

1 February 2018

Sarah McDowell
Acting Director, Energy
Essential Services Commission (Victoria)
Level 37, 2 Lonsdale Street
Melbourne Victoria 3000

www.ausnetservices.com.au

Attention: Anna Panarina, Project Administrator, Energy

Via email: anna.panarina@esc.vic.gov.au

Dear Sarah

Re: Draft Audit Guideline for Energy Businesses

AusNet Services appreciates the opportunity to provide comments on the draft revision to the Audit Guideline for Energy Businesses (previously Guideline 22). There are two aspects we wish to provide feedback on, as follows:

- The table on page 21 requires that the auditor be engaged within 15 business days of the indicative audit scope being issued. AusNet Services process for procurement of services operates to a 20 business day timeframe to obtain quotes from suppliers and finalise the selected vendor, and we expect other businesses may have similar arrangements. There is high prospect of not being able to meet the guideline target. As a result, AusNet Services' suggests the guideline provide at least 20 business days to finalise this process.
- The table referred to above specifies a maximum 90 day period for completion of field work and reporting. We agree that this period should be sufficient. Clause 5.5.3 proposes that the timeframe may be changed as may be determined by the Licensee and auditor. However, the guideline does not include a provision that the parties should determine a time frame in the first instance as commensurate with the scope and work required to finalise the audit. Audits may be able to be completed in a period less than 90 days, and inclusion of such a provision would be helpful.

Finally, we welcome any initiative to improve consistency in the Audit process for energy businesses, and consider the introduction of guidance aligning the audit methodology with Australian Auditing Standards could contribute to this. We expect aligning the methodology is likely to improve measurement consistency across all Audits across each sector of energy businesses.

If you have any further questions please don't hesitate to contact either Alice Adriaanse – Senior Business Continuity and Compliance Analyst on _____ or at _____
or Kent Barnes – Head of Internal Audit

Sincerely,

Kelvin Gebert
Manager Regulatory Frameworks