

Ms Kimberlee McKay
Director
Utilities Commission of the Northern Territory

By email: utilities.commission@nt.gov.au and Kimberlee.mckay@nt.gov.au

Dear Ms McKay

**2024 Review of the Compliance Framework and Reporting Guidelines – Consultation Paper
TGen’s Written Submissions.**

I refer to the letter received from the Utilities Commissioner, Lyndon Rowe, dated 25 March 2024 addressed to the CEO of Territory Generation (TGen), regarding the above matter.

TGen is generally supportive of the initiative and of version 2 of the Compliance Framework and Reporting Guideline (CFRG) with some respectful submissions as below.

Clause 1.22 (Existing clause)

“The Commission welcomes constructive feedback and input from regulated entities in order to continuously improve the Compliance Framework and Reporting Guidelines”.

The Commission proposes to remove this clause on the basis that “it is not considered to be necessary for the operation of the Guidelines“. TGen submits that this is a relevant clause about the Commission welcoming constructive feedback from regulated entities to continuously improve the CFRG. Removal of this clause will indicate a change of direction by the Commission, even if that is not the intention.

Clause 4.5.2

The Commission proposes to add the following clause:

*“4.5.2 It is best practice for a *licensed entity* to submit the proposed scope of a relevant *internal audit* to the *Commission* for endorsement”.*

TGen does not support that providing proposed scope/s of internal audits to a regulator for endorsement is best practice. Endorsement denotes approval. The proposed clause would be contrary to the principles of TGen’s internal audit processes by taking the form of an external audit. TGen can accept the request/direction in general terms and as far as practical, however in certain cases, TGen’s Board needs to have the freedom to conduct any internal audits with unfettered scope powers.

Clause 5.1

“5.1 Where appropriate, the Commission intends to work with electricity entities to avoid the need for an independent audit. This includes by reviewing electricity entities’ existing internal audit schedules and relevant reports provided. Collaborating with electricity entities in this way is intended to reduce duplication and allow for more effective audits”.
(proposed changes underlined).

TGen generally supports the Commission working collaboratively with regulated entities to avoid the need for an independent audit. The proposed minor changes would still achieve that goal but preserve the sanctity of internal audits.

Conclusion

TGen will continue to work with the Commission in its journey to improve its compliance regime. We thank the Commission for its assistance in this regard and for this opportunity to submit towards version two of the CFRG.

If you require any clarification or further information, please contact me on 08 7979 2509 or hieu.nguyen@territorygeneration.com.au

Yours sincerely



Hieu Nguyen
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2 May 2024