



BSC Audit Process

This document covers:

- What is the BSC Audit and when does it occur
- What meetings are BSC Parties required to attend
- How are BSC Audit Issues communicated to participants

What is the BSC Audit Process?

ELEXON operates a Performance Assurance Framework (PAF) consisting of a complementary set of 'preventive', 'detective', 'incentive' and 'remedial' assurance techniques. These techniques are deployed flexibly to address Settlement Risks, by either preventing or detecting occurrence, or correcting the effects of the risk. The BSC Audit is a key detective technique.

The BSC Audit is defined in [Section H](#) of the BSC and seeks to provide assurance that the Settlement and Funding Share calculation provisions in the BSC and Code Subsidiary Documents are complied with.

Individual Issue Documents may be raised against Suppliers, Supplier Agents, Supplier Meter Registration Agents (SMRAs), Licensed Distribution System Operators (LDSOs), Unmetered Supplies Operators (UMSOs), Meter Administrators (MAs), BSC Agents (in relation to Central Systems) and ELEXON.

What is the cycle of the BSC Audit Period?

The audit reporting year runs from 1 April to 31 March (in line with the BSC Year and the Performance Assurance Operating Period (PAOP)). The BSC Auditor's Report (which contains the auditor's opinion) is published in June following each audit year. The steps involved in the audit cycle are summarised below.

1. Planning Meetings

Planning meetings are held between October and December each year before on-site fieldwork (the site visits). The BSC Auditor, the Performance Assurance Party and the Operational Support Manager (OSM) will arrange the dates and times of the coming visit, complete information requests and agree working practices.

2. Site Visits

Most site visits are held February to April (with a handful occurring in November and December) each year and vary in length according to the number and type of roles present at a site, and whether you are having a Full, Medium or Low intensity visit. Site visits are the main part of the BSC Audit. A data request is sent before each visit, and it is important that you complete this in good time to help your

site visit go smoothly. Your audit team will perform sampling and checking based on the data request and audit areas.

Please note that as a result of the site visit, the BSC Auditor might request some additional information to validate its findings.

3. Clearance Meetings

Clearance meetings are held after the site visits (between March and May each year). The Performance Assurance Party, auditor and ELEXON will discuss the issues identified in draft Issue Documents (see below) and address any concerns that arose during the site visit. All draft Audit Issues should be reviewed in detail by this stage.

4. Issue Documents

Issue Documents are produced by the BSC Auditor, after all issues found at all Performance Assurance Parties have been reviewed collectively for consistency, and to determine impact ratings. ELEXON send out the final versions in July. Issue Documents highlight specific non-compliances against the requirements in the BSC and Code Subsidiary Documents.

The BSC Auditor assigns an impact rating to each Issue Document. Issues are categorised as having a High, Medium or Low impact. The assigned impact rating will determine whether an action plan (see below) is required. For more on the rationale behind impact ratings, please visit the [BSC Audit](#) page of the [BSC Website](#).

5. Issue Resolution

Audit Issues rated High or Medium will require an Error and Failure Resolution (EFR) plan to be submitted. Parties with these issues will then work with the EFR analyst and their OSM to make sure the plan is addressing the issue. If the plans are not adhered to, the Performance Assurance Board (PAB) might request updates. These can be presented by the OSM or the Party itself will be invited to the PAB.

For more details of the **Error and Failure Process** please see the [Error and Failure Resolution](#) page of the [BSC Website](#).

6. Debrief Meetings

ELEXON arrange debrief meetings which are offered to Performance Assurance Parties after the BSC Audit Report has been published each year (usually in July). A debrief meeting provides an overview of the issues identified during the audit. These meetings are also an opportunity to discuss the requirements and timescales of the forthcoming audit. The BSC Auditor will use these meetings to assess the progress of issues and note any changes in your procedures or systems before audit work starts.

BSC Audit Communications System

An online tool – the BSC Audit Navigator – has been developed to act as a secure central repository for BSC Audit related documentation and a communications tool between Performance Assurance Parties, the BSC Auditor and ELEXON. Users can upload, view and download information relating to the audit. Use of the system is optional and you can use traditional methods if you prefer.

Further Information

BSC Audit Reports and other documentation including the Audit Scope and Approach are available on the [Audits](#) page of the [BSC Website](#).

- [Error and Failure Resolution](#)
- [BSC Section H](#)
- [BSC Website](#)

For more information on the BSC Audit process, including how to access the online tool, please contact your [Operational Support Manager](#) or email bscaudit@elexon.co.uk.

For other information please contact the **BSC Service Desk** at bscservicedesk@cgi.com or call **0870 010 6950**.

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