

28 January 2021



WHAT

IPART has standardised the submission of detailed scope of works (**DSWs**) for audits of annual energy savings statements (**AESS**) by releasing the following two documents:

- ▼ *DSW Submission Form – AESS*
- ▼ *Audit Guide – Scheme Participants*

We have also updated the:

- ▼ *Compliance Guide – Scheme Participants*
- ▼ *Annual Energy Savings Statement Template*



WHY

The *DSW Submission Form – AESS* standardises the planning of AESS audits and can help to:

- ▼ improve effectiveness and efficiency
- ▼ improve consistency
- ▼ clarify requirements specific to the AESS audit process.

The new *Audit Guide - Scheme Participants* consolidates information specific to AESS audits currently found across a number of existing sources.



WHO

The *DSW Submission Form – AESS* should be used by all members of the Audit Services Panel (**Auditors**) that are performing audits of AESSs.



HOW

We consulted with stakeholders by releasing a draft version of the *DSW submission form – AESS* and *Audit Guide – Scheme Participants* before releasing the final documents.

We received submissions from two auditors, who generally supported the approach. We respond to this feedback and outline the changes we made to the draft documents that were consulted on in Table 1 below.



WHEN

All four documents are **effective immediately**.



WHERE

The *DSW Submission Form – AESS* and *Audit Guide- Scheme Participants* can be found on the [Auditing Scheme Participants](#) webpage.

The updated *Compliance Guide - Scheme Participants* and *AESS template* can be found on the [Scheme Participant Requirements](#) webpage.



NEXT STEPS

Auditors and Scheme Participants can email ESSRegulator@ipart.nsw.gov.au for any questions on the use of the *DSW submission form – AESS* and related documents.

Table 1 Our response to feedback received during the consultation on Scheme Participants audit documentation

Stakeholder feedback	Our response	Amendments
<p>One stakeholder supported the introduction of standardised audit templates including the DSW template and Audit Guide and stated these changes would streamline the audit process and ensure consistency.</p> <p>One stakeholder felt that the change decreases efficiency as it currently uses the proposal to the Scheme Participant as the DSW and will need to prepare a proposal and a DSW Submission Form.</p>	<p>We did not receive an overwhelming number of responses, but nonetheless acknowledge there would be some initial effort to adopt this process.</p> <p>However, we consider the benefit to the auditor are clearer audit scope items, fewer requests for further information and quicker DSW approvals. This benefits the auditor and Scheme Participant by allowing the audit to commence quicker.</p> <p>The benefit to the Scheme Regulator is confidence that the DSW is complete, and the consistent approach requires fewer requests for further information, thus allowing quicker DSW approval.</p>	<p>We have considered the feedback and on balance have decided to move forward to adopt the standardised DSW Submission Form – AEES, which is now consistent with the current approach used for the audit of Accredited Certificate Providers.</p>
<p>One stakeholder questioned the need for the Audit Plan in the DSW Submission Form – AEES.</p>	<p>We agree that for the audit of an AEES it is not essential that the Audit Plan be included in the DSW Submission Form – AEES.</p>	<p>To address this we have removed the Audit Plan section from the DSW Submission Form – AEES.</p>
<p>One stakeholder sought further guidance on how liable acquisitions from small-scale photovoltaic systems can be estimated.</p>	<p>Given the evolving market of small-scale photovoltaic systems, we have asked auditors to include in their report the approach used by the Scheme Participant to estimate liable acquisitions from these systems.</p> <p>Based on this information we will provide further guidance on the approaches to estimating liable acquisitions from small-scale photovoltaic systems where appropriate.</p>	<p>To address this we have amended the:</p> <ul style="list-style-type: none"> ▼ <i>Audit Guide – Scheme Participants</i>, adding a requirement to describe the approach used to calculate each input in the Scheme Participant’s AEES, and ▼ <i>DSW Submission Form – AEES</i>, highlighting the requirement to describe the approach used to estimate liable acquisitions from small-scale photovoltaic systems.
<p>Stakeholders raised an issue of the possibility that not all electricity provided through a National Metering Identifier (NMI) is used solely for an exempt activity and location.</p>	<p>We agree that this is a likely possibility and have amended the AEES template to allow Scheme Participants to report the proportion of electricity supplied from each NMI that relates to the exempt activity and location.</p>	<p>To address this we have amended the:</p> <ul style="list-style-type: none"> ▼ <i>AEES – Template</i>, requiring the Scheme Participant to clearly identify the specified activity for which it is seeking an exemption and to report the proportion of electricity from each NMI that relates to the exempt activity and location ▼ <i>Compliance Guide – Scheme Participants</i>, describing the new inputs in the AEES - Template, and ▼ <i>DSW Submission Form – AEES</i>, clarifying the scope items the auditor needs to confirm for exempt loads.