

# 2019/20 BSC AUDIT WITHIN PERIOD REVISION

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<b>MEETING NAME</b>	BSC Panel
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<b>Date of meeting</b>	14 May 2020
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<b>Paper number</b>	302/15
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<b>Owner/author</b>	Beth Procter
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<b>Purpose of paper</b>	Decision
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<b>Classification</b>	Public
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<b>Summary</b>	This paper provides an update on the impact of the COVID-19 pandemic and associated lockdown on the 2019/20 BSC Audit, and provides an alternative Scope and schedule for the BSC Audit report delivery.
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## 1. Introduction

1.1 The BSC Audit report is split between:

- The International Standard on Assurance Engagements (ISAE) 3000 Opinion covering Central Volume Allocation (CVA) Meter Operator Agents (MOAs) and Central Systems, and
- The Process Assessment Report covering Suppliers and Supplier Agents.

1.2 The BSC Audit Scope stated that the BSC Audit Report for 2019/20, unless otherwise agreed with the BSC Panel, would be presented to the Panel in June 2020.

## 2. COVID-19 impacts on 2019/20 BSC Audit Scope

2.1 We noted to the Panel at its last meeting, that on 26 March 2020 that the BSC Auditor was experiencing some challenges with performing the remainder of the Central Systems part of the BSC Audit. This was due to prioritisation of the Business As Usual (BAU) service delivery from one of the Central Systems' Agents in the immediate aftermath of altered working arrangements. This Agent was also experiencing technical issues with gaining remote access to some of its systems and evidence data for the Audit. These factors were making it increasingly likely that the 2019/20 Audit report for the ISAE 3000 Opinion would be delayed.

2.2 In response, ELEXON presented a paper to the April 2020 PAB meeting and received its endorsement to amend the BSC Audit Scope and the report timescales.

## 3. BSC Audit Report proposed schedule

### International Standard on Assurance Engagements (ISAE) 3000 Opinion

3.1 The impacted Central Systems Agent has advised that it will not be able to complete the remaining Audit work until at least July 2020. This estimate is based on the assumption that office working will be resumed by July. If this is not the case, a plan will then be made to remotely complete the Audit.

3.2 The Agent also confirmed that there will be a substantial amount of BAU work that needs to be prioritised over the next few months, namely work for the [Trans European Replacement Reserve Exchange \(TERRE\)](#) project and the processes introduced with [P354, Use of ABSVD for non-BM Balancing Services at the Metered \(MPAN\) level](#). With the technical issues that are creating delays with BAU processes, it would not be possible to facilitate both BAU and the Audit because this work will require the same resource.

3.3 The BSC Auditor has also advised that because of the type of opinion that is provided, a limited scope CVA report would not be possible and that its recommendation is that the findings from the CVA Audit should be reported in whole. In addition, the BSC Auditor felt that a limited report would not provide any value to industry.

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- 3.4 Therefore, the ISAE 3000 Opinion report will be delivered to the PAB at its September 2020 meeting, and to the BSC Panel at its October 2020 meeting. This is subject to any updated information being provided by the Central Systems Agent regarding their ability to complete the Audit.

### **Process Assessment Report (SVA Supplier and Supplier Agent)**

- 3.5 The SVA Supplier and Supplier Agent report will be delivered as planned for presentation at the May 2020 PAB meeting and June 2020 BSC Panel meeting.

## **4. Associated risks and impacts**

- 4.1 National Grid has confirmed that the delay in the CVA BSC Audit report does not impact on the BM Audit. It has also confirmed that the BM Audit will be delivered as planned.
- 4.2 There is a risk that the BSC Auditor may not be able to allocate the same auditors to complete the Audit in July, but it will ensure that equivalently experienced auditors will be provided for the work. It is not certain when the audit will be completed so it is not yet possible to confirm the resource allocation.
- 4.3 There is no risk or impact to the 2020/21 BSC Audit Scope. Any Agents that have already received their individual results will be expected to address any highlighted issues as normal.
- 4.4 Currently there is no foreseen impact on the wider industry for the report being delayed.
- 4.5 There is no risk or impact to the current BSC Audit service provider contract. However, a cost assessment has been carried out for any additional work that has been completed so far and included as a confidential attachment to this paper (Attachment A). Any additional financial impacts will be assessed if they occur.

## **5. BSC Audit Scope within period revision**

- 5.1 The BSC Audit Scope (Attachment B) will now contain an additional section under reporting, '42. March 2020 within period revision' on page 21 of the document. This document has been backdated as a March 2020 amendment because it is relating to the April 2019-March 2020 BSC year as a within period revision.

## **6. Next steps**

- 6.1 The amended 2019/2020 BSC Audit Scope will be published on the ELEXON website.
- 6.2 We will notify industry of the amended scope via Newscast and Operational Support Managers.
- 6.3 Monthly meetings with the Central Systems Agent and the BSC Auditor will take place to facilitate planning for the remainder of the Audit.
- 6.4 Should a further delay be required, a paper will be brought to PAB and the BSC Panel with the updated information.

## **7. Recommendations**

- 7.1 We invite you to:
- a) **APPROVE** the proposed revision to the BSC 2019/20 Audit scope.

## **Attachments**

Attachment A – Confidential Attachment

Attachment B – BSC Audit Scope within period revision

### **For more information, please contact:**

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