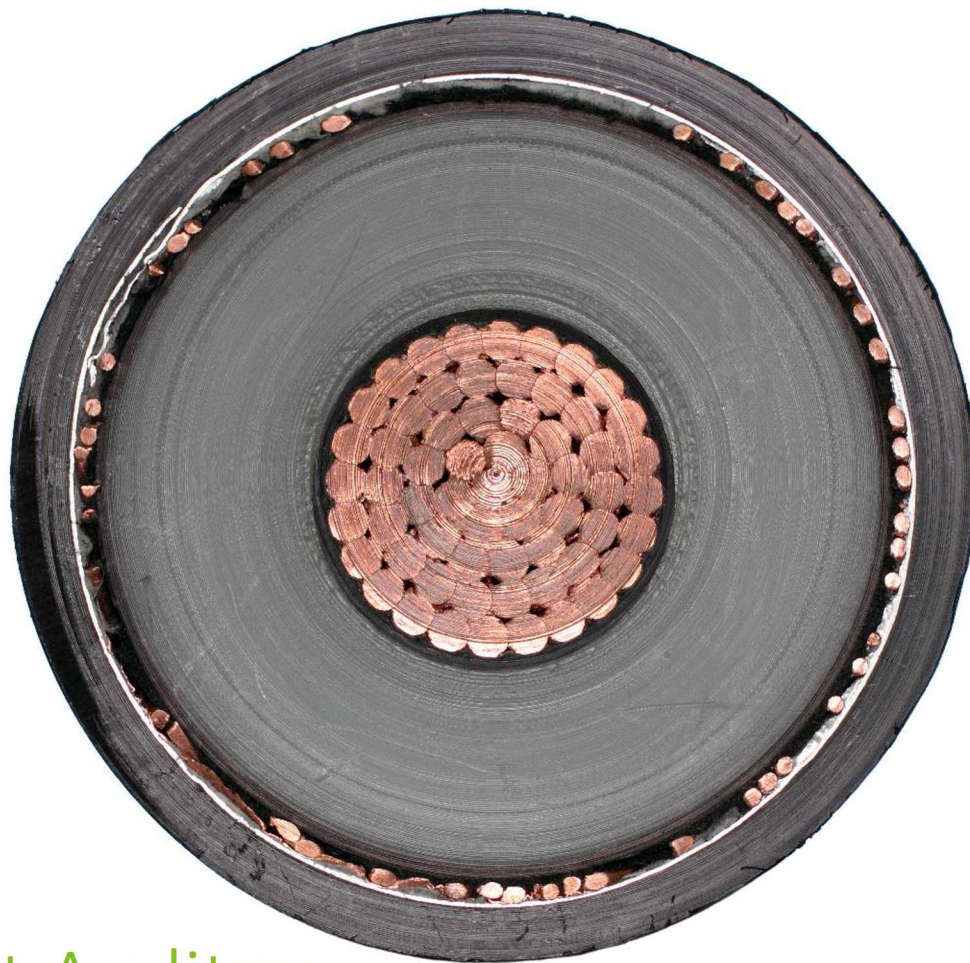


Deloitte.



SEM Market Auditor

**Report of Factual Findings for the period
ended 31 December 2019**

Agenda

- Market Audit Scope
- Basis of Reporting
- Report of Factual Findings
- Questions / AOB

Market Audit Scope

- Requirements of the Code relating to the Market Audit are set out in the Trading & Settlement Code section B.16.1
- Terms of reference of the Market Audit
 - RAs undertook consultation with Parties upon completion of the 2018 Market Audit
 - Final scope of the Market Audit was set out in the RAs' decision paper "SEM-19-051: Terms of Reference for the Market Audit 2019" published 17 September 2019
 - As noted in the Terms of Reference "The SEM Committee has decided that the auditors work will be conducted in a different manner to previous audits to account for the number of known issues already identified..."
 - Reporting Basis changed to be on an Agreed Upon Procedures ("AUP") basis under International Standard on Related Services 4400
 - Requires definition of a set of AUPs to be tested by the Market Auditor – these were published as SEM-19-067 on 28 November 2019 and subsequently revised and published on 30 April 2019
 - Audit period from 1 October 2018 to 31 December 2019

Market Audit Scope

SEMO Activities Covered

Specific areas covered by testing determined by Agreed Upon Procedures. Areas covered:

- **TSC Part B Activities**

- Accession and Registration
- Imbalance Settlement Price Calculation and Recalculation
- Settlement Production and returns
- Currency and Balancing Charges
- Credit Cover Management
- Settlement Queries
- Modifications/Code Development
- Information publication
- Communication channels
- Communication and System Failures
- Transaction Submission and Validation
- Data Storage and IT Security
- Systems and operations

- **TSC Part A Activities**

- Legacy SEM Resettlement

- **TSC Part C Activities**

- Transitional Arrangements

Basis of Reporting

- Reporting under International Standard on Related Services 4400, applicable to agreed-upon procedures engagements
- Standard required procedures to be defined for testing including:
 - Areas to be tested;
 - Population and sample sizes;
 - Exception thresholds
- No concept of materiality applied
- No overall conclusion / opinion

Report of Factual Findings



At DeThis publication is for distribution to the Single Electricity Market Modifications Committee and is subject to our Engagement Letter for provision of the SEM Market Audit.

At Deloitte, we make an impact that matters for our clients, our people, our profession, and in the wider society by delivering the solutions and insights they need to address their most complex business challenges. As the largest global professional services and consulting network, with over 312,000 professionals in more than 150 countries, we bring world-class capabilities and high-quality services to our clients. In Ireland, Deloitte has over 3,000 people providing audit, tax, consulting, and corporate finance services to public and private clients spanning multiple industries. Our people have the leadership capabilities, experience and insight to collaborate with clients so they can move forward with confidence.

This document is confidential and it is not to be copied or made available to any other party. Deloitte Ireland LLP does not accept any liability for use of or reliance on the contents of this document by any person save by the intended recipient(s) to the extent agreed in a Deloitte Ireland LLP engagement contract.

Deloitte Ireland LLP is a limited liability partnership registered in Northern Ireland with registered number NC1499 and its registered office at 19 Bedford Street, Belfast BT2 7EJ, Northern Ireland.

Deloitte Ireland LLP is the Ireland affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.