

269/09 - FUNDING SHARES AUDIT FINDINGS

MEETING NAME	Panel Meeting
Date of meeting	10 August 2017
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 2017, 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 the 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 266/07 "Approval of Funding Shares Audit Scope" set out the scope of the Funding Shares Audit for the year ended 31 March 2017 as required by section H 5.1.2 of the BSC.
- 2.2 In summary the resulting scope of the audit was:
 - Review of Funding Shares and Associated Charges for 2016/17
 - Review of Annual Funding Shares for 2016/17

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 2017.
- 3.3 We are now in a position to complete the final reconciliation of the 2016/17 BSC charges.

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the findings of the 2016/17 Funding Shares Audit

Attachments

Attachment A – KPMG Audit opinion Letter

For more information, please contact:

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