform decisions made by the Authority
- (b) the late submission of final audit reports to the Authority.

5.2 The *Participant audit guideline* will provide guidance on:

- (c) the audit process
- (d) material change audits
- (e) distributed unmetered load audits
- (f) compliance plans
- (g) initial audit requirement.

Support for the proposed guideline

5.3 In the consultation paper the Authority stated it considers that a guideline describing the audit and audit review processes will allow participants to efficiently engage auditors and allocate resource to deliver quality audit outcomes.

Table 3: Responses to questions 3 and 4

Issue	Question	Summary of submissions
Misunderstandings among audited participants about the audit and audit review processes exist	Question 3: Do you agree that the <i>Participant audit guideline</i> addresses the issue of participants understanding the audit and audit review processes?	Submissions supported the proposed <i>Participant audit guideline</i> . Submitters raised the following points: <ul style="list-style-type: none">• The guideline should require auditor to provide a participant with relevant working documents.• The misunderstandings the guideline addresses have not been defined.• Paragraph 1.7(b) the primary impact on consumers with respect the audit regime is switching. It is unclear if the reference to 'consumers' in this paragraph impacts on the switching process.• Paragraph 1.9 should cross reference paragraphs 1.7 and 1.8.• Paragraph 2.24 should reflect the fact that sometimes it is not appropriate or possible to undertake actions to correct previous breaches.• Paragraph 2.7 wording should be adjusted to provide the Authority discretion in raising breaches.• Paragraph 2.7 guidance added as to when the Authority will raise an alleged breach with the compliance team.• Paragraph 2.7 contradicts paragraph 2.9.• Paragraph 2.41 and 2.42. The Authority

Issue	Question	Summary of submissions
		<p>should notify participants of their next audit date before publicising it.</p> <ul style="list-style-type: none"> • Paragraph 4.6 should be deleted because it instructs traders on what to consider when making decisions. • Paragraph 5.4(b) should reflect the fact that sometimes it is not appropriate or possible to undertake actions to correct previous breaches. • Paragraph 1.8 should remove the word 'found'.
	<p>Question 4: Are there any additional areas of the audit and audit review process that should be covered in the <i>Participant audit guideline</i>? If yes, what additional processes are required?</p>	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • It is not clear who the external reviewer is and what their qualifications and knowledge/experience are. • Imposition of next audit date for DUML ICPs if the DUML customer switches is impractical. • Paragraph 1.9 should explicitly note that paragraph 1.8 is considered by the Authority when making its decision. • Further examples would be useful. • In some cases a legal interpretation of 'practical' is required to assess if this has been complied with. • Costs of reaching 100% compliance outweigh the benefits of doing so. • It is difficult to understand the level of details the Authority requires. • There should be a threshold of acceptable compliance levels.

6 The Authority proposed an *Auditor protocol and Risk and materiality guideline*

6.1 The Authority was concerned that it lacks governance over the audit regime because it:

- (a) has limited control over the scope, direction, and outputs of audits
- (b) does not have the ability to prescribe formal assurance requirements.

6.2 A lack of governance can compromise:

- (a) the quality of audits, and result in audits producing outputs and outcomes that are not aligned with the Authority's objectives or the objectives of the audit regime
 - (b) the integrity of the audit process, because once an auditor is approved there is little assurance about his or her ongoing professional competence, independence, and objectivity, or the robustness of the audit approach.
- 6.3 Risk and materiality are not considered by either the auditor or the Authority when setting the scope of an audit or the focus of audit activities, or when audit findings are reported. Without these considerations:
- (a) audits may not appropriately focus on areas where compliant performance is most important, or where non-compliance can result in the most material impacts
 - (b) audit findings cannot be categorised by severity.
- Auditor protocol***
- 6.4 The Authority considers the governance of the audit regime can be improved by requiring auditors to comply with the relevant formal assurance requirements in ISAE (NZ) 3000 and ISO 19011:2011.
- 6.5 The *Auditor protocol* seeks to set out these formal assurance requirements for auditors and provide guidance around auditing practice, including:
- (a) setting:
 - (i) requirements for auditor conduct
 - (ii) professional and ethical requirements
 - (b) providing guidance for:
 - (i) audit sampling
 - (ii) non-compliance reporting
 - (iii) audit frequency calculation.

Table 4: Responses to questions 5 and 6

Issue	Question	Summary of submissions
There is a lack of governance over the audit regime	Question 5: Do you agree that the <i>Auditor protocol</i> addresses the issue of audit governance?	<p>Submissions supported the introduction of the <i>Auditor protocol</i> to address the problem of governance of the audit regime.</p> <p>Submitters raised the following points:</p> <ul style="list-style-type: none"> The Auditor protocol does not envisage the relationship with participants have with DURL customers. The Auditor protocol (3.2(g) and 3.10) should be amended to permit participants to become actively involved in the DURL audit. It is not clear what scores will result in what certification period.

Issue	Question	Summary of submissions
		<ul style="list-style-type: none"> Paragraph 2.8(c) should state that the auditor must provide its audit planning report to the Authority as expected under 2.9(a). There needs to be some logical process and application of audit frequency.
	<p>Question 6: Are there any additional areas that should be covered by the <i>Auditor protocol</i>? If yes, what additional areas are required?</p>	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> The Authority should clarify that audits and field work can be performed by the participants, where approved by the respective auditor. Audit and field work performed by a participant should follow the requirements of paragraph 2.47, requiring rotation of persons performing the work every 24 months or two consecutive audits. Auditor protocol would benefit from an overview flowchart. Typographical errors were identified that require correction Appendix B Table 4 is similar to Table 7 in the risk and materiality guidelines and should be aligned. Appendix C: Add table 5 (indicative audit frequency) from DUML audit guideline to appendix C. Appendix B table 3: Needs to correlate with Table 6 (Adequacy of controls) in the risk and materiality guidelines. Appendix B table 3: Table 7 should be updated and referred back to the auditor protocol. Table 3 should be updated. The Authority's language should be aligned with the Code Review Programme consultation. The use of "publicise" should be changed to "publish" The issue of "professional and ethical requirements" should be reviewed and clarified in regard to "independence and conflicts" part of the "terms and conditions appointment of approved retailer auditors".

Risk and materiality guideline

- 6.6 The Authority considered that the *Risk and materiality guideline* would assist auditors to more consistently assess risk and materiality.

Table 5: Responses to questions 7 and 8

Issue	Question	Summary of submissions
Risk and materiality are not considered by either the auditor or Authority when setting the scope of an audit or the focus of audit activities, or when audit findings are reported	Question 7: Do you agree that the <i>Risk and materiality guideline</i> addresses the issue of considering risk and materiality when setting audit focus?	<p>Most submissions supported the introduction of a <i>Risk and materiality guideline</i> to address the problem of considering materiality when setting audit scope and focus.</p> <p>Submitters raised the following points:</p> <ul style="list-style-type: none">• It is not appropriate to raise the level of risk rating due to time taken to resolve the issue.• The guideline does not mention the costs of compliance and rectification of a non-compliance.• The language should be revised to focus on the desired outcome.• There is no clear rationale for the inherent risk ratings determined in section 3.12 table 4.• The guideline needs further work, clarification and consultation.• Table 10: It is not appropriate to specify which risk ratings require which level of business attention• Table 15: The guideline needs to make it clear that the examples are examples and not strict parameters.• The process and scale of business needs to be considered.• The proposed guideline is overly complex.• Section 4 and the linkages between tables in this section and appendix B needs to be clarified.• Table 8: Level of examination required should show “medium” as yellow.• It is not clear if the audit will be risk based or

Issue	Question	Summary of submissions
		<p>control based.</p> <ul style="list-style-type: none"> • The inherent risk register needs to be consulted on. • Definitions in the guideline need to be reviewed for internal consistency and consistency with ISO31000. • Controls should not be noted as a discrete third factor to likelihood and consequence. • Authority needs to reconcile the proposed inherent risk score approach and the contexts of Appendix B Applications of materiality for audit findings as they are inconsistent. • The inherent risk rating matrix in Table 4, a consequence of 'immaterial' and likelihood of 'highly likely' produces a rating of medium which is defined as a moderate impact. This appears to be inconsistent. • Table 7 is inconsistent. Any control that is rated low or no controls should lower or leave the residual risk unchanged. • Table 9 should be revised. • Table 10 should be reviewed.
	<p>Question 8: Are there any additional areas that should be covered in the <i>Risk and materiality guideline</i>? If yes, what additional processes are required?</p>	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • Examples of DUMML risks should be added. • There are incorrect statements in the rational as well as confusion in the likelihood criteria between the probably of occurrence and the extent of errors in the instance of an occurrence. • There is no clear correlation between the guidelines and certification timeframes. • More guidance is needed on what constitutes a severe/major, moderate and low/negligible risks. • The guidelines would benefit from more explanation though examples and describing the thinking. • Guideline should provide more detail on how to identify and asses risk with having a small number of employees with

Issue	Question	Summary of submissions
		considerable knowledge.

7 The Authority proposed a suite of guidelines and information for DUML

7.1 The Authority considers that:

- (a) audit requirements for distributed unmetered load (DUML) are not clear
- (b) streetlight data in some DUML databases is inaccurate
- (c) guidance is required to help auditors assess the overall accuracy of the DUML database.

7.2 To address these problems, the Authority has developed the following guidance for DUML auditors:

- (a) *Distributed unmetered load audit guideline*
- (b) *Distributed unmetered load standardised table of wattages* for streetlights
- (c) *Distributed unmetered load statistical sampling guideline* and the *Distributed unmetered load statistical sampling tool*.

DUML audit guideline

7.3 The Authority considered that the proposed *DUML audit guideline* is required to support consistent DUML audits.

Table 6: Response to questions 9 and 10

Issue	Question	Summary of submissions
Audit requirements for DUML are not clear	Question 9: Do you agree that the <i>Distributed unmetered load audit guideline</i> clarifies DUML audit requirements?	<p>There was general support for the <i>DUML audit guidelines</i>.</p> <p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • The guidelines fail to appreciate smaller static DUML configurations such as lighting within retirement villages, wharf lighting and private car park lighting. • Switching of smaller DUML customers does not trigger a participant seeking out a DUML audit. • A sliding scale should be applied based on annual load, number of fittings or likelihood of changes in load when determining audit frequency. • Audit guidelines do not allow for tolerances in accuracy.

Issue	Question	Summary of submissions
		<ul style="list-style-type: none"> • An accuracy threshold is required for DUML based on the overall volumes of load held within a DUML database. • The consultation paper does not describe the level of market failing (if any) in the current DUML audit regime to justify this level of oversight. • The additional costs that will be incurred as a result of these changes should be balanced against the proposed benefits, and set out clearly in the consultation paper. • It is useful to see a clear statement as to who is responsible for quantification of DUML volumes. • Support removing DUML from the reconciliation audit.
	<p>Question 10: Are there any additional areas or obligations that should be covered in the <i>Distributed unmetered load audit guideline</i>? If yes, what additional processes are required?</p>	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • Changes should be well justified and benefits outweigh the costs. • Smaller DUML customers cannot afford the additional expense of DUML audits. • Authority needs to consider the wider market impact on smaller customers. • If a DUML ICP switches to a new retailer, the new retailer should be given at least three months to complete the audit. • Appendix B Table 4 is similar to Table 7 in the risk and materiality guidelines and should be aligned. • Appendix C: Add table 5 (indicative audit frequency) from DUML audit guideline to appendix C. • Appendix B table 3: Table 7 should be updated and referred back to the auditor protocol. Table 3 should be updated. • Typographical error in Code reference in Appendix A Table 2 should be corrected. • It is not clear on who is responsible for ensuring database is corrected and submissions amended. • Retailers need a process to discover when

Issue	Question	Summary of submissions
		<p>DUML audits are due.</p> <ul style="list-style-type: none"> • Pole numbers are not accurate enough, GPS coordinates should be used. • The guideline should require the use of a statistical sample or full field audit. • Other options for assessing accuracy should be approved by the Authority before use by auditors.

DUML standardised table of wattages

- 7.4 The Authority considered that the use of consistent and accurate streetlight data is required to support accurate submission of volumes by retailers to the reconciliation manager.

Table 7: Submissions on questions 11 and 12

Issue	Question	Summary of submissions
The use of consistent and accurate streetlight data is required to support accurate submission of volumes	Question 11: Do you agree that the <i>Distributed unmetered load standardised table of wattages</i> will support the use of consistent and accurate streetlight volumes for reconciliation of DUML in the market?	Submissions generally supported the use of a <i>DUML standardised table of wattages</i> . Submitters raised the following points: <ul style="list-style-type: none"> • The current table does not recognise the difference between mechanical ballast and electronic ballast. • The table should include hyperlinks to relevant documentation and manufacturers specifications. • It is not clear if ballast needs to be in the customer database or the Authority's database. • Table has generally been adopted within the industry.
	Question 12: Are there any additional lamp wattage and ballast wattage combinations that should be included in the table? If yes, please provide	Submitters raised the following points: <ul style="list-style-type: none"> • Lamp wattage varies with age so any calculation will have inherent errors. • It is not clear what is meant by the term 'accurate'. • A full listing of known wattages has been provided (see separate spreadsheet). • There are additional lamps and ballast

Issue	Question	Summary of submissions
	details, including links to manufacturer's specifications.	<p>wattages, however this will take time to identify.</p> <ul style="list-style-type: none"> No additional combinations identifier, however it is likely more combinations exist.

DUML statistical sampling guideline and tool

- 7.5 Clause 15.37B(b) of the Code, which comes into force on 1 June 2017, includes a requirement for DUML audits to verify that the information recorded in the DUML database is complete and accurate.
- 7.6 The Authority considers that the *DUML statistical sampling guideline* and the DUML statistical sampling tool will help auditors to make a statistically robust assessment of the likely accuracy of the DUML database.

Table 8: Submissions on questions 13 and 14

Issue	Question	Summary of submissions
The <i>DUML statistical sampling guideline</i> and the DUML statistical sampling tool will help auditors to make a statistically robust assessment of the likely accuracy of the DUML database.	Question 13: Do you agree that the <i>Distributed unmetered load statistical sampling guideline</i> and the DUML statistical sampling tool provide a robust mechanism for auditors to assess the accuracy of the DUML database compared to the load installed in the field?	<p>Submissions generally supported the distributed unmetered load statistical sampling guideline and tool.</p> <p>Submitters raised the following points:</p> <ul style="list-style-type: none"> There is a concern that this will increase audit costs for a small number of ICPs. There is a concern that the proposed tool will not be an effective audit tool. The guideline imposes further obligations on traders that are not covered by the Code. Paragraph 3.3 refers to paragraph 4.1 when it should refer to paragraph 3.1. If more sampling effort is put into areas where errors are suspected, the final results will be skewed. The sample selection process is complex and time consuming. The confidence accuracy of the database should be 90% not 95%.
	Question 14: Are there any additional items or	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> A threshold should be included with the statistical sampling guideline where if a

Issue	Question	Summary of submissions
	concepts that should be covered in the <i>Distributed unmetered load statistical sampling guideline</i> ? If yes, please describe.	<p>participant has less than 100 individual items of UML or annual load then the requirement should be a 100% field audit every 5 years.</p> <ul style="list-style-type: none"> • Corrections should only be applied going forward. • Audit findings need to be individually investigated and considered before amending data.

8 The Authority proposed an *Approved test house audit guideline*

- 8.1 Unlike other auditable participants (such as distributors, metering equipment providers, and reconciliation participants), there is no specialised guideline to support the auditing of approved test houses.
- 8.2 The Authority considers that a lack of such guidance could lead to an inconsistent approach and scope between approved test house auditors. This would ultimately impact auditors' decisions about the approval of test houses and their next audit date.

Approved test house audit guideline

- 8.3 The Authority considers that the proposed *Approved test house audit guideline* will address this problem by providing guidance to all auditors about the recommended scope for, and approach to, auditing approved test houses.

Table 9: Submissions on questions 15 and 16

Issue	Question	Summary of submissions
The proposed <i>Approved test house audit guideline</i> will address this problem by providing guidance to all auditors about the recommended scope for, and approach to, auditing approved test houses	Question 15: Do you agree that the <i>Approved test house audit guideline</i> addresses the issues identified above?	<p>.</p> <p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • The guideline will form a good resource for test houses to use for their own assessment. • The guideline will give assessment consistency amongst external test house auditors. • Auditors must ensure that priority rankings are used effectively.

Issue	Question	Summary of submissions
	<p>Question 16: Are there any additional areas or obligations should be covered in the <i>Approved test house audit guideline</i>? If yes, what additional areas or obligations are required?</p>	<p>Submitters raised the following points:</p> <ul style="list-style-type: none"> • In the guideline under Clause 4(1) of Schedule 10.3 states “An applicant applying for approval as a class B ATH must confirm that it holds and complies with ISO 9001 certification for at least the requested term of the approval”. This clause is met providing ISO certification is held and complied with for the majority of the application period and the ATH intends to renew the ISO 9001 certification.

Glossary of abbreviations and terms

Authority	Electricity Authority
Act	Electricity Industry Act 2010
Code	Electricity Industry Participation Code 2010
DUML	Distributed unmetered load
Regulations	Electricity Industry (Enforcement) Regulations 2010