



Annual audit plan under the *Electricity Infrastructure Investment Act 2020*

21 May 2024

1 Introduction

IPART is a Regulator under the NSW *Electricity Infrastructure Investment Act 2020* (EII Act) and *Electricity Infrastructure Investment Regulation 2021* (EII Regulation). One of our functions is to audit the performance of key entities performing functions under the EII Act. This annual audit plan sets out the routine performance audits we plan to undertake during the 2024-25 financial year^a.

The entities that may be audit subjects are the Consumer Trustee, Financial Trustee, Scheme Financial Vehicle, and Infrastructure Planner. IPART may conduct a routine performance audit of each entity no more than once every 5 years. This limit does not apply to follow-up audits, or audits initiated when IPART reasonably suspects unsatisfactory performance. IPART may decide to undertake follow-up audits in addition to the audits identified in this audit plan. See discussion in our *NSW Electricity Infrastructure Roadmap – Performance Audit Guideline* for more information.

We will publish this annual audit plan on our website at least 1 month before the beginning of the financial year.^b This annual audit plan is for the 2024-25 financial year commencing on 1 July 2024.

2 Our approach

We have taken a number of factors into account when considering which entities to audit. We have considered comments from entities, the Minister, and the Auditor-General in finalising this annual audit plan as required by clause 69(2) of the EII Regulations.

^a Clause 69(1) of the EII Regulations requires us to prepare an annual audit plan setting out the routine performance audits we plan to undertake in the following year.

^b Clause 69(3) of the EII Regulations requires us to publish an annual plan on our website at least 1 month before the beginning of the financial year.

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

IPART uses a strategic approach to developing the annual audit plan, which balances high risk areas of the entity's functions, administrative burden, and external control and assurance measures^c relevant to the entity.

The detailed audit objectives, scope and criteria will be established in accordance with the process set out in the audit guideline.

2.1 Purpose and benefit of Roadmap performance auditing

Undertaking performance audits will protect the interests of NSW electricity customers and citizens by:

- a) providing transparency, assurance and confidence in the delivery and trajectory of Roadmap functions; and
- b) testing delivery of functions against intended outcomes at an appropriate stage to highlight emerging 'at risk' milestones and opportunities for recalibration or correction as appropriate.

Balanced, timely information is important for building market and consumer confidence for investors and consumers, and to provide Government and policy makers such as Department of Climate Change, Energy, Environment and Water with robust information to assist in steering reform priorities into the future.

2.2 Auditing for impact

This is the first annual audit plan for our performance audit function under the EII Act. It reflects our intent that IPART will audit entities in a way which:

- supports attainment of statutory outcomes of the EII Act
- provides assurance and transparency
- is proportionate.

Performance audits should balance the need for transparency and assurance against the burden on Roadmap entities.

^c Including under the *Corporations Act 2001* (Cth), the *Government Sector Audit Act 1983*, and the *Public Governance, Performance and Accountability Act 2013* (Cth).

3 Our audit plan for 2024-25

We will commence one audit covering 2 entities in the 2024-25 financial year. This will allow us to consider the performance of the 2 entities in carrying out their functions individually and cooperatively.

2024-25 Q2 Financial Trustee and Scheme Financial Vehicle

We will consider commencing a similar audit of the Infrastructure Planner and Consumer Trustee in 2025-26. We will make our decision and publish our audit plan for 2025-26 prior to June 2025.