

RIN Attachment 12

Audit Reports and Review Conclusion Statements

ACT and Queanbeyan-Palerang gas
network 2021–26

Submission to the Australian Energy Regulator

June 2020



Independent Auditor's Report

To the Directors of Icon Distribution Investments Ltd and Jemena Networks (ACT) Pty Ltd

Report on the audit of the Financial Information in the Reset Reporting Templates

Opinion

We have audited the **Financial Information** of Icon Distribution Investments Ltd and Jemena Networks (ACT) Pty Ltd ("Evoenergy" or "the Licensee") in the attached Reset Reporting Templates ("Templates").

In our opinion, the accompanying **Financial Information** as at and for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 in the Templates of Evoenergy is prepared, in all material respects, in accordance with the Regulatory Information Notice issued under Division 4 of Part 1 of Chapter 2 of the National Gas (Australian Capital Territory) Law by the Australian Energy Regulator ("AER") on 28 February 2020 ("the Notice") and the Basis of Preparation as prescribed by the Notice.

The **Financial Information** comprises the Actual Historical Financial Information in the attached Templates.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Information* section of our report.

We are independent of the Licensee in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Information in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use and distribution

The Financial Information in the Templates for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 has been prepared based on the Basis of Preparation as prescribed by the Notice.

Without qualifying our opinion, we draw attention to the Basis of Preparation which describes the methodologies, assumptions and judgements made by Management in interpreting the definition and presentation requirements for Actual and Estimated Information, in order to meet the requirements of the Notice.



The Financial Information has been prepared to assist the Directors of the Licensee, for the purpose of fulfilling their regulatory reporting obligations under the Notice. As a result, the Financial Information and this Auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Licensee and the AER and should not be used by or distributed to parties other than the Directors of the Licensee and the AER. We disclaim any assumption of responsibility for any reliance on this report, or on the Templates to which it relates, to any person other than the Directors of Licensee and the AER or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in the Licensee's regulatory reporting which is provided in addition to the Financial Information in the Templates, the Basis of Preparation and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Information does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Information, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors and Management for the Financial Information

Management is responsible for:

- the preparation of the Financial Information in accordance with the requirements of the Notice and the Basis of Preparation; and
- such internal control as Management determines is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

The Directors of the Licensee are responsible for:

- overseeing the Licensee's regulatory reporting process;
- determining that the Basis of Preparation is appropriate to meet the needs of the AER in order to fulfil the Licensee's regulatory reporting obligations; and
- the Statutory Declaration over the Financial Information included in order to comply with the requirements of the Notice.

Auditor's responsibilities for the audit of the Financial Information

Our objective is:

- to obtain reasonable assurance about whether the Financial Information as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Information.

A further description of our responsibilities for the audit of the Financial Information is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf. This description forms part of our Auditor's Report.

A handwritten signature of the KPMG firm, written in dark ink.

KPMG

A handwritten signature of Vicky Carlson, written in dark ink.

Vicky Carlson
Partner
Melbourne
26 June 2020



Independent Auditor's Review Report

To the Directors of Icon Distribution Investments Ltd and Jemena Networks (ACT) Pty Ltd

Report on the review of Estimated Financial Information in the Reset Reporting Templates

Conclusion

We have reviewed the Estimated Historical Financial Information in the attached Reset Reporting Templates ("Templates") of Icon Distribution Investments Ltd and Jemena Networks (ACT) Pty Ltd ("Evoenergy" or "the Licensee").

Based on the evidence we obtained from the review procedures we performed, nothing has come to our attention that causes us to believe that Estimated Historical Financial Information in the Templates of Evoenergy as at and for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 has not been prepared, in all material respects, in accordance with the requirements in the Regulatory Information Notice issued under Division 4 of Part 1 of Chapter 2 of the National Gas (Australian Capital Territory) Law by the Australian Energy Regulator ("AER") on 28 February 2020 ("the Notice") and the Basis of Preparation as prescribed by the Notice.

Emphasis of matter – basis of preparation and restriction on use and distribution

The Estimated Historical Financial Information in the Templates for the regulatory year ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 has been prepared based on the Basis of Preparation as prescribed by the Notice.

Without qualifying our conclusion, we draw attention to the Basis of Preparation which describes the methodologies, assumptions and judgements made by Management in interpreting the definition and presentation requirements for Actual and Estimated Information in the Notice, in order to meet the requirements of the Notice.

The Estimated Historical Financial Information has been prepared to assist the Directors of the Licensee, for the purpose of fulfilling their regulatory reporting obligations under the Notice. As a result, the Estimated Historical Financial Information and this Auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Licensee and the AER and should not be used by or distributed to parties other than the Directors of the Licensee and the AER. We disclaim any assumption of responsibility for any reliance on this report, or on the Templates to which it relates, to any person other than the Directors of Licensee and the AER or for any other purpose than that for which it was prepared.

Responsibilities of the Directors and Management for the Templates

Management are responsible for:

- the preparation of the Templates in accordance with the requirements of the Notice and the Basis of Preparation; and
- such internal control as Management determine is necessary to enable the preparation of the Templates that are free from material misstatement, whether due to fraud or error.

The Directors of the Licensee are responsible for:

- overseeing the Licensee's regulatory reporting process;
- determining that the Basis of Preparation is appropriate to meet the needs of the AER in order to fulfil the Licensee's regulatory reporting obligations; and
- the Statutory Declaration over the Estimated Historical Financial Information included in the Templates in order to comply with the requirements of the Notice.

Auditor's responsibilities for the review of the Templates

Our responsibility is to perform a limited assurance engagement in relation to the Templates for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 and to issue an assurance report that includes our conclusion. We conducted our work in accordance with the *Australian Standard on Review Engagements ASRE 2405 Review of Historical Information Other than a Financial Report* for our review of the Estimated Historical Financial Information.

A review of the Templates consists of:

- Making enquiries with the persons responsible for financial, accounting and regulatory reporting matters to understand the internal controls, governance structure and reporting process of the Templates;
- Applying analytical procedures over the Templates; and
- Other review procedures including:
 - walkthroughs of information in the Templates to the Licensee's source documentation;
 - evaluating the appropriateness of the Basis of Preparation with respect to the Templates; and
 - reviewing the Templates in their entirety to ensure they are consistent with our overall knowledge of our review engagement.

A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit or reasonable assurance opinion.



Independence and quality control

As required by ASRE 2405, we have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *Accounting Professional and Ethical Standards Board*, and complied with the applicable requirements of *Australian Standard on Quality Control 1* to maintain a comprehensive system of quality control.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud or error may occur and not be detected.

A limited assurance engagement as at specified date does not provide assurance on whether compliance with the Notice will continue in the future.

KPMG

Vicky Carlson
Partner
Melbourne
26 June 2020



Independent Auditor's Review Report

To the Directors of Icon Distribution Investments Ltd and Jemena Networks (ACT) Pty Ltd

Report on the review of Non-Financial Information in the Reset Reporting Templates

Conclusion

We have reviewed the Actual and Estimated Historical Non-Financial Information in the attached Reset Reporting Templates ("Templates") of Icon Distribution Investments Ltd and Jemena Networks (ACT) Pty Ltd ("Evoenergy" or "the Licensee").

Based on the evidence we obtained from the review procedures we performed, we are not aware of any material misstatements in the Actual and Estimated Historical Non-Financial Information, for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 in the Templates that have been prepared by Evoenergy in accordance with the Regulatory Information Notice issued under Division 4 of Part 1 of Chapter 2 of the National Gas (Australian Capital Territory) Law by the Australian Energy Regulator ("AER") on 28 February 2020 ("the Notice") and the Basis of Preparation as prescribed by the Notice.

Emphasis of matter – basis of preparation and restriction on use and distribution

The Non-Financial Information in the Templates for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 has been prepared based on the Basis of Preparation as prescribed by the Notice.

Without qualifying our conclusion, we draw attention to the Basis of Preparation which describes the methodologies, assumptions and judgements made by Management in interpreting the definition and presentation requirements for Actual and Estimated Information in the Notice, in order to meet the requirements of the Notice.

The Non-Financial Information has been prepared to assist the Directors of the Licensee, for the purpose of fulfilling their regulatory reporting obligations under the Notice. As a result, the Non-Financial Information and this Auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Licensee and the AER and should not be used by or distributed to parties other than the Directors of the Licensee and the AER. We disclaim any assumption of responsibility for any reliance on this report, or on the Templates to which it relates, to any person other than the Directors of Licensee and the AER or for any other purpose than that for which it was prepared.

Responsibilities of the Directors and Management for the Templates

Management are responsible for:

- the preparation of the Non-Financial Information in accordance with the requirements of the Notice and the Basis of Preparation; and
- such internal control as Management determines is necessary to enable the preparation of the Non-Financial Information that is free from material misstatement, whether due to fraud or error.

The Directors of the Licensee are responsible for:

- overseeing the Licensee's regulatory reporting process;
- determining that the Basis of Preparation is appropriate to meet the needs of the AER in order to fulfil the Licensee's regulatory reporting obligations; and
- the Statutory Declaration over the Non-Financial Information included in order to comply with the requirements of the Notice.

Auditor's responsibilities for the review of the Templates

Our responsibility is to perform a limited assurance engagement in relation to the Templates for the regulatory years ended 30 June 2015, 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019, and to issue an assurance report that includes our conclusion. We conducted our work in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("the Standard") on the Non-Financial Information. In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Templates, whether due to fraud or error. Misstatements, including omissions, are considered material if, individually or in aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Templates;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- making enquiries with the persons responsible for regulatory reporting matters to understand the internal controls, governance structure and reporting process of the Templates;
- reviewing relevant documentation;
- applying analytical procedures over the Templates;
- walkthroughs of information in the Templates to the Licensee's source documentation;
- evaluating the appropriateness of the Basis of Preparation with respect to the Templates; and
- reviewing the Templates in their entirety to ensure they are consistent with our overall knowledge of our review engagement.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Non-Financial Information in the Templates.

Independence and quality control

We have complied with our independence and other relevant ethical requirements of *the Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud or error may occur and not be detected.

A limited assurance engagement as at specified date does not provide assurance on whether compliance with the Notice will continue in the future.

KPMG

Vicky Carlson
Partner
Melbourne
26 June 2020