

Report for Code Committee
May 2005
RbD AUDIT SUB-COMMITTEE

Meetings Held

21 April 2005

Planned

The next meeting is scheduled for 13 July 2005.

Matters for Committee's Attention

Ernst & Young, the appointed auditors presented a draft of their final report for 2004.

The audit approach was based on a controls and risk approach. Generic testing of controls around the RbD process indicated that a high level of control existed and was being applied. The main assurance process was to independently create an RbD model and compare these outputs with the invoice generated by the RbD system. Inputs were validated (for completeness), calculations replicated, and outputs from the audit tool compared to the invoicing system. The auditors were satisfied that in all material respects the RbD charges have been calculated in accordance with Network Code (upto 31 December 2004).

Additional pieces of work undertaken as part of the final review were:

- a) Any new categories of adjustments resulting in adjustments of >0.25TWh (none were identified for 2004).
- b) Within the Annual AQ Review, review the checks and filters which are applied to Transco calculated Aqs prior to them being sent out to Shippers as proposed Aqs. To cover: what checks are in place; are they properly documented; have they been agreed with the industry; and are they being correctly implemented in the filtering out of large/unusual Aqs prior to issue.
- c) Review the controls over xoserve's handling of the fortnightly and annual AQ updates from iGTs for CSEPs, including any monitoring and reconciliation processes which ensure that xoserve and iGT records are in line.

The auditors have not identified any major items that need to be reported.

The meeting was not quorate, therefore approval of the report was required from the other members via email.

Topics: none