

Compliance and audit



Service Definition Principle	Market Assurance	The key services:
Service Definition Title	Compliance and Audit	<p>The Market Operator commissions and undertakes various compliance and audit activities to ensure adherence to the codes and the orderly operation of the market.</p> <ul style="list-style-type: none"> • Market Operator compliance: ensuring the Market Operator is complying with the codes through the Market Audit process and reporting on findings • Trading Party compliance: ensuring trading parties are complying with the codes through targeted assurance activity as part of the Market Audit • Settlement assurance: verify the accuracy of the settlement engine and that the calculation of primary charges between wholesalers and retailers (£2.5bn per year) is robust.
Service Definition 'one-line' description	We provide independent evidence to assure MOSL and trading party compliance with the market codes.	
SLT Owner	Steve Formoy	
Business Plan link(s)	Market Assurance	
Deliverables:		KPIs for the service:
<ul style="list-style-type: none"> • Quarterly review of Market Operator compliance matrix including report to MPC and publication on the MOSL website • Annual risk-based review of Market Operator compliance by Market Auditor including report to Panel audit sub-group • Annual targeted risk-based reviews of Trading Party compliance by Market Auditor including report to Panel audit sub-group • Annual assurance of settlement engine (supplemented by additional reviews after any major change) • Annual audit of the Market Operator's report and accounts. 		<ul style="list-style-type: none"> • Number of compliant, non-compliant and total obligations - MOSL self evaluation • Audit of MOSL compliance by market auditors – number of audit recommendations (actions) issued (High/Medium/Low), number of open audit recommendations, number of overdue audit recommendations • For each workstream number of trading parties covered, number of recommendations (actions) issued specific to individual trading parties, number of market wide recommendations and total number of recommendations; number of open audit recommendations, number of overdue audit recommendations • Number and value of runs verified, number and value of issues found • Audit report publish in full as integral part of annual report and accounts