DSW Submission Form – Scheme Participants

Purpose of this form

Auditors should use this form to submit a detailed scope of works (**DSW**) for audits of scheme participants under the NSW Energy Savings Scheme (**ESS**) and Peak Demand Reduction Scheme (**PDRS**). This DSW is for an audit of a scheme participant’s:

* non-market acquisitions (i.e. non-market purchases and supply of generation by a retailer)
* exempt electricity loads

Scheme participants are only required to conduct an audit if their ESS Annual Statement or PDRS Individual Liable Demand includes non-market acquisitions and/or exempt electricity loads.[[1]](#footnote-2) The purpose of the audit is to provide reasonable assurance over liable acquisitions that cannot be verified against data provided by AEMO.

This form should be used in conjunction with the[*Audit Guide – Scheme Participants*](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/guide/audit-guide-scheme-participants) and [*Compliance Guide – Scheme Participants*](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/guide/compliance-guide-scheme-participants)

How to complete and submit this form

#### Icons

* Indicates an instruction for completing this form.
* Indicates important information to assist you with completing this form.

#### Step 1:

* Auditor completes Parts A, B & C.

#### Step 2:

* Lead auditor signs the declaration at the end of Part B.

#### Step 3:

* Auditor lodges this *DSW Submission Form – Scheme Participants* with IPART via the ESSRegulator@ipart.nsw.gov.au mailbox for approval prior to commencing the audit.[[2]](#footnote-3)

PART A

Scheme Participant Information

* The auditor completes Part A of this form.
1. Scheme participant information

This DSW is for an audit of the following scheme participant(s):

|  |  |
| --- | --- |
| Scheme Participant name(s) | Click here to enter text. |

1. Scope of this DSW
* This form may be used for a combined ESS and PDRS audit, an audit under the ESS only or an audit under the PDRS only.

|  |  |
| --- | --- |
| Scheme(s) | Please choose an item.  |

1. Compliance period the audit relates to
* Where the DSW relates only to one scheme, ‘N/A’ should be selected for the compliance period of the other scheme.

|  |  |
| --- | --- |
| ESS Compliance period | Please choose an item.  |
| PDRS Compliance period | Please choose an item.  |

1. Items included in the DSW
* Refer to Section 4 of the [Compliance Guide – Scheme Participants](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/guide/compliance-guide-scheme-participants) for definitions of non-market acquisitions and exempt electricity loads.

|  |  |
| --- | --- |
| This DSW includes audit of the following types of non-market acquisitions | [ ]  Non-market purchases (MWh)[ ]  Non-market supply of generation (MWh) |
| This DSW includes audit of exempt electricity loads | Please choose an item. |

PART B

Audit Information

* The auditor completes Part B of this form.
1. Auditor information and resourcing
* The Audit Services Panel Member is the auditing company.

|  |  |
| --- | --- |
| Audit Services Panel Member | Type name. |
| Lead Auditor | Type name. |

1. Additional audit personnel
* Team members should have experience relevant to audits of scheme participants of the NSW Energy Security Safeguard schemes. A combination of education, training and professional experience will satisfy this requirement.
* Any additions or changes to key personnel or deviations from the DSW must be notified to IPART and accepted by IPART prior to conducting work

|  |  |
| --- | --- |
| Audit Team | Type name. |
| <Provide a brief summary (or attachment) of the knowledge and/or experience of the Lead auditor and audit team MAXIMUM 200 words>. |
| Peer reviewer | Type name. |
| <Provide a brief summary (or attachment) of the knowledge and/or experience of the peer reviewer MAXIMUM 200 words > |
| Other key personnel | Type name. |
|  | <Provide a brief summary (or attachment) of the knowledge and/or experience of other personnel MAXIMUM 200 words > |

1. Audit Standard
* Auditors must specify the audit standard they propose to use for this audit.

|  |  |
| --- | --- |
| Audit standard | [ ]  ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information  |
|  | [ ]  ASAE 3100 Compliance Engagements |
|  | [ ] Other: <Type details.> |

1. Audit Fee

|  |  |
| --- | --- |
| Total estimated fee (excluding GST) | $ Insert amount. |

PART C

Audit Scope Items

The audit should identify whether the scheme participant’s non-market acquisitions and exempt electricity loads are:

* For the ESS, in accordance with Divisions 4 and 5 of Part 1 of Schedule 4A to the [*Act*](https://legislation.nsw.gov.au/view/html/inforce/current/act-1995-094#sch.4A-pt.1) and in accordance with the [ESS *Scheme Regulator Exemptions Rule No. 1 of 2016*](https://www.energysustainabilityschemes.nsw.gov.au/ess/documents/legislation/ess-scheme-regulator-exemptions-rule) and the relevant [*ESS Exemptions Order*](https://www.energysustainabilityschemes.nsw.gov.au/exempt-legislation).
* For the PDRS, in accordance with Divisions 2 and 3 of Part 2 of Schedule 4A to the [*Act*](https://legislation.nsw.gov.au/view/html/inforce/current/act-1995-094#sch.4A-pt.2)and in accordance with the [*PDRS Scheme Regulator Exemptions Rule No. 1 of 2023*](https://www.energysustainabilityschemes.nsw.gov.au/pdrs/documents/legislation/pdrs-exemptions-rule) and the relevant [*PDRS Exemptions Order*](https://www.energysustainabilityschemes.nsw.gov.au/exempt-legislation).
* based on accurate and reliable records and other relevant supporting documentation
* determined in a manner consistent with the approach specified in the [*Compliance Guide – Scheme Participants*.](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/guide/compliance-guide-scheme-participants)

#### Scope Item 1: Confirm non-market acquisitions

|  |  |
| --- | --- |
| Standard audit tasks | 1. Confirm the scheme participant’s non-market acquisitions for the relevant ESS and/or PDRS compliance periods by viewing evidence supporting calculation of their:
	1. non-market purchases
	2. supply of generation by a retailer
2. Provide an opinion on, and description of, the approach used to estimate:
	1. non-market purchases
	2. supply of generation by a retailer
3. Provide an assessment on whether the scheme participant has reported all non-market acquisitions for the relevant ESS and/or PDRS compliance.
 |
| Additional audit tasks | Insert additional tasks specific to the audit if required. |

#### Scope Item 2: Confirm exempt electricity loads

|  |  |
| --- | --- |
| Standard audit tasks | For each location that the scheme participant is seeking an exemption: 1. Confirm the National Metering Identifier (NMI).
2. Confirm the scheme participant has supplied the amount of electricity claimed in the deduction:
	1. in connection with the specified activity, and
	2. at the corresponding location during the compliance period to which the deductions relate.
3. Provide an opinion on, and description of, the approach used to determine the amount of electricity claimed in the deduction including a description of the metering arrangements.
4. Confirm the scheme participant has calculated the exempt electricity load in accordance with the relevant Exemptions Order and Exemptions Rule for each exemption it has claimed.
 |
| Additional audit tasks | Insert additional tasks specific to the audit if required. |

#### Scope Item 3: Implementation of Previous Recommendations

|  |  |
| --- | --- |
| Standard audit tasks | 1. Review the outstanding recommendations and the actions taken by the scheme participant to address previous recommendations.
2. Check that any new procedures have been documented and are operational.
3. Provide an opinion on whether the scheme participant has addressed outstanding recommendation(s) from previous audit reports.
 |
| Additional audit tasks: | Insert additional tasks specific to the audit if required. |

#### Scope Item 4: Additional scope items

|  |  |
| --- | --- |
| Scope item: | Insert additional tasks specific to the audit if required. |

Declaration by Lead Auditor

* Clause 61 of Schedule 4A to the [Electricity Supply Act 1995](https://legislation.nsw.gov.au/view/html/inforce/current/act-1995-094#sch.4A-sec.61) (**Act**), for the purposes of the ESS, imposes a maximum penalty of $11,000 and/or six (6) months imprisonment for knowingly providing false or misleading information, documents or evidence to the Scheme Regulator.
* Clause 130 of Schedule 4A to the [Electricity Supply Act 1995](https://legislation.nsw.gov.au/view/html/inforce/current/act-1995-094#sch.4A-sec.130) (**Act**), for the purposes of the PDRS, imposes a maximum penalty of $11,000 for knowingly providing false or misleading information, documents or evidence to the Scheme Regulator.

I hereby declare that:

* I am a Lead Auditor of the Audit Services Panel Member of the NSW ESS and PDRS.
* The Audit Services Panel Member named in section 1 of Part B above will conduct the audit services to provide a reasonable assurance opinion over the non-market acquisitions and exempt electricity loads specified in Part A of this DSW Submission Form.
* The information contained in this form is complete, true and correct and not misleading by inclusion or omission.
* I am aware that there are penalties for providing false or misleading information, documents, or evidence to IPART as Scheme Regulator of the ESS and PDRS.
* I, as the Lead Auditor, will discuss the findings of the audit with the Scheme Regulator at the Scheme Regulator’s request
* I confirm that the audit services will be undertaken in accordance with the [Audit Services Panel Agreement.](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/forms-and-templates/template-panel-agreement-audit-services-panel) In particular, the Audit Services Panel Member specified in section 1 of Part B has the required insurance to conduct the audit services.
* I have read and understood section 2.2 of the [*Audit Guide - Scheme Participants*](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/guide/audit-guide-scheme-participants) regarding any conflict of interest matters, and confirm that the Audit Services Panel Member specified in section 1 of Part B:
	+ is not aware of any actual or potential conflicts of interest in undertaking this audit, or
	+ has discussed any potential or actual conflicts of interest identified with IPART prior to the submission of this form and IPART has determined that there is no conflict of interest or otherwise provided its written consent to the Audit Services Panel Member to proceed with the audit.
* The audit report will be prepared in accordance with the [*Audit Guide - Scheme Participants*](https://www.energysustainabilityschemes.nsw.gov.au/ess-pdrs/documents/guide/audit-guide-scheme-participants).
* I understand and agree that where the auditor identifies errors (misstatements) or inconsistencies during the audit, they may communicate these to the scheme participant who has commissioned the audit. The scheme participant may choose to amend their non-market acquisitions or exempt electricity loads accordingly before the audit is finalised. However, auditors must identify the original error and provide a reasonable assurance opinion over the amended input in the Audit Report.

Signed by the Lead Auditor as a member of the Audit Services Panel:

|  |  |
| --- | --- |
| Signature of Lead Auditor: |  |
| Full name of Lead Auditor: |  Type name. |
| Date signed: |  Click to enter a date. |

# Guidance for assessing audit scope items

Table 1 includes examples of audit procedures that may be used to assess the audit scope items listed in Part C of this form. The examples provided are not exhaustive and auditors may use alternative audit procedures. The audit report should clearly outline the procedures used and the evidence relied on to reach a conclusion in relation to each scope item.

1. Table 1 Guidance for assessing audit scope items

| Scope Item | Example audit procedures |
| --- | --- |
| Confirm non-market acquisitions | * Check the scheme participant has appropriate data capture systems in place and has used comprehensive billing or other appropriate metering data (i.e. customer metering data) to determine their non-market acquisitions.
* Confirm any estimates of PDRS non-market acquisitions measured by a non-interval meter (i.e. a basic meter):
	+ account for non-market purchases during the period between 2:30pm and 8:30pm AEST on the 4 peak days.
	+ are calculated in accordance with the PDRS Compliance Rule.
* Check that the scheme participant has:
	+ included all non-market acquisitions, and
	+ not included any purchase or supply of electricity that is later acquired by the Market Operator through the NEM[[3]](#footnote-4)
	+ not included any purchase of electricity that is treated as a liable acquisition by another scheme participant.[[4]](#footnote-5)
* Confirm the scheme participant’s non-market acquisitions by re-calculating the reported values.
 |
| Confirm exempt electricity loads | * Check the exemption being claimed is listed in Schedule 1 Table of Exemptions in the relevant Exemptions Order for the relevant compliance period.
* Confirm the scheme participant is entitled to claim the exemption by confirming:
	+ the scheme participant supplied electricity to the relevant location for the specified activity (e.g. by viewing billing data, invoices and other records)
	+ the specified activity took place at the corresponding location for the duration of the relevant compliance period (e.g. by viewing correspondence with the customer or other records).
* Confirm the amount of electricity supplied to the exempt location for the specified activity (e.g. by viewing billing data, invoices or other records).
* Confirm interval meter data was used to determine the electricity supplied. (Note, if non-interval meter data was used, check if the scheme participant has consulted with IPART regarding the proposed estimation method).
* Confirm that unadjusted meter data was used to calculate the exempt load (e.g. by checking that loss factors have not been applied to the data).
* Check that the method used by the scheme participant to calculate the exempt load is in accordance with the relevant Exemptions Rule.
* Confirm the accuracy of the calculated exempt loads by re-calculating the reported values.
 |
| Implementation of previous recommendations | * Check the scheme participant’s previous audit report for any recommendations.
* Check that the scheme participant has taken action to address previous open recommendations by checking evidence (e.g. requests for information, procedures, reports, etc.).
* Check that any actions requiring procedural change have been documented (e.g by viewing the documented procedure).
* Check whether the action has been effective (e.g. assess whether it would address the root cause of the issue described in the original finding, check for any sign of recurrence since the action was taken, etc.).
 |

1. Scheme participants may not need to conduct an audit if their non-market acquisitions are below a certain threshold. Refer to Section 5 of the *Compliance Guide – Scheme Participants* for more information. [↑](#footnote-ref-2)
2. This DSW must be approved by IPART before the audit can commence. The DSW is not approved until IPART advises the auditor in writing. [↑](#footnote-ref-3)
3. For example, the purchase of electricity by a retailer from a customer’s rooftop solar that is onsold to the Market Operator. [↑](#footnote-ref-4)
4. Purchases of electricity from another scheme participant where the electricity has been treated as a liable acquisition for that other scheme participant or for a scheme participant further up the chain of supply are not a liable acquisition. [↑](#footnote-ref-5)