

Compliance plan for emhTrade Limited

Title: Relevant information		
Non-compliance	Description	
<p>Audit Ref: 2.1</p> <p>With: Clause 10.6, 11.2, 15.2</p> <p>From/to: entire audit period</p>	<p>211 ICPs on HHE profile have HHR certification, and should have the HHR profile applied.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 21</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong overall, because they ensure that data is complete and accurate most of the time. emhTrade are receiving reads for the HHR Metrix meters from the legacy data stream, and had believed that these meters should remain on HHE profiles.</p> <p>The audit risk rating is low, submission volumes are not affected.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
EMHT HHE profiles currently remain in place for HHR Metrix meters. Metrix continue to provide data that meets our requirements and has no material impact. A system upgrade for the HHR data stream is being scheduled in 2019. This is also inclusive to 11.1 response.	June 2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
emhTrade assessed the urgency of the transition to the new HHR data feed when implemented by Metrix and the risks of deferring this and elected to continue using the existing data feed during the period due to the low risk. In our view we have an effective management process to capture these events and take appropriate action.	NA	

Title: Audit trails		
Non-compliance	Description	
<p>Audit Ref: 2.4</p> <p>With: Clause 21 Schedule 15.2</p> <p>From: 01-Nov-18</p> <p>To: 27-Nov-18</p>	<p>Audit trails do not record the operator identifier for the person who completed the activity; only the emhTrade system user ID writes to 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	
Low	<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 because there is only one operator identifier.</p> <p>A small number of users have access to the system. For the sample of audit trails reviewed, it was simple to determine which person was responsible for processing the change from supporting information.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>EMHT was able to demonstrate user Audit trails and does not foresee an immediate risk for auditing.</p> <p>We acknowledge that system improvements can be made in this regard and these are in our work pipeline but with no firm date for completion set at this stage due to the low risk and controls currently in place.</p>	TBA	Investigating
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>emhTrade has recently created an Operations Process Manager role that will have direct responsibility for tracking new EA requirements and ensuring appropriate risk based prioritisation of changes are made.</p>	November 2018	

Title: Changes to registry information			
Non-compliance		Description	
Audit Ref: 3.3 With: Clause 10 Schedule 11.1 From: 01-Nov-17 To: 17-Mar-18		One late status update to active. Three late trader updates. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2	
Audit risk rating		Rationale for audit risk rating	
Low		The controls are adequate to ensure that the registry is updated on time most of the time, but there is room for improvement. The risk is low as most updates were completed on time or soon after they were due. The late trader updates checked were found to relate to corrections.	
Actions taken to resolve the issue		Completion date	Remedial action status
emhTrade had corrected all the exceptions noted.		November 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
emhTrade have implemented a new daily checks procedure to review "junk" email folders. emhTrade have updated the operations procedures so that ANZSIC codes are selected based on the individual ICP (rather than customer level information).		November 2018	

Title: ANZSIC codes	
Non-compliance	Description
Audit Ref: 3.6 With: Clause 9 (1)(k) of Schedule 11.1 From: 01-Mar-18 To: 27-Nov-18	Three ICPs had incorrect ANZSIC codes. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong as they were sufficient to reduce the risk of incorrect ANZSIC codes most of the time.</p> <p>The audit risk rating is low, as three incorrect ANZSIC codes and no unknown ANZSIC codes were identified.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
EMHT will review and correct the current codes. It was identified that ANZSIC codes was based on our customer type and not by ICP type services		March 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
EMHT will update and adjust our onboarding process to ensure that correct ANZSIC code is applied based on the ICP type. Further additional training to be given to operational staff.		March 2019	

Title: Gaining trader informs registry of switch request - switch move			
Non-compliance	Description		
<p>Audit Ref: 4.7 With: Clause 9 Schedule 11.3</p> <p>From: 03-Aug-18 To: 03-Aug-18</p>	<p>One switch move was requested more than two business days after pre conditions were cleared.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are assessed to be strong, NTs are normally requested on time and there are controls in place to detect failed registry updates and re-send the files.</p> <p>The impact is low. One NT file was requested one business day late.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
EMHT were able to identify the issue and resolve as soon as practical with only one NT file request one day late.		November 2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date
EMHT have implemented and updated our daily procedures, additional training has been given to operational staff.	December 2018

Title: Losing trader provides information - switch move		
Non-compliance	Description	
<p>Audit Ref: 4.8 With: Clause 10(1) Schedule 11.3</p> <p>From: 15-Apr-18 To: 15-Dec-18</p>	<p>One AN had a proposed transfer date earlier than the gaining trader's proposed date.</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>Controls are rated as strong, as they are sufficient to ensure that AN content is compliant most of the time.</p> <p>The impact is assessed to be low. One non-compliant AN date was identified, and the switch was subsequently withdrawn.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>This arose from operator manual keying error and was a single event. Operators have been advised to carefully validate the date as it is not validated within the system (at emhTrade or the Registry).</p> <p>EMHT remedied the switch as a correction after the issue was advised to use.</p>	November 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>emhTrade have implemented and updated our daily procedures to validate our event dates, additional training has been given to operational staff.</p> <p>Management will monitor for repeat exceptions and take further action if multiple instances occur.</p>	December 2018	

Title: Gaining trader to advise the registry manager - gaining trader switch			
Non-compliance		Description	
Audit Ref: 4.14 With: Clause 16 Schedule 11.3 From: 19-Jan-18 To: 19-Jan-18		One HH CS file was late. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating		Rationale for audit risk rating	
Low		The controls are rated as strong and the impact as low. This was an isolated incident because emhTrade could not obtain meter data, and the switch was completed as soon as the data was received. emhTrade intends to send future HH CS files on time.	
Actions taken to resolve the issue		Completion date	Remedial action status
Following receipt of the required data, emhTrade completed the switch resolving this specific exception event.		November 2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Processes are being updated to ensure the timely submission of HH CS files and take additional/ alternative actions to process these files eg; estimation, notify other parties within the timeframe to provide necessary data, notify participant and agree on actions		November 2018 & ongoing	

Title: Buying and selling notifications	
Non-compliance	Description
Audit Ref: 11.1 With: Clause 15.3 From: 16-Jan-18 To: 14-Aug-18	No trading notification was provided for HHE profile for HEP0331, or the HEM profile for HWB1101 or MTM0331. Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	There is no impact. The reconciliation manager's system recorded the profile correctly, and the notification process does not allow the trader to enter the profile.		
Actions taken to resolve the issue		Completion date	Remedial action status
The profile is recorded correctly on the reconciliation manager's system so no further action is required.		November 2018	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
As the "new trader" option only allows HHR or NHH , emhTrade cannot prevent this technical non-compliance. We will review the practicality of notifying RM by email of intended HHE & and HEM trade profiles.		February 2019	

Title: Calculation of ICP days			
Non-compliance	Description		
Audit Ref: 11.2 With: Clause 15.6 From: 01-Apr-18 To: 16-Nov-18	Inaccurate ICP days were reported for a small number of ICPs. Corrected data has been washed up, and processes have been corrected. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are currently rated as strong as they are sufficient to ensure that ICPs with installation type G or decommissioned status are not included in the ICP days calculation, and that new meters without a transfer date are identified. The impact is assessed to be low, as updated data will be provided through the revision process.		
Actions taken to resolve the issue		Completion date	Remedial action status
emhTrade had corrected a system error related to the ICPs that reported incorrect days and produced a wash up of the correction. EMHT has taken actions to prevent any further issues arising.		November 2018	Identified

Preventative actions taken to ensure no further issues will occur	Completion date
emhTrade have implemented a system upgrade to only include installation types B and L. Operational staff have also been reminded of these changes.	November 2018

Title: HHR aggregates information provision to the reconciliation manager		
Non-compliance	Description	
Audit Ref: 11.4 With: Clause 15.8 From: entire audit period	<p>Alleged breach 1810EMHL1 was recorded for late provision of September 2018 initial submission information. HHR aggregates file does not contain electricity supplied information.</p> <p>Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong and the risk as low, because submissions are normally completed on time. The alleged breach is currently being investigated and the outcome will be decided by the Compliance Committee. It is likely that the alleged breach had no market impact. Steps have been taken to prevent recurrence.</p> <p>The issue relating to content of the aggregates file is an error in the code, emhTrade is providing submission information as expected.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
The data was submitted late on the reporting date following notification by the reconciliation manager and internal verification of the issue.	Sep 2018	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We are reviewing our confirmation process for BD4 & BD13 reconciliation submissions. Remedial actions include a new operations process management function tasked with updating our key KPIs to ensure compliance, effective from the start of 2019 and a refresh for Operations staff on the processes to ensure timely submission.	January 2019	

Title: Creation of submission information		
Non-compliance	Description	
Audit Ref: 12.2 With: Clause 15.4 From: 01-Sep-18 To: 30-Sep-18	Alleged breach 1810EMHL1 was recorded for late provision of September 2018 initial submission information. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	Controls are rated as strong and the risk as low, because submissions are normally completed on time. The alleged breach is currently being investigated and the outcome will be decided by the Compliance Committee. It is likely that the alleged breach had no market impact. Steps have been taken to prevent recurrence.	
Actions taken to resolve the issue	Completion date	Remedial action status
As per comments noted on Audit Ref: 11.4 With: Clause 15.8	See 11.4	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As per comments noted on Audit Ref: 11.4 With: Clause 15.8	See 11.4	

Title: Accuracy of submission information	
Non-compliance	Description
Audit Ref: 12.7 With: Clause 15.12 From: 01-Dec-17 To: 27-Nov-18	211 ICPs were assigned the HHE profile for periods when HHR certified metering was installed. Inaccurate ICP days were reported for a small number of ICPs. Corrected data has been washed up, and processes have been corrected. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating	
Low	<p>Controls are rated as strong as they are sufficient to ensure that submission data is accurate most of the time.</p> <p>The audit risk rating is low volumes submitted were correct and submission information can be corrected washed up through the revision process.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<p>Both were resolved with our below response also noted within the report. (inclusive) Audit Ref: 12.7. Refer to response in section 2.1 Relevant information (Clause 10.6, 11.2, 15.2) Audit Ref: 11.2 With: Clause 15.6 Refer to response in section 11.2</p>	<p>As per section 2.1 and 11.2</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Audit Ref: 12.7. Refer to response in section 2.1 Relevant information (Clause 10.6, 11.2, 15.2) Audit Ref: 11.2 With: Clause 15.6 Refer to response in section 11.2</p>	<p>As per above</p>	