

# PAB210/11 – BSC AUDIT PEER COMPARISON 2017/18

## NON-CONFIDENTIAL

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**MEETING NAME** Performance Assurance Board

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**Date of meeting** 26 July 2018

**Paper number** PAB210/11

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**Purpose of paper** For information

**Classification** Public

**Summary** The BSC Audit Peer Comparison provides a score for each Party and Party Agent based on the number of audit issues raised against them, the age of the issue and the issue rating (High, Medium or Low).

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### 1. Background

- 1.1 This paper sets out an anonymised list of audited Performance Assurance Parties (PAPs) ranked based on their performance in terms of Audit Issues identified through the BSC Audit, the severity of these Audit Issues and the length of time those issues have been outstanding. This paper also provides a view as to the performance of various segments of the market from the perspective of the BSC Audit.
- 1.2 Discussion around the BSC Audit Peer Comparison will take place both in the confidential and public sessions of the July PAB meeting.

### 2. Explanation of Terms and Methodology

#### High, Medium and Low Audit Issues

- 2.1 Audit issues are rated by the BSC Auditor as either High, Medium or Low based on a number of factors including the likely hood of the issue resultng in material Settlement impact and the potential of such materiality.

#### Formula for Ranking Score

- 2.2 Score for each category (High, Medium and Low) is 'Number of Audit Issues' x 'Weighting' x 'Average Age'. Total score is the sum of the scores received for each category.

#### Conditional Formatting

- 2.3 Individual role tabs have conditional formatting applied such that the lowest scores (least issues) are coloured green with the highest scores (most issues/oldest issues) are coloured red with the middle percentile coloured yellow. This is to make comparison of performance within a given role easier.
- 2.4 The 'Role Comparison' and 'Worst Performers' tabs use conditional formatting with scores and average ages coloured using the same gradient but applied across the total population to show the comparative scores across all roles and Parties.

### 3. Use of BSC Audit Peer Comparison

- 3.1 This information is presented for the PAB's information. This data will also feed into ELEXON's ongoing review of the BSC Audit Scope which will be presented for final approval at the August 2018 PAB meeting.

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3.2 Additionally the anonymous version of the BSC Audit Peer Comparison table will be published on the ELEXON website with the confidential PAP references sent out to each PAP so they are able to identify where they fall in relation to other PAPs within scope of the BSC Audit.

## 4. Recommendations

4.1 The PAB is invited to:

- a) **NOTE** the BSC Audit Peer Comparison for 2017/18.

## Attachments

Attachment A – BSC Audit Peer Comparison 2017/18 Non-Confidential

Attachment B – CONFIDENTIAL Peer Comparison 2018 by Organisation

### For more information, please contact:

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