

SP Ausnet
Submission on benchmarking data templates
Submitted to the AER via email on 22 August 2013

Principally, we believe that the level of audit and director sign-off is not necessary or appropriate for the historical benchmark data being sought, particularly for breakdowns below the aggregates.

We also believe that a more detailed consultation is required around the specifics of the requirements. There is inconsistency between what is outlined in the email below and what is nominated in the Draft Guidelines. Consultation should also allow the AER to ensure that the standard it sets matches its own expectation of what is required and also is a reasonable standard to hold NSPs to given the nature of data being provided. As we and other NSP's have raised in previous meetings, there are some audit standards that simply cannot be met for the types of information the AER are seeking.

In relation to the specifics of the email below, some additional comments are provided:

- “no audit required for financial data that reconciles with that already provided to the AER.” It is not clear what this means given that the data being sought do not reconcile with our annual RIN reporting. At what level would the AER consider the financial data to reconcile (i.e. if it only reconciles at the total level does that count)?
- “We consider that a special purpose financial report providing reasonable assurance that the data provided has been prepared with the RIN requirements would be appropriate for non-financial data, [...]We also consider that directors’ signoff on compliance with the RIN is also appropriate.” It is essential that the specifics of the Director sign-off match the audit standard nominated. E.g. if the ‘reasonable assurance’ audit standard is that of ‘negative assurance’, the Director sign-off must also be worded based on this, and not ask that the Directors assert that the information is ‘true and accurate’.
- As alluded to above, ‘reasonable assurance’ can have a range of meanings, and depending on what is considered ‘reasonable’, the cost and complexity of the audit can differ significantly.
- Finally, an “Agreed Upon Procedures” engagement, whilst not offering any level of assurance, may in fact provide the AER with the comfort it needs that the information has been prepared on a valid and reliable basis, whilst resulting in a significantly lower cost to the NSP.