

11 August 2020

## AUDIT FINDINGS

IPART recently requested Ausgrid to undertake an audit of compliance with its legislated 'employment guarantees' obligations.

The auditor found that Ausgrid fully complied with its obligations for the relevant periods.

The auditor identified a minor calculation error (less than 0.05%, which was not material), and noted that Ausgrid had addressed the error in its methodology.

Further information is provided below.

## EMPLOYMENT GUARANTEES

Prior to 30 June 2020, Ausgrid was subject to various obligations under Schedule 4 to the *Electricity Network Assets (Authorised Transactions) Act 2015 (NSW) (Act)*, referred to as 'employment guarantees'.<sup>1</sup>

One of these obligations related to the minimum 'appropriate staffing level'. This was set for Ausgrid at 3,570 full time equivalent employees (under clause 3(2) of Schedule 4 to the Act).

Each quarter, Ausgrid was required to report to IPART on its compliance with these obligations under its distributor's licence and IPART's *Electricity networks reporting manual - Employment guarantees - April 2018 (Reporting Manual)*.

For each quarter, Ausgrid reported that it was compliant with its obligations.

## COMPLIANCE AUDIT

On 30 April 2020 IPART requested Ausgrid to undertake an independent audit of the accuracy of relevant information provided to IPART.

The scope of the audit included information provided on:

- ▼ The appropriate staffing level, including an assessment as to whether the inputs and calculation methodology used by Ausgrid were consistent with other relevant provisions of Schedule 4 to the Act
- ▼ The three quarterly reporting periods between 1 July 2019 and 31 March 2020, and
- ▼ Whether that information was reported to IPART in accordance with the Reporting Manual.

Ausgrid provided the auditor's report to IPART on 26 June 2020. IPART has reviewed the auditor's report and determined that no further action is required.

<sup>1</sup> The five year employment guarantees period ended on 30 June 2020. Depending on the full time equivalent employees in the 4th quarter of the financial year 2019/20, the minimum number of apprentices may extend into the financial year following the period