

Memo

To Audited participants
Copies Approved Auditors
From Jonathon Staite
Date 4 June 2019
Subject Auditor rotation requirements effective from 1 June 2019

For your information

This is a reminder to all audited participants that clause 16A.7 requires audited participants to appoint a new auditor at the later of:

- 24 months after their first audit (conducted after 1 June 2017); or
- two consecutive audits.

This means that participants will be affected by clause 16A.7 from **1 June 2019**.

Key points to be aware of:

- the 24-month time starts from the date the first audit (after 1 June 2017) was submitted to the Authority
- only the lead auditor needs to change (not the audit organisation)
- this requirement is separate for each auditable function (reconciliation participant, distributor, metering equipment provider, ATH, dispatchable load purchaser)
- each auditor change 'resets' the 24 month / two consecutive audits requirement
- auditors can be changed more frequently than required by the Code.

For example:

Participant A is a distributor

Participant A submitted distributor audits conducted by auditor X on:

- 13/10/2017
- 12/09/2018

Participant A's next distributor audit is due on 13/11/2019.

Any audit submitted after 13 October 2019 must be performed by another auditor (not auditor X).

Participant A is also a metering equipment provider (MEP)

Participant A submitted MEP audits conducted by auditor Y on:

- 15/06/2017
- 15/12/2018

Participant A's next audit is due on 17/06/2019.

If participant A submits an audit before 15 June 2019, it can be performed by auditor Y. Any audit submitted after 15 June 2019 must be performed by another auditor (not auditor Y).

Participant B is an ATH

Participant B submitted its first post-1 June 2017 ATH audit, conducted by auditor X on 15/04/2018.

Participant A's next audit is due on 15/10/2019.

As this is only the second consecutive audit since 15 April 2018, Participant B can use auditor X one more time before needing to change auditors.



Jonathon Staite