

## Funding Shares Audit Findings

### BSC Panel

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Purpose of paper **For Information**

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Summary **Ellexon invites the Panel to note the results of the recent audit of the calculation of Funding Shares for year ending 31 March 2021, as part of the BSC Audit.**

### 1. Background

- 1.1 Funding Shares are the mechanism whereby the costs of operating the Balancing and Settlement Code (BSC) procedures are shared between Trading Parties existing in that market.
- 1.2 The basis for calculating these shares is set out in [BSC Section D – BSC Cost Recovery and Participation Charges](#). In summary, they are calculated each month based on the best information available at the time of calculation. A reconciliation exercise is performed at the end of each year based on the final version of the source data. Reconciling bills and credits are then issued as necessary.

### 2. Scope

- 2.1 BSC Panel paper [314/07 'Approval of Funding Shares Audit Scope'](#) set out the scope of the Funding Shares Audit for the year ending 31 March 2021, as required by BSC Section H5.1.2.
- 2.2 In summary, the resulting scope of the audit was as follows:
  - a) Review of Funding Shares and Associated Charges for 2020/21; and
  - b) Review of Annual Funding Shares for 2020/21.

### 3. Findings

- 3.1 The BSC Auditor's report is attached to this paper. In summary the BSC Auditor's opinion is that, based on the agreed scope of the work, the calculations have been performed in accordance with the relevant sections of the BSC and BSC Code Subsidiary Documents (CSDs).
- 3.2 The BSC Auditor's work identified no significant errors affecting the accuracy of the final Funding Shares for the financial year to 31 March 2021.
- 3.3 We are now in a position to complete the final reconciliation of the 2020/21 BSC Charges.

### 4. Recommendations

- 4.1 We invite you to:
  - a) **NOTE** the findings of the 2020/21 Funding Shares Audit.

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## Attachments

Attachment A – KPMG Audit Opinion Letter

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### For more information, please contact:

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