

# DSW SUBMISSION FORM – AESS



## Purpose of this form

This form is to be completed and submitted by auditors seeking approval from IPART to use this Detailed Scope of Works (**DSW**) for the audit of an Annual Energy Savings Statement (**AESS**) of a scheme participant of the NSW Energy Savings Scheme (**ESS**).

Only auditors specified in an Audit Services Panel Agreement (**Auditors**) will be approved to conduct audits of an AESS. This DSW must be approved prior to the commencement of the audit. **This DSW is not taken to be approved until IPART advises the Auditor in writing.**

An audit of an AESS is required to ensure the scheme participant has:

- ▼ correctly calculated its individual energy savings target
- ▼ offered for surrender the reported number of Energy Savings Certificates (**ESC**)
- ▼ correctly calculated any energy savings shortfall penalty for a compliance year.



## How to complete and submit this form

### Icons

- ▶ Indicates an instruction for completing this form.
- 📎 Indicates a document or supporting evidence to be provided.
- 📌 Indicates important information to assist you with completing this form

### Step 1:

- ▶ Auditor and scheme participant execute a Deed Poll.

### Step 2:

- ▶ Auditor completes Parts A, B & C.

### Step 3:

- ▶ Lead auditor signs the declaration at the end of Part B.

### Step 4:

- ▶ Auditor lodges the required documents with IPART via the [ESSRegulator@ipart.nsw.gov.au](mailto:ESSRegulator@ipart.nsw.gov.au) mailbox for approval of this DSW prior to commencing the audit. The required documents are:
  - ▼ this *DSW Submission Form – AESS*
  - ▼ the *Deed Poll* along with proof of Signatory Authority (if applicable)

# PART A

## Scheme Participant Information

▶ The Auditor completes Part A of this form.

This DSW covers the audit of the AESS of the scheme participant(s) listed in section 1 of Part A.

### 1. Scheme participant information

This DSW covers the audit of the AESS for the following scheme participant(s).

Scheme participant name(s):

### 2. Compliance year this AESS relates to

Compliance year:

Type the compliance year.

### 3. AESS inputs included in this AESS

① *'Non-Market Operator liable acquisitions' are those purchases of electricity by a scheme participant from any person other than the Market Operator, where the electricity is purchased for consumption by, or onsale to, end users in NSW or for use in NSW.*

This AESS contains the following inputs

- Market Operator (AEMO) liable acquisitions
- Non-Market Operator liable acquisitions
- Exempt electricity loads

# PART B

## Audit Information

▶ The Auditor completes Part B of this form.

### 1. Auditor information and resourcing

① The Audit Services Panel Member is the auditing company.

📎 Attach with this DSW a brief summary of the knowledge and/or experience of the lead auditor, audit team members, peer reviewer and any other key personnel.

① Any additions or changes to key personnel or deviations from this DSW must be notified to IPART and accepted by IPART prior to conducting work.

Audit Services Panel Member:	Type name.
Lead Auditor:	Type name.
Audit team members:	Type name.
Peer reviewer:	Type name.
Other key personnel:	Type name.

### 2. Audit Standard

▶ Auditors must specify the audit standard they propose to use for this audit.

▶ Auditors may propose another standard than those listed in the table below, but must have that standard approved for use by IPART prior to commencing the audit.

<input type="checkbox"/> ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information
<input type="checkbox"/> ASAE 3100 Compliance Engagements
<input type="checkbox"/> ISAE 3000 International Standard on Assurance Engagements
<input type="checkbox"/> ISO 14064-3:2006 Greenhouse Gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions
<input type="checkbox"/> Other: Type details. If using other standard provide the date of approval from IPART: <a href="#">Click here to enter a date.</a>

### 3. Audit Plan

① IPART understands this plan may be subject to change.

Milestone	Indicative date
Anticipated DSW Approval:	<a href="#">Click indicative date</a>
Anticipated audit start date:	<a href="#">Click indicative date</a>
Anticipated audit report date:	<a href="#">Click indicative date</a>


### 4. Audit Fee

**TOTAL ESTIMATED FEE** (excluding GST): \$ Insert amount.

## Declaration by Lead Auditor

**i** Clause 61 of Schedule 4A to the [Electricity Supply Act 1995](#) (Act) imposes a maximum penalty of \$11,000 and/or six (6) months imprisonment for knowingly providing false or misleading information to the Scheme Regulator.

 Executed Deed Poll.

 Proof of Signatory Authority (if applicable) for the person executing the Deed Poll

**i** Executed Deed Polls must be submitted with this DSW. The Deed Poll needs to:

- ▼ include the date and details of the scheme participant on page 1 of the Deed
- ▼ include the completed Annexure (name, services, contract date)
- ▼ be executed in accordance with section 127(1) of the Corporations Act 2001.

### I hereby declare that:

- ▼ I am a Lead Auditor of the Audit Services Panel Member of the NSW ESS.
- ▼ The Audit Services Panel Member named in section 1 of Part B above will conduct the audit services to provide a reasonable assurance opinion over the AESS specified in Part A of this DSW Submission Form.
- ▼ The information contained in this form is complete, true and correct and not misleading by inclusion or omission.
- ▼ I am aware that there are penalties for providing false or misleading information to IPART as Scheme Regulator of the ESS.
- ▼ I, as the Lead Auditor, will discuss the findings with the Scheme Regulator at the Scheme Regulator's request.
- ▼ I confirm that the audit services will be undertaken in accordance with the Audit Services Panel Agreement. In particular, the Audit Services Panel Member specified in section 1 has the required insurance to conduct the audit services.
- ▼ I have read and understood section 3.3.1 Conflict of Interest of the [Audit Guide - Scheme Participants](#) regarding any conflict of interest matters, and confirm that the Audit Services Panel Member specified in section 1:
  - is not aware of any actual or potential conflicts of interest in undertaking this audit, or
  - has discussed any potential or actual conflicts of interest identified with IPART prior to the submission of this form and IPART has determined that there is no conflict of interest or otherwise provided its written consent to the Audit Services Panel Member to proceed with the audit.
- ▼ The audit report will be prepared in accordance with the [Audit Guide - Scheme Participants](#).
- ▼ I understand and agree that where the Auditor identifies errors (misstatements) or inconsistencies during the audit, they may communicate these to the scheme participant who has commissioned the audit. The scheme participant may choose to amend the AESS accordingly before the audit is finalised. However, Auditors must identify the original error, and provide a reasonable assurance opinion over the amended input/calculation in the Audit Report.

### Signed by the Lead Auditor as a member of the Audit Services Panel:

Signature of Lead Auditor:

Full name of Lead Auditor:

Date signed:

Type name.

Click date

# PART C

## Audit Scope Items

The audit should identify whether the inputs entered into the AESS are:

- ▼ in accordance with Divisions 3, 4, 5 and 6 of Schedule 4A to the [Act](#) and in accordance with the [Scheme Regulator Exemptions Rule No. 1 of 2016](#) and the relevant [Ministerial Order](#)
- ▼ based on accurate and reliable records and other relevant supporting documentation
- ▼ entered in a manner consistent with the approach specified in the [Compliance Guide - Scheme Participants](#).

The audit should identify whether the scheme participant has calculated its Energy Savings Shortfall in accordance with Divisions 3, 4, 5 and 6 of Schedule 4A to the [Act](#).

### Scope Item 1: Confirm the inputs of the AESS

Scope item:	Confirm the inputs of the AESS 'Inputs – General information' tab.
Standard audit tasks:	<ol style="list-style-type: none"><li>1. Confirm that the information entered into the Inputs – General information tab is accurate.</li></ol>
Additional audit tasks:	Insert additional tasks specific to the audit if required

Scope item:	Confirm the inputs of the AESS 'Inputs – Nonmarket acquisitions' tab.
Standard audit tasks:	<ol style="list-style-type: none"><li>1. Confirm the amount of Non-Market Operator liable acquisitions reported by viewing evidence supporting the reported figures AND provide an opinion on the approach used to estimate Non-Market Operator liable acquisitions from small-scale photovoltaic systems.</li><li>2. Confirm the quantity of Non-Market Operator liable acquisitions is not adjusted for transmission and distribution losses.</li><li>3. Provide an assessment on whether the scheme participant has reported all Non-Market Operator liable acquisitions in the AESS.</li></ol>
Additional audit tasks:	Insert additional tasks specific to the audit if required

Scope item:	Confirm the inputs of the AESS 'Inputs – Exempt loads' tab.
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Standard audit tasks:	<p>For each location that the scheme participant is seeking an exemption:</p> <ol style="list-style-type: none"> <li>1. Confirm the National Metering Identifier (<b>NMI</b>).</li> <li>2. Confirm the Location matches that in the Ministerial Order (column 2) relevant to the compliance year under audit.</li> <li>3. Confirm the specified activity conducted at the location is still the same activity as that listed in the Ministerial Order (column 1) relevant to the compliance year under audit.</li> <li>4. Confirm the amount of 'Electricity supplied' by viewing evidence supporting the reported figures.</li> </ol>
Additional audit tasks:	Insert additional tasks specific to the audit if required

Scope item:	Confirm the inputs of the AESS ' <b>Inputs – Calculations</b> ' tab.
Standard audit tasks:	<ol style="list-style-type: none"> <li>1. Confirm the reported Market Operator (AEMO) liable acquisitions against the advice provided by IPART regarding Market Operator liable acquisitions. Where AEMO have provided the scheme participant a different amount of Market Operator liable acquisitions, confirm the reported Market Operator liable acquisitions in the AESS against the advice provided by AEMO.</li> <li>2. Confirm the Energy Savings Shortfall carried forward from the previous year against the Notice of Assessment issued by IPART for the previous compliance year.</li> <li>3. Confirm that any Energy Savings Shortfall nominated to be carried forward to the next year does not exceed the maximum shortfall allowed to be carried forward.</li> <li>4. Confirm the number of ESCs offered for surrender in the AESS against the number in the ESS Registry.</li> </ol>
Additional audit tasks:	Insert additional tasks specific to the audit if required

### Scope Item 2: Confirm the calculation of the Energy Savings Shortfall

Scope item:	Provide an opinion on whether the energy savings shortfall has been calculated correctly.
Standard audit tasks:	<p>In the Inputs – calculation tab:</p> <ol style="list-style-type: none"> <li>1. Confirm the Total Liable acquisitions has been calculated correctly.</li> <li>2. Confirm the Individual Energy Savings Target has been calculated correctly.</li> <li>3. Confirm the Energy Savings Shortfall has been calculated correctly.</li> <li>4. Confirm the Energy Savings Shortfall penalty has been calculated correctly.</li> </ol>
Additional audit tasks:	Insert additional tasks specific to the audit if required

### Scope Item 3: Implementation of Previous Recommendations

Scope item:	Provide an opinion on whether the scheme participant has addressed outstanding recommendation(s) from previous audit reports.
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Standard audit tasks:	<ol style="list-style-type: none"> <li>1. Review the outstanding recommendations and the actions taken by the scheme participant to address previous recommendations.</li> <li>2. Check that any new procedures have been documented and are operational.</li> </ol>
Additional audit tasks:	Insert additional tasks specific to the audit if required

**Scope Item 4: Additional scope items may be requested**

Scope item:	Insert additional tasks specific to the audit if required
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## Document Control

Version number	Change description	Date published
Draft	Initial release of DSW Submission Form	November 2020



## Meaning of key terms and icons in this form

Acronyms and key terms	Definition
	In this DSW Submission Form, capitalised terms have the meaning given in the <i>Electricity Supply Act 1995</i> , unless the terms are separately defined below.
<b>Act</b>	<a href="#"><i>Electricity Supply Act 1995</i></a> .
<b>Activity</b>	This is the Specified Activity listed in Schedule 1 Table of Exemptions in the Ministerial Order.
<b>AESS</b>	Annual Energy Savings Statement submitted by scheme participants annually identifying their energy savings shortfall.
<b>Audit Services Panel</b>	A list of auditors approved by the scheme administrator to conduct Energy Savings Scheme audits.
<b>Audit Services Panel Agreement</b>	An agreement between IPART and the Audit Services Panel Member.
<b>Audit Services Panel Member</b>	A person who has been nominated by IPART to join the Audit Services Panel and who has entered into an Audit Services Panel Agreement with IPART.
<b>Compliance year</b>	The period of 12 months commencing on 1 January of the year that an AESS relates to. The 2020 compliance year includes liable acquisitions for the period 1 January 2020 to 31 December 2020.
<b>Deed Poll</b>	A Deed Poll in the form set out in Schedule 5 of the Audit Services Panel Agreement and separately available on the ESS website that clarifies IPART's rights and responsibilities in relation to the audit. Executed Deed Polls must be submitted to IPART along with this DSW Submission Form - AESS.
<b>DSW</b>	Detailed Scope of Works for an audit of an AESS.
<b>DSW Submission Form - AESS</b>	This form. The Auditor completes and submits to the Scheme Regulator to IPART for approval prior to commencing the audit.
<b>Energy savings target</b>	Has the meaning given to the term "individual energy savings target" in clause 9 of Schedule 4A to the Act.
<b>Energy savings shortfall</b>	Has the meaning given in clause 14 of Schedule 4A to the Act.
<b>Energy savings shortfall penalty</b>	Has the meaning given in clause 15 of Schedule 4A to the Act.
<b>ESC</b>	An Energy Savings Certificate that is a transferable certificate under Schedule 4A to the Act that is created in accordance with the ESS Rule, and that represents one notional MWh of energy savings. ESCs can be surrendered by a scheme participant to meet its energy savings target.
<b>ESS</b>	The NSW Energy Savings Scheme.
<b>Exempt electricity loads</b>	Exempt electricity loads referred to in Division 5 Exemptions of Schedule 4A to the Act and those exempt electricity loads identified in Schedule 1 of the Ministerial Order.
<b>IPART</b>	The Independent Pricing and Regulatory Tribunal.
<b>Liable acquisitions</b>	Has the meaning defined in clause 10 of Schedule 4A to the Act.
<b>Location</b>	This is the Location listed in Schedule 1 Table of Exemptions in the Ministerial Order.



Acronyms and key terms	Definition
<b>Market Operator</b>	Has the meaning defined in clause 2 of Schedule 4A to the Act. The Market Operator is currently the Australian Energy Market Operator (AEMO)
<b>Ministerial Order</b>	The <a href="#">Energy Savings Scheme (Electricity Load Exemptions) Order</a> is referred to as the Ministerial Order in the ESS Website and the Compliance Guide - Scheme Participants. The Ministerial Order is a list of full or partial exemptions from the ESS for electricity used by emission-intensive, trade-exposed industries. The Ministerial Order is gazetted annually listing the relevant exemptions for the relevant compliance year.
<b>NMI</b>	This is the National Metering Identifier at the Location specified in the Inputs – Exempt Loads tab of the AESS.
<b>Notice of Assessment (NoA)</b>	The Notice of Assessment (NoA) is issued by the Scheme Regulator following the assessment of the scheme participant's compliance under the ESS. The NoA lists any energy savings shortfall carried forward to the next year. The energy savings shortfall carried forward from the previous compliance year needs to be reported and acquitted in the following years AESS.
<b>Reference</b>	This is the Reference listed in Schedule 1 Table of Exemptions in the Ministerial Order.
<b>Regulation</b>	<a href="#">Electricity Supply (General) Regulation 2014.</a>
<b>Scheme Administrator</b>	The person or body required to exercise the functions of Scheme Administrator under Schedule 4A to the Act.
<b>Scheme participant</b>	Has the meaning given in clauses 2 and 4 of Schedule 4A to the Act.
<b>Audit Guide - Scheme Participants</b>	The Audit Guide – Scheme Participants summarises the key requirements that apply to the audit of an AESS prepared by scheme participants of the ESS. The Audit Guide - Scheme Participants is published on the ESS website.
<b>Compliance Guide - Scheme Participants</b>	This document assists scheme participants in completing the AESS to assess their individual energy savings target for a compliance year. The Compliance Guide - Scheme Participants is published on the ESS website.
<b>Scheme Regulator</b>	The person or body required to exercise the functions of Scheme Regulator under Schedule 4A to the Act.
<b>Signatory Authority</b>	Legal authority to sign on behalf of the scheme participant. <p><b>i</b> Where proof of Signatory Authority is required, IPART expects:</p> <ul style="list-style-type: none"> <li>▼ In the case of a document executed under s127 of the Corporations Act 2001 (Cth), a current ASIC company extract detailing the current directors and company secretary of the scheme participant.</li> </ul>