



# Programme of audits

27 May 2010

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## Downstream reconciliation audits – proposed performance audit process

- **Under rule 65, industry body must arrange at regular intervals performance audits of the allocation agent and allocation participants**
- **Gas Industry Co intends to undertake a baseline audit of retailers over the next twelve months**
- **Contact is the first: performance audit is underway. Will help to refine the terms of reference for the baseline performance audits and to establish a template for the conduct of the audits**

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## Proposed auditor appointment process

- **Auditors who satisfy the selection criteria and have completed an audit to the satisfaction of Gas Industry Co are deemed to be “approved” auditors and may be appointed for performance audits.**
- **Auditors who are not yet approved may be appointed, provided they meet the criteria. Audit reports from unapproved auditors will be peer-reviewed by an approved auditor.**

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## Selection criteria

- **Understanding of the process of downstream reconciliation and allocation**
- **Understanding of systems and processes of participants**
- **Report writing and communication skills**
- **Investigative skills**
- **Independent of and without a conflict of interest with the allocation participant being audited (rule 68)**
- **Not an officer or employee of the industry body (rule 68)**

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## Next steps

- **Gas Industry Co will be updating the guideline note on commissioning and carrying out audits – will be released for consultation prior to finalising**
- **Retailers may want to consider when in the next twelve months would be convenient for scheduling a performance audit**