

FUNDING SHARES AUDIT FINDINGS

MEETING NAME	Panel Meeting
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Paper number	256/14
Owner/author	Kathy Ferrari
Purpose of paper	Information
Classification	Public
Summary	This paper informs the Panel of the results of the recent audit of the calculation of Funding Shares for year ended 31 March 2016, as part of the BSC Audit.

1. Background

- 1.1 Funding Shares are the mechanism whereby the costs of operating the Balancing and Settlement Code (BSC) procedures are shared between Trading Parties existing in that market.
- 1.2 The basis for calculating these shares is set out in Section D of the BSC. In summary, they are calculated each month based on the best information available at the time of calculation. A reconciliation exercise is performed at the end of each year based on the final version of the source data. Reconciling bills and credits are then issued as necessary.

2. Scope

- 2.1 Panel paper 252/10 "Approval of Funding Shares Audit Scope" set out the scope of the Funding Shares Audit for the year ended 31 March 2016 as required by section H 5.1.2 of the BSC.
- 2.2 In summary the resulting scope of the audit was:
 - a) Review of Funding Shares and Associated Charges for 2015/16
 - b) Review of Annual Funding Shares for 2015/16

3. Findings

- 3.1 The BSC Auditor's report is attached to this paper. In summary the BSC Auditor's opinion is that, on the basis of the agreed scope of the work, the calculations have been performed in accordance with the relevant sections of the BSC and BSC subsidiary documents.
- 3.2 The Auditor's work identified no significant errors affecting the accuracy of the final Funding Shares for the financial year to 31 March 2016.
- 3.3 We are now in a position to complete the final reconciliation of the 2015/16 BSC charges.

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the findings of the 2015/16 Funding Shares Audit

Attachments

Attachment A – KPMG Audit opinion Letter

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Attachment B – KPMG Presentation

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