CP1265 Attachment F – Proposed Changes to BSCP535 v8.0

1 Introduction

1.1. Purpose and Scope of the Procedure

[NO CHANGE PROPOSED TO THIS SECTION]

1.2. Risk Based Performance Assurance Framework

[NO CHANGE PROPOSED TO THIS SECTION]

1.3 Main Users of the Procedure

[NO CHANGE PROPOSED TO THIS SECTION]

1.4. Scope of Work

1.4.1. Technical Assurance Checks

There are three distinct areas of work that are applicable to all Performance Assurance Parties:

- o Scope of work for TAP.
  - This includes details of the check to be undertaken and will utilise information from PAPs, other PAF techniques, the BSC A~~a~~uditor, BSSCo and the PAA when deciding where to apply the checks.
- o Targeted Checks of PAPs.
  - The PAB may decide to apply a targeted check because of performance related issues, Settlement error, information provided by it~~'~~s sub-committees or the Panel.
- o Post-Qualification checks of newly qualified PAPs.
  - These checks take place after a PAP has been qualified or re-qualified and there is a requirement to prove capability.

The key steps in the scope of work of the TAP function are:

- The PAB will produce a scope of work for the TAP function, in respect of each Performance Assurance Operating Period in accordance with the ROP.
- The scope of work will be published on the BSC Website within 10 Working Days of PAB approval.
- The Delegated Authority will report to the PAB on a regular basis on the progress of work being undertaken as part of the ~~[P207~~scope for TAP.
- The findings of the check will feed into the Annual Performance Assurance Report.

The key milestones in the performance of a check are:

- The PAB or its Delegated Authority will select PAPs who will form the subject of the TAP check in question. The PAB or its Delegated Authority will then notify the PAP of the check and make any requests for documentation at least 10 Working Days prior to the scheduled date (2 Working Days for an urgent targeted check).

- The PAB or its Delegated Authority shall conduct the check and record the results in accordance with the Check Results form (BSCP535/06~~F535/06~~). The PAB shall then provide the PAP in question with a copy of the results.

- In the case of an agreed non-compliance, the PAP must provide rectification details in accordance with BSCP538 – Error and Failure Resolution.

- In the case of a disputed non-compliance, the PAP must provide details of the dispute to the Delegated Authority within 10 Working Days of notification of the non-compliance. The Delegated Authority will then re-determine the validity of the non-compliance. If the PAP still disputes the non-compliance then the Delegated Authority's decision can be appealed to the PAB.

- The Delegated Authority will report to the PAB as and when required on the results of any targeted checks performed.

1.5. Responsibilities

[NO CHANGE PROPOSED TO THIS SECTION]

1.6. Balancing and Settlement Code Provision

[NO CHANGE PROPOSED TO THIS SECTION]

1.7. Associated BSC Procedures

[NO CHANGE PROPOSED TO THIS SECTION]

1.8. Acronyms

[NO CHANGE PROPOSED TO THIS SECTION]

1.9. Definitions

[NO CHANGE PROPOSED TO THIS SECTION]

2 Not Used

3 Interface and Timetable Information

3.1. Determination of scope of work for Technical Assurance

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.1.1	At PAB meeting.	Determine scope and notify BSCCo.	PAB	BSCCo	ROP	~~Meeting~~
3.1.2	Within 10 WD of PAB notification.	Publication of scope.	BSCCo		Scope	~~Website~~

3.2. Technical Assurance Check

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.1	At least 10 WD prior to a check or 2 WD for an urgent targeted check.	Inform PAP of planned check and request acceptance and that relevant information is available.	Delegated Authority	PAP	Date, time and ~~-~~PAP to be technically assured together with specific details of the check including Settlement Risk Identification Number.	Telephone / Email BSCP535/01~~F 535/01~~ BSCP535/02~~F 535/02~~
3.2.2	At least 5 WD prior to the check or immediately upon receipt of notification in 3.2.1 for an urgent targeted check.	Notify Delegated Authority of acceptance of planned check and supply the required information.	PAP	Delegated Authority	Acceptance of impending check and submission of required information.	Telephone / Email BSCP535/02~~F 535/02~~

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.3	Date of check.	Perform check.	Delegated Authority	PAP	Information, data, documents and access to systems as required.	Interviews, reviews and witnessing as required.
3.2.4	Within 10 WD of completion[1] of check.	Notify PAP of results of check.	Delegated Authority	PAP	Results of check.	Email BSCP535/06~~F~~ ~~535/06~~
3.2.5	At or within 2 WD of sending check results notification.	Delegated Authority checks for receipt of agreement of check results. (a) PAP confirms acceptance of check results.	 PAP	 PAB		 Email BSCP535/06~~F~~ ~~535/06~~
		(b) No response is received. Send reminder. Proceed to section 3.2.5	PAB	PAP	Results of check.	Email BSCP535/06~~F~~ ~~535/06~~
3.2.6	On completion of check.	(a) If check has revealed a non-compliance then proceed to section 3.2.7.	PAB	PAP	Results of check.	Email BSCP535/06~~F~~ ~~535/06~~
		(b) If check shows PAPto be compliant. Check closed. Notify Associated Suppliers.	PAB Delegated Authority	PAP Associated Suppliers	Results of check.	Email BSCP535/06~~F~~ ~~535/06~~

[1] The check shall be deemed complete when all aspects of the check on and/or off site have been finalised.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.7	After 3.2.~~5~~ 6a if check shows PAP to be non-compliant	Follow the Error and Failure Resolution process in BSCP538 to rectify the non-compliances.	PAP BSCCo			
		If check performed on a Supplier Agent issue results to Associated Suppliers.	Delegated Authority	Associated Suppliers	Results of check	Email BSCP535/06~~F 535/06~~

3.3 Not Used

3.4. Appeals

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.1	After 3.2.5 if PAP disagrees with a non-compliance.	Send reason for appealing non-compliance(s).	PAP	Delegated Authority	Reasons why the non-compliance has been appealed by the PAP.	Email
3.4.2	Within 5 WD of receiving the appeal in 3.4.1	(a) Decide that the appeal is valid, and remove the non-compliance. Notify the PAP of the decision and that the non-compliance is now closed. Proceed to Ref. 3.2.5.	Delegated Authority	PAP	Details of why the non-compliance has been removed.	Email
		(b) Decide that the appeal is not valid and inform the PAP that the non-compliance will be upheld.	Delegated Authority	PAP	Details of why non-compliance is still valid.	Email
3.4.3	Within 5 WD of receiving the notification in section 3.4.2	If PAP still disagrees with the non-compliance, inform the Delegated Authority again of an appeal.	PAP	Delegated Authority	Reasons why the non-compliance has been re-appealed by the PAP.	Email
3.4.4	At next available PAB meeting	Delegated Authority reports the appeal details to the PAB for decision.	Delegated Authority	PAB	Details of non-compliance and why the non-compliance has been re-appealed by the PAP.	Paper
3.4.5	At PAB meeting	PAB considers the grounds of the appeal and decides whether to uphold or remove the non-compliance	PAB		Report from the Delegated Authority.	PAB Meeting
		(a) PAB decides that the appeal is valid and informs the Delegated Authority to remove the non-compliance. Proceed to Ref. 3.4.6.	PAB	Delegated Authority PAP	The PAB's decision and reasons why the appeal has been accepted.	Written Communication
		(b) PAB decides that the appeal is not valid and informs the Delegated Authority to continue with the non-compliance procedure. Proceed to Ref. 3.4.7.	PAB	Delegated Authority	The PAB's decision and reasons why the appeal has not been accepted.	Minutes of meeting

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.6	Upon notification from the PAB	Delegated Authority informs the PAP that their appeal has been accepted and that the non-compliance issue is now closed. Proceed to 3.2.5.	Delegated Authority	PAP	The PAB's decision on the appeal.	Email
3.4.7	Upon notification from the PAB	Delegated Authority informs PAP that their appeal has not been accepted. Proceed to 3.2.5 to accept check results and rectify non-compliances as necessary under BSCP538	Delegated Authority	PAP	The PAB's decision on the appeal. BSCP538 – Error and failure Resolution	Email

4 Appendices

4.1 Not Used~~The Technical Assurance Function~~

~~There are three distinct areas of work that are applicable to all PAPs:~~

- ~~Scope of work for Technical Assurance.~~
- ~~Targeted Checks.~~
- ~~Post-Qualification checks.~~

4.2 Not Used~~Scope of work for Technical Assurance~~

~~The PAB will determine a scope of work for the Technical Assurance function. This will include details of the checks to be undertaken and the Delegated Authority who will be responsible for performing the check and associated functions as described in this BSCP. The scope will be produced for each Performance Assurance Operating Period (PAOP) in accordance with the ROP. However, during the PAOP the scope of Technical Assurance may be amended as and when required in accordance with Section Z of the Code.~~

~~The scope of work for the Technical Assurance function, including any subsequent revisions, will be agreed by the PAB.~~

~~To ensure that the scope of work for Technical Assurance is focused on assuring PAPs' compliance in key areas, when compiling the scope the PAB will utilise information provided by the following:~~

- ~~Parties and Party Agents.~~
- ~~Other PAF techniques.~~
- ~~BSC Auditor – BSC Audit Report, Statement of Significant Matters and Audit Documents.~~
- ~~BSCCo.~~
- ~~PAA.~~
- ~~Annual Performance Assurance Report~~
- ~~RMP.~~
- ~~ROP.~~

~~Based on the scope of work the PAB or its Delegated Authority will select PAPs who will form the subject of the check in question.~~

4.~~4~~3 Not Used~~Targeted Checks~~

~~The PAB or its Delegated Authority may target any PAPs where under-performance against the Serials and Standards defined in the BSC or non-compliance (refer to Section 4.6 for the definition of non-compliance) is suspected. The need for a targeted check may be identified as a consequence of information obtained by the Delegated Authority (including that information provided by the PAA) or as directed by the PAB or the Panel.~~

~~In addition targeted checks can be performed if a settlement error is identified by any of the above parties which requires the issue to be investigated.~~

~~The Technical Assurance of Party Agents will take place after the agent has been Qualified. If in the Delegated Authority's judgement a Party Agent which is not operating should be subject to a compliance check prior to an active involvement under the BSC, the PAB will be asked to endorse the Technical Assurance check.~~

~~All proposed checks shall be considered by the PAB in accordance with the ROP prior to a change to the scope or deployment of a TA check.~~

4.4 Not Used~~Technical Assurance Checks~~

~~It is envisaged that the majority of Technical Assurance checks will be performed out on site and will be of 1 WD duration but this can be extended if necessary to enable further investigations to be carried out. The check itself will usually involve a review of all relevant procedural documentation and in-depth interrogation of a sample of MSIDs, if appropriate.~~

~~On completion of the check the PAB or its Delegated Authority shall produce the Check Results (Form F535/06) detailing the results of the check including any non-compliances identified. In the case of checks performed on Supplier Agents, and in accordance with paragraph 1.3.2 of this BSCP, following the check, the PAB or its Delegated Authority may notify the results of the check performed on the Supplier Agent in question to its Associated Supplier. Where a specific check incorporates the use of a random sample, Form F535/06 shall confirm this, but will not state which Associated Suppliers' MSIDs have been sampled. In such circumstances it is the Associated Supplier's responsibility to establish any non-compliance with its agents. In the event that the check results are not derived from a random sample of MSIDs but in fact relate to the performance of a Supplier Agent's generic functions and processes the PAB or its Delegated Authority may confirm such information to the Associated Suppliers of that Supplier Agent.~~

~~4.4.1 Information Required~~

~~Where appropriate the PAB or its Delegated Authority may require the following information prior to a Technical Assurance check:~~

- ~~For Party Agents; the basis upon which Qualified status has been granted (including volume limits, if appropriate) and details of any derogations where applicable, from BSCCo.~~
- ~~Information received from PAPs.~~
- ~~An overview of the PAP's structural organisation and operation from the respective PAP.~~
- ~~Other documentation where available relating to the objective of the check. (For on-site checks this information may be withheld until the PAB or its Delegated Authority is actually on-site).~~

~~The timetable for deliverance of these requirements is included in Section 3.~~

4.5 Not Used~~Post-Qualification Checks~~

~~For any newly Qualified Person a post-Qualification check may be completed by the PAB or its Delegated Authority if deemed appropriate. The scope of the post-Qualification check will be dependent on the role the PAPis performing and performance data gathered by BSCCo.~~

4.6 Not Used~~Non-compliance~~

~~The PAB or its Delegated Authority shall determine a PAP to be non-compliant if the performance of its systems and/or processes is not in line with appropriate sections of the Code, BSC Procedures and Service Lines, Codes of Practice and the Self Assessment Document (SAD) and if they constitute an instance of a Settlement Risk detailed in the RER.~~

~~Any issue that is not deemed to be a non-compliance but is considered by the PAB or its Delegated Authority to be a deficiency in the PAP's operation will be categorised as an 'Observation' and recorded on the Check Results form (Form F535/06).~~

~~Any determination of non-compliance for a Party Agent shall take into account any agreed derogations applicable. The PAB or its Delegated Authority will look at the derogation log held by BSCCo prior to the Technical Assurance check.~~

~~Where possible, an assessment of the potential resultant error for any non-compliance identified will be calculated by the PAB or its Delegated Authority. These estimates of materiality may not represent the actual level of error being introduced into Settlement but will provide an indicative figure of the potential impact of the non-compliance.~~

~~For any non-compliance identified the PAP must provide rectification details to the PAB or its Delegated Authority within 20 WD of notification of the non-compliance. Rectification details may take the form of:~~

- ~~Confirmation of rectification of the non-compliance, including supporting documentation. Or~~

- ~~A rectification plan outlining the steps to be taken by the PAP in order to achieve compliance, including milestone dates and targets for improved performance where appropriate, in accordance with BSCP538 Error Failure Resolution.~~

~~Where a Supplier Agent's performance has been determined to be non-compliant and once a rectification plan has been received from the PAP the Associated Supplier(s) will be informed and shall be responsible for progressing the rectification of the non-compliance with the agent. The Supplier will be expected to take all reasonable steps to ensure that the agent rectifies the non-compliance and will pursue the agent to the extent necessary.~~

4.7 Not Used~~Reporting~~

~~The Delegated Authority will report to PAB as and when required providing details of checks undertaken as part of the Scope of Technical Assurance. Reports may also be provided on the results of any targeted checks performed.~~

4.8 Technical Assurance Forms

~~**F535/01**~~

All information communicated through the forms in these appendices must contain the detail stipulated for each form; however the communication method is flexible and must be agreed between PAP and PAB / BSCCo.

Form BSCP535/01~~Form F535/01~~ – Site Selection for Technical Assurance of Performance Assurance Parties Check

The Delegated Authority will provide the following details to the PAP in accordance with section 3.2.1:~~-~~

- Check Reference (determined by BSCCo)
- Proposed Date of Check
- Anticipated Duration of Check
- Proposed Time of Check
- PAP subject to check
- Role subject to check
- Reason for check, including link to ROP, scope of work and relevant Settlement Risk Identification Number(s)
- Required documentation
- Request for overview of PAP organisation structure
- Date by which form BSCP535/02~~F535/02~~ must be returned to Delegated Authority by PAP
- Contact details for return of form BSCP535/02~~F535/02~~

~~**F535/02**~~

Form BSCP535/02~~Form F535/02~~ – Confirmation of Attendance

The PAP will provide the following details to the Delegated Authority in accordance with section 3.2.2:~~-~~

- Check Reference (determined by BSCCo)
- Proposed Date of Check
- Anticipated Duration of Check
- Proposed Time of Check
- Confirmation of how/when required documentation will be provided
- PAP organisation structure
- Details of main contact at PAP for duration of the check
- Any other relevant information

Form BSCP535/03~~F535/03~~ – Not used

Form BSCP535/04~~F535/04~~ – Not used

Form BSCP535/05~~F535/05~~ – Not used

~~**F535/06**~~

Form BSCP535/06~~Form F535/06~~ – Check Results

The Delegated Authority will provide the following details as appropriate in accordance with sections 3.2.4 and 3.2.6 and the PAP shall return confirmation of agreement of results in accordance with section 3.2.5:~~.~~

- Check Reference (determined by BSCCo)
- Date of Check (and date of completion of check if different)
- Details of check including Settlement Risk Information Number(s)
- Details of any non-compliances
- Details of any observations
- Details of any compliances
- Details of contact at Delegated Authority issuing the results
- Details of contact at PAP agreeing the results (when agreed)
- Date of agreement of results (when agreed)
- Any other relevant information