

Independent Reasonable Assurance Report to the Directors of Essential Energy

Conclusion

In our opinion, Essential Energy's Statement of Compliance for the regulatory year ended 30 June 2020 has complied, in all material respects with the Ring-fencing Guidelines published by the Australian Energy Regulator on 17 October 2017.

Emphasis of Matter – Breach of Ring-fencing guideline

Without qualifying our conclusion, we draw attention to Section 4 of Essential Energy's Annual Statement of Compliance, which describes the breaches identified in the regulatory year ended 30 June 2020.

On 11 July 2019, Essential Energy reported a breach of clauses 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 4.4.1 (a) of the Ring-fencing Guideline, as it involved Essential Energy providing a contestable electricity service without complying with those provisions. Essential Energy had been providing these services under a waiver since December 2017, to allow Essential time to transition to the new regulatory treatment of type 1-4 metering services. That waiver expired on 30 June 2019, with some residual type 1-4 metering services still being provided.

To meet this obligation Essential Energy has been corresponding with retailers to transfer the existing metering services and is providing the AER with progress updates commencing from 19 August 2019, on the reduction in the number of meters for which it is responsible.

Information subject to Assurance

The information subject to assurance is Essential Energy's Statement of Compliance for the regulatory year ended 30 June 2020, as set out in Appendix A of Essential Energy's Electricity Ring-fencing Guideline Annual Compliance Report ("Annual Compliance Report") prepared in accordance with the Ring-fencing Guidelines published by the Australian Energy Regulator ("AER") on 17 October 2017 (Statement of Compliance).

Scope

The subject of our reasonable assurance engagement is whether Essential Energy's Statement of Compliance that the entity has, complied with the Ring-fencing Guidelines published by the Australian Energy Regulator on 17 October 2017 is, in all material respects, fairly presented for the regulatory year ended 30 June 2020. This Statement of Compliance accompanies our report, for the purpose of reporting to the Directors of Essential Energy and the AER.



Basis for Our Conclusion

We conducted our engagement in accordance with the Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- used our professional judgment to plan our procedures and assess the risk of material misstatements in Essential Energy's Statement of Compliance;
- considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and,
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

In Appendix A, we provide an overview of the key procedures, observations and findings in relation to each of the Ring-fencing Guideline requirements. This overview is provided at the request of the AER to provide greater transparency over the work we performed. Our conclusion is not modified in this respect.

Other observations

In Appendix B, we have summarised performance improvement observations. Our conclusion is not modified in respect of these observations.

How We Define Reasonable Assurance and Material Misstatement

- Reasonable assurance is a high level of assurance but is not a guarantee that it will always detect a material misstatement in Essential Energy's Statement of Compliance when it exists.
- Instances of misstatement in Essential Energy's Statement of Compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of Essential Energy's compliance of the Ring-fencing Guideline.

Inherent Limitations

- Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or material misstatement in Essential Energy's Statement of Compliance may occur and not be detected.
- A reasonable assurance engagement for the regulatory year ended 30 June 2020 does not provide assurance on whether compliance with the compliance requirements of the Ring-fencing Guidelines will continue in the future.

Use of this Assurance Report

This report has been prepared for the Directors of Essential Energy and the AER for the purpose of compliance with the Ring-fencing Guidelines and may not be suitable for another purpose.


We understand that the AER intends to publicly release our assurance report via its website. The AER is responsible for the integrity of AER's website where our report is presented alongside the Annual Compliance Report. We have not been engaged to report on the integrity of the AER's website. This report refers only to the Statement of Compliance and does not provide an opinion on any other information which may have been hyperlinked to/from the Annual Compliance Report. If users of the Annual Compliance Report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the Annual Compliance Report to confirm the information contained in this website version of the Annual Compliance Report.

We disclaim any assumption of responsibility for any reliance on this report, or the Annual Compliance Report to which it relates to any person other than the Directors of Essential Energy and the AER, or for any purpose other than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- the compliance activities including identifying, designing and implementing controls to meet the requirements of the Ring-fencing Guidelines;
- identification of the risks that threaten the compliance with the Ring-fencing Guidelines from being met;
- monitoring ongoing compliance; and,
- preparing an Annual Compliance Report and providing a Statement of Compliance with respect to the outcome of the evaluation of the compliance activity against the Ring-fencing Guidelines, which accompanies this Independent Assurance Report.



KPMG

Our Responsibility

Our responsibility is to perform a reasonable assurance engagement in relation to Essential Energy's Statement of Compliance with the Ring-fencing Guideline, for the year ended 30 June 2020 and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.



D N Ridehalgh

Director

Sydney

16 October 2020

Appendix A: Summary of procedures performed, observations and findings

In this section, we present an overview of key procedures performed, observations and findings as part of our reasonable assurance engagement in respect Essential Energy's compliance activities with the relevant requirements of the Ring-fencing Guidelines for the regulatory year ended 30 June 2020.

This information should not be construed as providing an opinion or conclusion on the separate compliance activities noted, nor that the aggregation thereof modifies our conclusion reported in the Independent Reasonable Assurance Report.

We performed the following general procedures to assess Essential Energy's overall compliance with the Guideline:

- Reviewed the Ring-fencing Annual Compliance Statement to confirm that Essential Energy's overall compliance measures and internal controls for Ring-fencing had been documented for the purposes of this review;
- Conducted interviews to obtain an understanding of changes to the regulatory business activities and related compliance management approach;
- Inspected supporting evidence which included policies, procedures and practices undertaken to embed Ring-fencing compliance measures during the period; and,
- Performed sample testing (where possible) to test effectiveness of the compliance measures for the period of this audit.

The following table provides a summary of procedures, observations and findings for each Ring-fencing guideline requirement:

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
Legal Separation			
3.1(a) A DNSP must be a legal entity.	Essential Energy Registered Australian Business Number (ABN) and/or Australian Company Number (ACN).	<ul style="list-style-type: none"> We were able to confirm Essential Energy's separate ABN to determine it was a separate legal entity, by: <ul style="list-style-type: none"> performing an ASIC search on Essential Energy using the ABN contained in the distributor's license to establish it is a separate legal entity; and, agreeing that the ABN was accurately reflected on Essential Energy's website. <p><i>Essential Energy does not have affiliates entities, in execution of its strategic compliance plan, and therefore has no separate accounting, which prevents breach of the guideline.</i></p>	None.
3.1(b) Subject to this clause 3.1, a DNSP may provide distribution services and transmission services, but must not provide other services.	<p>Controls:</p> <ul style="list-style-type: none"> Adopting the strategic approach to Ring-fencing compliance that defines the scope of activities to ensure compliance with Ring-fencing obligations. Waivers and waiver register. Approval of new services. Training and awareness. 	<ul style="list-style-type: none"> We inspected Essential Energy's Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach to Ring-fencing compliance) to determine whether Essential Energy's approach aligns to the services the DNSP is limited to provide. We inspected supporting company policies and procedures to confirm 	<p>Annual refresher training monitoring, escalation and compliance reporting:</p> <p>We noted that the annual training completion rate achieved 92%. Of the remaining 8% of incomplete training we detected 22 instances in total, of employees who had not completed the testing within 6 months of the assignment date. Management advised that these</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
	<ul style="list-style-type: none"> • Quarterly Management Reporting of information relating to registers and breaches. • Financial results review. <p>Information provided:</p> <ul style="list-style-type: none"> • Ring-fencing Guidelines Compliance Plan July 2017; • CECP 2476 Ring-fencing Compliance Policy; • CEOP2477 Ring-fencing Compliance Procedure; • CEOP2480 Ring-fencing Compliance Monitoring and Reporting; • Essential Energy's Waivers register; • Essential Energy Waiver application 1 July 2019; • AER Waiver Notice (Approval) - 15 August 2019; • New Service Approval Template; • Ring-fencing Training • Training Register; • EKAS Course Enrolment Notification; • A6. Ring-fencing FAQs on Knowledge Hub. • CEOH4000.04 Quarterly 	<p>that these clearly articulate Essential Energy's approach to compliance with the obligations outlined in the Guideline.</p> <ul style="list-style-type: none"> • We inspected the Waivers register for waivers (from Essential Energy customer-facing website) that permit the DNSP to provide other services in addition to distribution and transmission services to determine whether what the DNSP may provide distribution services and transmission services but must not provide other services. • We inspected the review and approval process in place for contestable services. There were no new contestable services approved for the period under this review. We therefore inspected the template for the approval of new services to confirm that template included relevant compliance approvals as a pre-clearance control mechanism. • We inspected the Ring-fencing training materials to determine whether the content accurately reflected Essential Energy's obligation to not provide other services. • We inspected an extract of the training attendance and completion register for the audit period to 	<p>employees do receive system generated notifications to complete the training, and that the Compliance Team was aware of the outstanding training and following up with the respective employees. As advised by management none of these employees were identified as being in front-line risk roles for purposes of Ring-fencing compliance.</p> <p>Refer to the improvement opportunity contained under Appendix B: Annual refresher training monitoring, escalation and reporting.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
	<p>Management Reporting and Self-Assessment Procedure</p> <ul style="list-style-type: none"> Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business) Internal attestation emails; Financial Performance Reports; CEO Finance Dashboards; 	<p>determine whether staff participated in compliance training.</p> <ul style="list-style-type: none"> We inspected Essential Energy's procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. We inspected Essential Energy's Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. We inspected the year to date Financial Performance Reports and CEO Financial Dashboard to determine whether the process used for the financial results review includes variance analysis to assist in detecting breaches where revenues are unexplained or vary significantly from what is expected. 	
Establish and maintain accounts			
3.2.1(a) A DNSP must establish and maintain appropriate internal accounting procedures to ensure that it	<p>Controls:</p> <ul style="list-style-type: none"> Adopting the strategic approach to Ring-fencing compliance that defines the scope of activities to 	<ul style="list-style-type: none"> We inspected the DSPN's Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach Ring-fencing compliance) to confirm the 	None.

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>can demonstrate the extent and nature of transactions between the DNSP and its affiliated entities.</p>	<p>ensure compliance with Ring-fencing obligations.</p> <ul style="list-style-type: none"> Financial results review. <p>Information provided:</p> <ul style="list-style-type: none"> Ring-fencing Guidelines Compliance Plan July 2017; CECP 2476 Ring-fencing Compliance Policy; CEOP2477 Ring-fencing Compliance Procedure; CEOP2480 Ring-fencing Compliance Monitoring and Reporting; CEOH2483 Provider of Last Resort Workplace Instruction AER FINAL Decision EE Distribution Determination 2019 to 2024 (Classification of Services) April 2019; and, Regional Office Analysis. 	<p>services the DNSP is limited to provide with respect to its internal accounting procedures.</p> <ul style="list-style-type: none"> We inspected the year to date Financial Performance Reports and CEO Financial Dashboard to determine whether the process used for the financial results review conducted by Essential Energy includes and analysis of expenditure results and variances from forecasts or budgeted outcomes and includes variance analysis. We inspected the AER's approval of services classifications which now allows Essential Energy to provide contestable services which were previously covered under the transitional waivers. We reviewed the DSPN's annual assessment of exempt service areas, those that have fewer than 25,000 connection points within a 100km radius of the office. 	
Cost Allocation and Attribution			
<p>3.2.2(a) A DNSP must allocate or attribute costs to distribution services in a manner that is consistent with the Cost Allocation Principles and its approved CAM, as if the Cost Allocation Principles</p>	<p>Controls:</p> <ul style="list-style-type: none"> Accounting codes for distribution and non- distribution services. Application of the Cost Allocation Methodology (CAM); 	<ul style="list-style-type: none"> We inspected Essential Energy's CAM and confirmed that it addresses the attribution of costs between distribution and non-distribution services and that it has been approved by the AER. 	<p>CAM application detailed testing:</p> <p>We selected a sample of months to test the application of the CAM. Our testing identified an error in the September 2019 CAM allocation. The allocation ratios applied related to</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>and CAM otherwise applied</p> <p>3.2.2(b) A DNSP must only allocate or attribute costs to distribution services in accordance with clause 3.2.2(a) and must not allocate or attribute other costs to the distribution services it provides.</p>	<ul style="list-style-type: none"> Review and maintaining accounting records; Financial results review. <p>Information provided:</p> <ul style="list-style-type: none"> Cost Allocation Methodology; CAM Calculations and journals; Financial Performance Reports; and, CEO Finance Dashboards. 	<ul style="list-style-type: none"> We conducted a walkthrough of the application of the CAM, to confirm our understanding of the application controls and management’s review over the output and month end journal postings to the financial accounts. We inspected a sample of monthly financial results for the period to determine whether Essential Energy allocates costs in accordance with its CAM, by recalculating the distribution rates by department to gain comfort over the CAM allocation method and journal posted. We inspected the year to date Financial Performance Reports and CEO Financial Dashboard to determine whether the process used for the financial results review conducted by Essential Energy includes and analysis of expenditure results and variances from forecasts or budgeted outcomes and includes variance analysis. 	<p>August 2019. The error resulted in \$1700 variance which was detected by Essential Energy’s Finance Team in the following month and corrected. The CAM allocation was recalculated by KPMG for June 2020 and compared to Essential Energy’s results. We did not identify any errors.</p> <p>Refer to the improvement observation contained under Appendix B: Formal evidence of the effective CAM application to enable assessment of correctness by Finance Manager.</p>
Obligations to not discriminate			
<p>4.1(b) A DNSP must not discriminate (either directly or indirectly) between a related electricity service provider and a competitor</p>	<p>Controls:</p> <ul style="list-style-type: none"> Adopting the strategic approach to Ring-fencing compliance that defines the scope of activities to ensure compliance with Ring- 	<ul style="list-style-type: none"> We inspected Essential Energy’s Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach to Ring-fencing compliance) to determine whether Essential 	<p>Training and awareness:</p> <p>Refer to our observations contained under 3.1 (b) and the improvement opportunity contained under Appendix B: Annual refresher training</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>(or potential competitor) of a electricity service provider in connection with the provision of:</p> <p>i) direct control services by the DNSP (whether to itself or to any other level entity); and/or</p> <p>ii) contestable electricity services by any other legal entity.</p>	<p>fencing obligations.</p> <ul style="list-style-type: none"> • Waivers and waiver register. • Training and awareness. • Quarterly Management Reporting of information relating to registers and breaches. <p>Information provided:</p> <ul style="list-style-type: none"> • Ring-fencing Guidelines Compliance Plan July 2017; • AER FINAL Decision EE Distribution Determination 2019 to 2024 (Classification of Services) April 2019; 	<p>Energy’s approach aligns to the services the DNSP is limited to provide.</p> <ul style="list-style-type: none"> • We inspected the AER's approval of services classifications which now allows Essential Energy to provide contestable services which were previously covered under the transitional waivers. • We inspected supporting company policies and procedures to confirm that these clearly articulate Essential Energy’s approach to compliance with the obligations outlined in the Guideline. 	<p>monitoring, escalation and reporting.</p>
<p>4.1(c) Without limiting its scope, clause 4.1(b) requires a DNSP to:</p> <p>i) in dealing or offering to deal with a related electricity service provider, treat the related electricity service provider as if it were not a related electricity service provider (that is, as if it had no connection or affiliation with the DNSP);</p> <p>ii) in like circumstances, deal or offer to deal with a related electricity service provider and a competitor (or potential</p>	<ul style="list-style-type: none"> • CECP 2476 Ring-fencing Compliance Policy; • CEOP2477 Ring-fencing Compliance Procedure; • CEOP2480 Ring-fencing Compliance Monitoring and Reporting; • CEOH2483 Provider of Last Resort Workplace Instruction • Ring-fencing Training • Training Register; • EKAS Course Enrolment Notification; • A6. Ring-fencing FAQs on Knowledge Hub; 	<ul style="list-style-type: none"> • We inspected the Waivers register for waivers (from Essential Energy customer- facing website) to identify any cross advertisement. • We inspected the Ring-fencing training materials to determine whether the content accurately reflected Essential Energy’s obligation to not provide other services. • We inspected an extract of the training attendance and completion register for the audit period to determine whether staff participated in compliance training. • We inspected Essential Energy’s procedure document CEOH4000.04 	<p>Refer to our observations under 4.1.(b) above.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>competitor) of the related electricity service provider on substantially the same terms and conditions;</p> <p>iii) in like circumstances, provide substantially the same quality, reliability and timeliness of service to a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider;</p> <p>iv) subject to clause 4.3.3(b), not disclose to a related electricity service provider information the DNSP has obtained through its dealings with a competitor (or potential competitor) of the related electricity service provider where the disclosure would, or would be likely to, provide an advantage to the related electricity service provider.</p>	<ul style="list-style-type: none"> • CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; • Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); and, • Internal attestation emails. 	<p>to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting.</p> <ul style="list-style-type: none"> • We inspected Essential Energy’s Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. • We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
Offices, staff, branding and promotions			
<p>4.2.1(a) Subject to this clause 4.2.1, in providing direct control services, a DNSP must use offices that are separate from any offices from which a related electricity service provider provides contestable electricity services.</p>	<p>Controls:</p> <ul style="list-style-type: none"> Adopting the strategic approach to Ring-fencing compliance that defines the scope of activities to ensure compliance with Ring-fencing obligations; Quarterly Management Reporting of information relating to registers and breaches; and, Regional Office Analysis. <p>Information provided:</p> <ul style="list-style-type: none"> Ring-fencing Guidelines Compliance Plan July 2017; Regional Office Analysis; AER FINAL Decision EE Distribution Determination 2019 to 2024 (Classification of Services) April 2019; CECP 2476 Ring-fencing Compliance Policy; CEOP2477 Ring-fencing Compliance Procedure; CEOP2480 Ring-fencing Compliance Monitoring and Reporting; CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; 	<ul style="list-style-type: none"> We inspected Essential Energy’s Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach Ring-fencing compliance) to determine whether DNSP branding is independent and separate from the RESP. We confirmed that Essential Energy is exempt from complying with the offices, staff, branding and cross-promotion separation obligations for services provided from Regional Offices, which are those that have less than 25,000 connection points within a 100km radius of the office. We confirmed that the compliance exceptions are contained within CEOP2477 Ring-fencing Procedure document, which is accessible from Essential Energy’s intranet for employees to refer to as required. We inspected supporting company policies and procedures (to confirm that these clearly articulate Essential Energy’s approach to compliance with the obligations outlined in the Guideline. We inspected Essential Energy’s procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in 	<p>Breach identification and reporting:</p> <p>On 11 July 2019, Essential Energy reported a breach of clauses 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 4.4.1 (a) of the Ring-fencing Guideline, as it involved Essential Energy providing a contestable electricity service without complying with those provisions.</p> <p>Essential Energy had been providing these services under a waiver since December 2017, to allow Essential Energy with time to transition to the new regulatory treatment of type 1-4 metering services. That waiver expired on 30 June 2019, with some residual type 1-4 metering services still being provided.</p> <p>To meet this obligation Essential Energy has been corresponding with retailers to transfer the existing metering services and providing the AER with progress updates, commencing on 19 August 2019, to reduce the number of meters for which it is responsible.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
	<ul style="list-style-type: none"> Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); Internal attestation emails; Regional Office Analysis; and, Regional Office Register. 	<p>place for conducting the Quarterly Management Reporting.</p> <ul style="list-style-type: none"> We inspected Essential Energy's Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. We inspected the Office Register to determine information identified the classes of offices; and, We confirmed that this register is checked, validated and updated by the Compliance Reporting Team on a yearly basis. 	
4.2.2(a) Subject to this clause 4.2.2, a DNSP must ensure that its staff involved in the provision or marketing of direct control services are not also involved in the provision or marketing of contestable electricity services by a related electricity service provider.		<ul style="list-style-type: none"> We inspected the Staff Register to determine whether information identified the roles of the staff that were shared across entities. We confirmed that there had been no changes to the register since the previous period, and that the register had been validated as current by the Compliance Team. 	Refer to our observations under 4.2.1(a) above.
4.2.2(c) The remuneration, incentives and other benefits (financial or	Controls: <ul style="list-style-type: none"> A standard set of Key 	<ul style="list-style-type: none"> We inspected Essential Energy's STI Plan Information Booklet (April 2017) to determine whether 	None.

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>otherwise) a DNSP provides to a member of its staff must not give the member of staff an incentive to act in manner that is contrary to the DNSP's obligations under this guideline.</p>	<p>Performance Indicators across all employees; and,</p> <ul style="list-style-type: none"> Quarterly Management Reporting of information relating to registers and breaches; <p>Information provided:</p> <ul style="list-style-type: none"> Essential Energy Code of Conduct; STI Plan Information Booklet; FY20 Essential Performance Information Session; CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); Internal attestation emails. 	<p>remuneration incentives and other benefits provided to DNSP staff do not incentivise staff to act in a contrary manner to the obligations. These remain unchanged since the previous period.</p> <ul style="list-style-type: none"> We inspected Essential Energy's procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. We inspected Essential Energy's Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	
Branding and cross-promotion			
<p>4.2.3(a) A DNSP:</p> <p>i) must use branding for its direct control services that is independent and separate from the branding used by a related electricity service provider for contestable electricity services, such</p>	<p>Controls:</p> <ul style="list-style-type: none"> Adopting the strategic approach to Ring-fencing compliance that defines the scope of activities to ensure compliance with Ring-fencing obligations; Regional Office Analysis; Regional Office Register; and, 	<ul style="list-style-type: none"> We inspected Essential Energy's Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach to Ring-fencing compliance) to determine whether Essential Energy's approach aligns to the services the DNSP is limited to provide. We inspected the AER's approval of 	<p>Refer to our observations under 4.2.1(a) above.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>that a reasonable person would not infer from the respective branding that the DNSP and the related electricity service provider are related;</p> <p>ii) must not advertise or promote its direct control services and its contestable electricity services that are not direct control services together (including by way of cross-advertisement or cross-promotion);</p> <p>iii) must not advertise or promote contestable electricity services provided by a related electricity service provider other than the DNSP itself.</p>	<ul style="list-style-type: none"> Quarterly Management Reporting of information relating to registers and breaches. <p>Information provided:</p> <ul style="list-style-type: none"> Ring-fencing Guidelines Compliance Plan July 2017; AER FINAL Decision EE Distribution Determination 2019 to 2024 (Classification of Services) April 2019; Regional Office Analysis; Regional Office Register; CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); and, Internal attestation emails. 	<p>services classifications which now allows Essential Energy to provide contestable services which were previously covered under the transitional waivers.</p> <ul style="list-style-type: none"> We inspected the Office Register to determine information identified the classes of offices; and, We confirmed through inquiry and inspection of supporting Regional office analysis documents that this register is checked, validated and updated by the Compliance Reporting Team on a yearly basis. We inspected Essential Energy's procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. We inspected Essential Energy's Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	
Office and staff registers			
4.2.4(a) A DNSP must	Controls:	<ul style="list-style-type: none"> We inspected the Office Register to 	Refer to our observations under

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>establish, maintain and keep a register that identifies:</p> <p>a) the classes of offices to which it has not applied clause 4.2.1(a) by reason of clauses 4.2.1(b)i. or 4.2.1(b)iii.; and</p> <p>b) the nature of the positions (including a description of the roles, functions and duties) of its members of staff to which it has not applied clause 4.2.2(a) by reason of clauses 4.2.2(b)i.a., 4.2.2(b)i.b., 4.2.2(b)iii. or 4.2.2(d);</p> <p>and must make the register publicly available on its website.</p>	<ul style="list-style-type: none"> • Regional Office Analysis; • Regional Office and staff registers; and, • Quarterly Management Reporting of information relating to registers and breaches. <p>Information provided:</p> <ul style="list-style-type: none"> • Staff Register; • Regional Office Analysis; • Regional Office Register; • CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; • Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); and, • Internal attestation emails. 	<p>determine information identified the classes of offices;</p> <ul style="list-style-type: none"> • We inspected the Staff Register and confirmed that it contains the nature of the position of staff, the description of their role, functions and duties and the applicable exemptions under the Ring-fencing Guideline. • We confirmed that the registers are checked, validated and updated by the Compliance Reporting Team on a yearly basis, and have been published on Essential Energy's public website. • We inspected Essential Energy's procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. • We inspected Essential Energy's Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. • We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	<p>4.2.1(a) above.</p>

Information access and disclosure

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>4.3.2 Subject to this clause 4.3, a DNSP must:</p> <p>a) keep confidential information confidential; and</p> <p>only use confidential information for the purpose for which it was acquired or generated.</p>	<p>Controls:</p> <ul style="list-style-type: none"> IT restrictions on information access. Information sharing protocol. Training and awareness. Information Register <p>Information provided:</p> <ul style="list-style-type: none"> Information Sharing Deed Poll; Information Sharing Application Form Information Sharing Protocol; Ring-fencing Training Training Register; EKAS Course Enrolment Notification; and, A6. Ring-fencing FAQs on Knowledge Hub. 	<ul style="list-style-type: none"> We inspected Essential Energy Information Sharing Deed Poll to determine whether it has a procedure to ensure third parties are bound to keep confidential information confidential. We inspected Essential Energy's Information Sharing Protocol to confirm Essential Energy's approach to the maintaining confidentiality of the data it holds. We inspected the Ring-fencing training materials and checked that they accurately describe Essential Energy's obligation to keep Confidential Electrical Information confidential and use confidential information for the purpose for which it was acquired or generated. We inspected the training attendance and completion register for the audit period to ascertain whether staff participated in compliance training. 	<p>Essential Energy's Information Sharing protocol</p> <p>We observed that there were no information sharing requests in the regulatory year ended 30 June 2020.</p> <p>IT restrictions on information access and Information Sharing Protocols:</p> <p>Out testing confirmed that training materials include the requirements to meet the information confidentiality and disclosure provisions. We did not sight documented procedures, that align to the Ring-fencing access and disclosure requirements, including how user access controls are implemented to enforce restrictions. Essential Energy will decide on a case-by-case basis how the information will be provided to the related electricity service provider and registered legal entities, based on the completed application for confidential information, and precedence.</p> <p>Based on the results of our testing and the fact that there were no information sharing requests received for the regulatory reporting period ended 30 June 2020, we did not find the above to be exception in execution of the requirements.</p> <p>Refer to the improvement opportunity</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
			<p>contained under Appendix B: Formal procedures for IT access restriction and enforcement, and confidential electricity information data management including third party disclosure.</p> <p>Training and awareness:</p> <p>Refer to our observations contained under 3.1 (b) and the improvement opportunity contained under Appendix B: Annual refresher training monitoring, escalation and reporting.</p>
<p>4.3.3 A DNSP must not disclose confidential information to any person, including a related electricity service provider, unless an exemption applies.</p>	<p>Controls:</p> <ul style="list-style-type: none"> • Information sharing protocol. • Training and awareness. <p>Information provided:</p> <ul style="list-style-type: none"> • Information Sharing Deed Poll; 	<ul style="list-style-type: none"> • We inspected Essential Energy’s Information Sharing Protocol to confirm Essential Energy’s approach to the maintaining confidentiality of the data it holds. 	<p>Refer to our observations under 4.3.2 above.</p>
<p>4.3.4(a) Subject to clause 4.1(c)iv and to this clause 4.3.4, where a DNSP shares confidential information with a related electricity service provider, or where confidential information that a DNSP has disclosed under clause 4.3.3(f) is then disclosed by any person to a related electricity service provider of the DNSP, the DNSP must provide access to that confidential</p>	<ul style="list-style-type: none"> • Information Sharing Application Form • Information Sharing Protocol; • Ring-fencing Training • Training Register; • EKAS Course Enrolment Notification; and, • Ring-fencing FAQs on Knowledge Hub. 	<ul style="list-style-type: none"> • We inspected the Ring-fencing training materials and checked that they accurately describe Essential Energy’s obligation to keep Confidential Electrical Information confidential and use confidential information for the purpose for which it was acquired or generated. • We inspected the training attendance and completion register for the audit period to ascertain whether staff participated in compliance training. 	<p>Refer to our observations under 4.3.2 above.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
information (including the derived information) to other legal entities on an equal basis.	Controls: <ul style="list-style-type: none"> Information Register to capture 	<ul style="list-style-type: none"> We accessed Essential Energy's customer-facing website to determine whether it was publicly 	
4.3.4(d) Without limiting clause 4.3.4(a), a DNSP must establish an information sharing protocol that sets how and when it will make the information referred to in clause 4.3.4(a) available to legal entities and must make that protocol publicly available on its website.			Refer to our observations under 4.3.2 above.
4.3.4(e) Where a DNSP discloses information referred to in clause 4.3.4(a) to any other legal entity under this clause 4.3.4, it must do so on terms and conditions that require the other legal entity to comply with clause 4.3.2 and 4.3.3(a) to (d) in relation to that information as if the other legal entity was a DNSP.			Refer to our observations under 4.3.2 above.
4.3.5(a) A DNSP must establish, maintain and keep a register of all:			Refer to our observations under 4.3.2 above.

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>i. related electricity service providers;</p> <p>ii. other legal entities who provide contestable electricity services but who are not affiliates of the DNSP;</p> <p>who request access to information identified in clause 4.3.4(a) and must make the register publicly available on its website.</p>	<p>information requests from all service providers.</p> <p>Information provided:</p> <ul style="list-style-type: none"> Information Sharing Register; 	<p>available.</p> <ul style="list-style-type: none"> The register was then inspected as to whether all appropriate detail was included, with any exceptions noted. 	
<p>4.3.5(b) For each legal entity that has requested that a DNSP provide access to information identified in clause 4.3.4(a), the DNSP's information register must:</p> <p>i. identify the kind of information requested by the legal entity; and</p> <p>describe the kind of information requested by the legal entity in sufficient detail to enable other legal entities to make an informed decision about whether to request that kind of information from the DNSP</p>			None.

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>4.3.5(c) A legal entity may request that the DNSP include it on the information register in relation to some or all of the kinds of information that the DNSP is required to provide under clause 4.3.4(a), and the DNSP must comply with that request.</p>			<p>Refer to our observations under 4.3.2 above.</p>
<p>Service Providers</p>			
<p>4.4.1.(a) A DNSP must ensure that any new or varied agreement between the DNSP and a service provider, for the provision of services to the DNSP that enable or assist the DNSP to supply direct control services, requires the service provider to comply, in providing those services, with:</p> <ul style="list-style-type: none"> i. clauses 4.1, 4.2.1, 4.2.2 and 4.3.2 of this Guideline; and ii. clause 4.2.3 of this Guideline in relation to the brands of the DNSP; 	<p>Controls:</p> <ul style="list-style-type: none"> • New terms and conditions for service providers. <p>Information provided:</p> <ul style="list-style-type: none"> • New Standard Terms and Conditions for Supply of Goods and Services. 	<ul style="list-style-type: none"> • We inspected the Standard Terms and Conditions for Supply of Goods and Services provided to service providers to determine whether the service providers are made aware of Ring-fencing obligations. 	<p>New Service Provider contacts executed:</p> <p>We observed that there were no new service provider contacts executed in the regulatory year ended 30 June 2020.</p> <p>Breach identification and reporting:</p> <p>Refer to our observations under 4.2.1(a) above.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
as if the service provider was the DNSP.			
4.4.1 (b) A DNSP must not, directly or indirectly, encourage or incentivise a service provider to engage in conduct which, if the DNSP engaged in the conduct itself, would be contrary to the DNSP's obligations under clause 4 of this Guideline.	<p>Controls:</p> <ul style="list-style-type: none"> • Training and awareness. <p>Information provided:</p> <ul style="list-style-type: none"> • Ring-fencing Training • Training Register; • EKAS Course Enrolment Notification; and, • Ring-fencing FAQs on Knowledge Hub. 	<ul style="list-style-type: none"> • We inspected the Ring-fencing training materials to determine if they accurately described Essential Energy's obligation to must not, directly or indirectly, encourage or incentivise a service provider to engage in conduct which, if the DNSP engaged in the conduct itself, would be contrary to the DNSP's Obligations. • We inspected the training attendance and completion register for the audit period to ascertain whether staff participated in compliance training. • We requested a list of procurement plans to determine whether the plans consider Ring- Fencing obligations. Management advised that there was no procurement activity related to contestable services for the period under this review. We, therefore, inspected the New terms and conditions for service providers and confirmed that these include the reference to the relevant Ring-fencing obligations. • We requested a list of customer complaints to determine whether 	<p>Training and awareness:</p> <p>Refer to our observations contained under 3.1 (b) and the improvement opportunity contained under Appendix B: Annual refresher training monitoring, escalation and reporting.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
		the complaints were in relation to the conduct of the third party service provider. Management advised that there were none in relation to Ring-fencing or the conduct of service providers, to test for the period of this review.	
Waivers register			
<p>5.7 a) A DNSP must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the DNSP by the AER under clause 5 of this Guideline, and must make the register publicly available on its website.</p> <p>b) The register established under clause 5.7(a) must include:</p> <p>i. the description of the conduct to which the waiver or interim waiver applies; and</p> <p>ii. the terms and conditions of the waiver or interim waiver; as set out in the AER's written</p>	<p>Controls:</p> <ul style="list-style-type: none"> Established and maintained a Waiver register. <p>Information provided:</p> <ul style="list-style-type: none"> Essential Energy's Waivers register; Essential Energy Waiver application 1 July 2019; AER Waiver Notice (Approval) - 15 August 2019 	<ul style="list-style-type: none"> We accessed Essential Energy's external website and sighted that the waiver register was publicly available. We inspected the register to determine whether all detail required by the Obligation was included, with any exceptions noted. We obtained an Essential Energy's waiver application and to determine whether all detail required by the Obligation was included, with any exceptions noted. We inspected the AER's written response to Essential Energy's waiver application to determine whether the waiver request had been approved or declined by the AER. 	None.

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>decision, provided by the AER to the DNSP, to grant (or vary) the waiver or interim waiver.</p>			
Maintaining Compliance			
<p>6.1 A DNSP must establish and maintain appropriate internal procedures to ensure it complies with its obligations under this Guideline. The AER may require the DNSP to demonstrate the adequacy of these procedures upon reasonable notice. However, any statement made, or assurance given by the AER concerning the adequacy of the DNSP's compliance procedures does not affect the DNSP's obligations under this Guideline.</p>	<p>Controls:</p> <ul style="list-style-type: none"> • Adopting the strategic approach to Ring-fencing compliance that defines the scope of activities to ensure compliance with Ring-fencing obligations. • Policies and procedures. • Quarterly Management Reporting of information relating to registers and breaches. <p>Information provided:</p> <ul style="list-style-type: none"> • Ring-fencing Guidelines Compliance Plan July 2017; • AER FINAL Decision EE Distribution Determination 2019 to 2024 (Classification of Services) April 2019; • CECP 2476 Ring-fencing Compliance Policy; • CEOP2477 Ring-fencing Compliance Procedure; • CEOP2480 Ring-fencing Compliance Monitoring and 	<ul style="list-style-type: none"> • We inspected Essential Energy's Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach to Ring-fencing compliance) to determine whether Essential Energy's approach aligns to the services the DNSP is limited to provide. • We inspected the AER's approval of services classifications which now allows Essential Energy to provide contestable services which were previously covered under the transitional waivers. • We inspected supporting company policies and procedures to confirm that these clearly articulate Essential Energy's approach to compliance with the obligations outlined in the Guideline. • We inspected Essential Energy's procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. 	<p>None.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
	Reporting; <ul style="list-style-type: none"> • CEOH2483 Provider of Last Resort Workplace Instruction • CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; • Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); and, • Internal attestation emails. 	<ul style="list-style-type: none"> • We inspected Essential Energy’s Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. • We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	
Compliance Reporting			
6.2.1 a) A DNSP must prepare an annual Ring-fencing compliance report each regulatory year in accordance with this clause 6.2.1 and submit it to the AER in accordance with clause 6.2.2. b) The annual compliance report must identify and describe, in respect of the regulatory year to which the report relates: i. the measures the DNSP has taken to	Controls: <ul style="list-style-type: none"> • Essential Energy Ring-fencing Annual Compliance Report 2019/20. • Quarterly Management Reporting of information relating to registers and breaches. Information provided: <ul style="list-style-type: none"> • Essential Energy Ring-fencing Annual Compliance Report 2019/20; • Essential Energy Code of Conduct; • CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; 	<ul style="list-style-type: none"> • We inspected Essential Energy’s Annual Compliance Report for the period 1 July 2019 to 30 June 2020 to determine whether the report addressed points (i) to (iv) of clauses 6.2.1(b) as well as the points within (a) and (c). • We inspected Essential Energy’s procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. • We inspected Essential Energy’s Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. 	Breach identification and reporting Refer to our observations under 4.2.1(a) above.

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>ensure compliance with its obligations under this Guideline;</p> <p>ii. any breaches of this Guideline by the DNSP, or which otherwise relate to the DNSP;</p> <p>iii. all other services provided by the DNSP in accordance with clause 3.1; and</p> <p>iv. the purpose of all transactions between the DNSP and an affiliated entity.</p> <p>c) The annual compliance report must be accompanied by an assessment of compliance by a suitably qualified independent authority.</p> <p>d) Annual compliance reports may be made publicly available by the AER.</p>	<ul style="list-style-type: none"> Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); and, Internal attestation emails. 	<ul style="list-style-type: none"> We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>6.3 A DNSP must notify the AER in writing within five business days of becoming aware of a material breach of its obligations under this Guideline. The AER may seek enforcement of this Guideline by a court in the event of any breach of this Guideline by a DNSP, in accordance with the NEL.</p>	<p>Controls:</p> <ul style="list-style-type: none"> Breach Management Process and register. <p>Information provided:</p> <ul style="list-style-type: none"> CEOP2480 Ring-fencing Compliance Monitoring and Reporting Procedure; Ring-fencing Breach Report July 2019 (material breach reported); Ring-fencing Breach Register; AER Responses to Ring-fencing breach; Correspondence with the AER; Correspondence with relevant retailers and evidence of ongoing breach remediation activities. 	<ul style="list-style-type: none"> We inspected Essential Energy’s Breach Management and reporting policies and procedures to determine whether Essential Energy has definitions for what constitutes a material breach and managers are educated on assessing breaches and notifying the AER with 5 days. We reviewed the breach from the breach register, and confirmed that the notification of the breach occurred within prescribed timeframes (5 days to the AER or as part of the annual compliance report for non-material breaches); We inspected Essential Energy’s procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. We inspected Essential Energy’s Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	<p>Breach identification and reporting</p> <p>Refer to our observations under 4.2.1(a) above.</p>

Compliance requirement	Management Controls and information provided	Procedures performed	Observations /findings
<p>7.1. a) a DNSP must fully comply with each of the obligations in clauses 3 and 4 of this Guideline in respect of its existing services as soon as reasonably practicable, having regard to the likely costs of having to fully comply with those obligations any sooner but, in any event, must fully comply with those obligations by no later than 1 January 2018;</p> <p>b) where a distribution determination applicable to a DNSP results in a change in the classification of a distribution service provided by the DNSP, and that change puts the DNSP in breach of an obligation under this Guideline, the DNSP must comply with that obligation within 12 months of the commencement date of the distribution determination.</p>	<p>Controls:</p> <ul style="list-style-type: none"> • Essential Energy Ring-fencing compliance plan; and, • Confirmation of service classifications; • Quarterly Management Reporting of information relating to registers and breaches. <p>Information provided:</p> <ul style="list-style-type: none"> • Ring-fencing Guidelines Compliance Plan July 2017; • AER FINAL Decision EE Distribution Determination 2019 to 2024 (Classification of Services) April 2019; • CEOH4000.04 Quarterly Management Reporting and Self-Assessment Procedure; • Quarterly Ring - Fencing Compliance checks spreadsheet (self-assessment summary mapped to the obligations-completed by the business); and, • Internal attestation emails. 	<ul style="list-style-type: none"> • We inspected Essential Energy’s Ring-fencing Guidelines Compliance Plan July 2017 (strategic approach to Ring-fencing compliance) to determine whether Essential Energy’s approach aligns to the services the DNSP is limited to provide. • We inspected the AER's approval of services classifications which now allows Essential Energy to provide contestable services which were previously covered under the transitional waivers. • We inspected Essential Energy’s procedure document CEOH4000.04 to determine whether Essential Energy had a supporting process in place for conducting the Quarterly Management Reporting. • We inspected Essential Energy’s Quarterly Ring- Fencing compliance checks spreadsheet to determine whether there were any breaches against the obligations. • We inspected a sample of attestations received as part of the quarterly attestation to validate and assess Quarterly Compliance checks spreadsheet. 	<p>None.</p>

Appendix B: Summary of performance improvement observations

In this section, we present additional details on performance improvement observations in relation Essential Energy's compliance activities for the regulatory year ended 30 June 2020. This information has been provided at the request of the AER.

This information should not be construed as providing an opinion or conclusion on the separate compliance activities noted, nor that the aggregation thereof modifies our opinion or conclusion reported in the Independent Reasonable Assurance Report.

S.No	Recommendations	Management's response
1.	<p>Annual refresher training monitoring, escalation and reporting</p> <p>A formal process for consistent follow-up and escalation of incomplete training should be established by the Compliance Team. This includes reporting to the relevant Executive Leader and providing compliance training completion updates in Compliance Reports into the relevant board and board sub-committee fora.</p>	Essential Energy will implement a process for consistent follow-up and escalation of incomplete training.
2.	<p>Detailed guidance for handling of confidential electricity information data management including third party disclosure to third party service providers and other unauthorised individuals</p> <p>Management should consider updating the Ring-fencing frequently asked questions with detailed guidance contained in the Ring-fencing training relating to how confidential information is managed, including the basis for appropriate disclosure to third-party service providers and other unauthorised individuals.</p>	The Frequently Asked Questions document has been updated to include guidance for handling confidential electricity information.
3.	<p>Formal evidence of the effective CAM application to enable assessment of correctness by Finance Manager</p> <p>The review of the CAM allocation should be more specific to allow the preparer to demonstrate to the reviewer that the allocation has been completed on a correct basis. This includes a consideration of thresholds for minor variances.</p>	Following internal identification of the error in the month following, process documentation for the CAM allocation was updated to minimise the possibility of re-occurrence. Consideration will be given to further enhancing checks in the process, including updating workpapers to include a cross-check based on applying CAM percentages to ensure alignment with the journal.