



**Gas Trading Licence (GTL 8)**

**Performance Audit Report**

Electricity Generation and Retail Corporation  
trading as Synergy

November 2015

# Gas Trading Licence Performance Audit Report

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# 1 Executive Summary

## 1.1 Introduction

This document presents the findings emanating from Electricity Generation and Retail Corporation trading as Synergy ("Synergy") Gas Trading Licence (GTL) 8 Performance Audit ("Audit") that was conducted by KPMG.

The Audit covered the period 1 July 2012 to 30 June 2015. The Audit was undertaken in accordance with the Audit Plan that was presented and approved by the Economic Regulation Authority ("Authority") on 5 August 2015.

## 1.2 Objectives

The Audit objective was to evaluate the adequacy and effectiveness of the measures taken by Synergy to meet the performance obligations and quality standards referred to in GTL 8. To this end, the Audit focused on Synergy's systems, processes, governance structures and reporting regimes to ensure compliance with the obligations, standards, outputs and outcomes stipulated in the licence.

## 1.3 Scope

The scope of the audit work required an assessment of Synergy's systems, the effectiveness of its processes, and an appraisal of Synergy's use of regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the respective licences. The Audit aimed to identify areas where remedial action is required and recommend corrective action as necessary. In addition, the Audit identified and proposed opportunities to enhance Synergy's culture of regulatory compliance.

The scope required an assessment of the adequacy and effectiveness of Synergy's performance against the licence requirements for the period 1 July 2012 to 30 June 2015 for GTL 8. These were assessed by considering:

- Process compliance – the effectiveness of systems and procedures in place throughout the audit period including the adequacy of internal controls.
- Outcome compliance – the actual performance against standards prescribed in the licence throughout the audit period.
- Output compliance - the existence of the output from systems prescribed in the licence throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained).
- Integrity of compliance and performance reporting – the completeness and accuracy of the reporting to the Authority.
- Compliance with any individual licence conditions – the requirements imposed on the specific licensee or specific issues to follow up that are advised by the Authority.

The Audit was limited to Synergy's head office on Adelaide Terrace.

The key legislation, regulations and codes that govern Synergy's gas trading operations are:

- Gas Compliance Reporting Manual June 2013
- Gas Compliance Reporting Manual May 2014
- Gas Compliance Reporting Manual March 2015
- Energy Coordination Act 1994
- Energy Coordination (Customer Contracts) Regulation 2004
- Energy Coordination (Ombudsman Scheme) Regulations 2004

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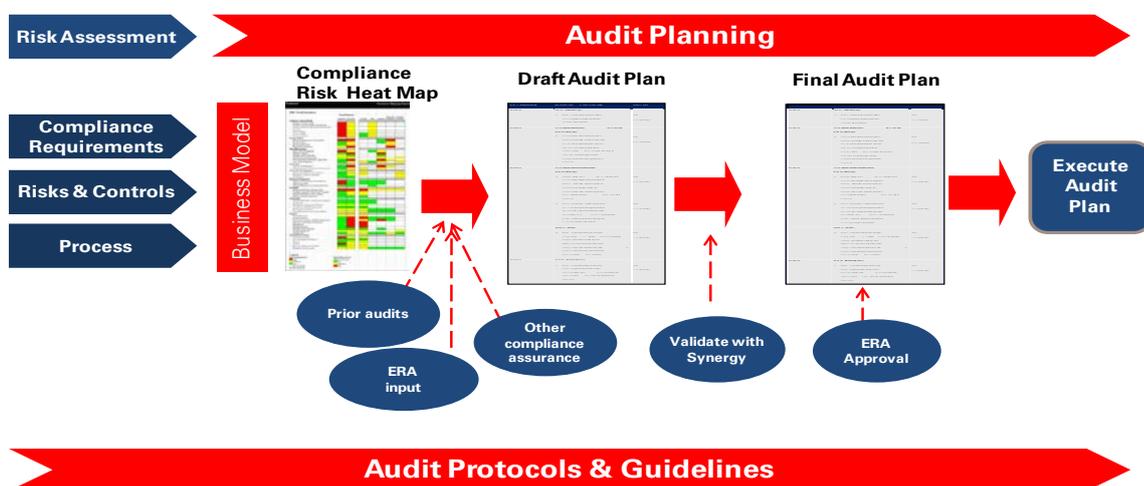
- Energy Coordination (Gas Tariffs) Regulations 2000
- Gas Trading Licence GTL 8 (including Schedule 2 compendium of gas customer licence obligations)
- Gas Marketing Code 2014
- Electricity Corporations (Gas Supply) Direction 2007
- Economic Regulation Authority (Licensing Funding) Regulations 2014
- Energy Coordination (Licensing Fees) Regulations 1999

## 1.4 Audit Planning Approach

In developing the Audit Plan, KPMG adopted a risk based approach, consistent with the Authority’s mandatory methodology for assessing risk, which is based on Australian/New Zealand Standard 31000:2009 (Risk Management –Principles and Guidelines).

The diagram below provides a snapshot of the approach adopted in arriving at the Plan.

### Audit Planning Approach



#### 1.4.1 Step 1 – Establish the context

This step was undertaken in order to understand Synergy’s business objectives, organisational structure, the regulatory framework, underlying systems and processes. Furthermore, this step allowed KPMG to understand Synergy’s risk management culture and appetite. The key output from this step was the understanding and validation of Synergy’s GTL 8 compliance obligation registers that were used as the basis in carrying out subsequent steps, as noted below.

#### 1.4.2 Step 2 – Identify Risks

KPMG examined the licence conditions, and identified the risks that may affect compliance with these conditions. As part of this, considered where, when, why and how events could prevent, degrade or delay compliance with the licence obligations. Risk analysis was centred on the compliance risks as tabled below:

Type of Risk	Description
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.

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Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

Table 1: Compliance Risks

## 1.4.3 Step 3 – Risk Analysis

A two stage approach was adopted in analysing compliance risks:

- Firstly, KPMG identified the consequences and likelihood of the inherent risks to give an overall inherent risk rating.
- Secondly, KPMG identified and assessed the strength of the existing internal controls that mitigate the inherent risks.

## 1.5 Consequence

The consequences of the risk occurring was assessed using the 3-point rating scale described in the table below. The more significant the consequences, the higher the rating value allocated.

Rating		Non-compliance		
	Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions	Supply quality and reliability
1	Minor	Breaches of supply quality or reliability standards – affecting small number of customers.  Delays in providing a small proportion of new connections.	Customer complaints procedures not followed in a few instances.  Small percentage of disconnections or reconnections not completed on time.  Small percentage of bills not issued on time.	Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties  Compliance framework generally fit for purpose and operating effectively.
2	Moderate	Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment.  Supply interruptions affecting significant proportion of customers on the network for up to one day.  Significant number of customers experiencing excessive number of interruptions per annum.  Significant percentage of new connections not provided on time/ some customers experiencing extended delays.	Significant percentage of complaints not being correctly handled.  Customers not receiving correct advice regarding financial hardship.  Significant percentage of bills not issued on time.  Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective.  Instances of wrongful disconnection.	More widespread breaches of legislative obligations or licence conditions over time.  Compliance framework requires improvement to meet minimum standards.

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Rating		Non-compliance		
Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions	Supply quality and reliability	
3	Major	Supply interruptions affecting significant proportion of customers on the network for more than one day.  Majority of new connections not completed on time/ large number of customers experiencing extended delays.	Significant failure of one or more customer protection processes leading to ongoing breaches of standards.  Ongoing instances of wrongful disconnection.	Wilful breach of legislative obligation or licence condition.  Widespread and/or ongoing breaches of legislative obligations or licence conditions.  Compliance framework not fit for purpose, requires significant improvement.

Table 2: Consequence Rating

## 1.6 Likelihood

The likelihood was assessed using the 3-point rating scale described in the table below:

Level	Criteria
A	Likely Non-compliance is expected to occur at least once or twice a year
B	Probable Non-compliance is expected to occur once every three years
C	Unlikely Non-compliance is expected to occur once every 10 years or longer

Table 3: Likelihood Rating

## 1.7 Inherent Risk

The inherent risk was arrived through the combination of the consequence rating and the likelihood rating. The inherent risk rating that was used is depicted in the table below:

Likelihood	Consequence		
	1. Minor	2. Moderate	Major
A. Likely	Medium	High	High
B. Probable	Low	Medium	High
C. Unlikely	Low	Medium	High

Table 4: Inherent Risk Rating - Consequence

Described below are the inherent risk ratings:

Level	Description
High	Likely to cause major damage, disruption or breach of licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of service
Low	Unlikely to occur and consequences are relatively minor

Table 5: Inherent Risk Rating

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## 1.7.1 Step 4 - Identify and assess internal controls

Once the inherent risks were identified and classified, KPMG undertook a high level assessment of the internal controls that are in place to mitigate each inherent risk.

The table below describes the preliminary adequacy rating for existing controls:

Level	Description
<b>Strong</b>	Controls that mitigate the identified risks to an appropriate level
<b>Moderate</b>	Controls that only cover significant risks; improvement required
<b>Weak</b>	Controls are weak or non-existent and have minimal impact on the risks

Table 6: Adequacy Rating

## 1.7.2 Step 5 – Assign audit priority ratings

The next stage in the audit planning process was to determine audit priorities for each of the licence conditions based on the combined rating for inherent risk and control adequacy. The prescribed 5 level audit priority scale was used:

		Preliminary Adequacy of Existing Controls		
		Weak	Moderate	Strong
Inherent Risk	High	Audit priority 1	Audit priority 2	
	Medium	Audit priority 3	Audit priority 4	
	Low	Audit priority 5		

Table 7: Audit Priority

KPMG has adopted a singular approach by considering Synergy's control register which maps each licence condition to an associated control(s), undertook a risk assessment which included consideration and past compliance performance to determine an audit priority for each licence obligation.

The table below summarises the outcomes of the risk assessment process.

Risk Rating	GTL 8 Risk Ranking by Obligation
<b>High</b>	4
<b>Medium</b>	80
<b>Low</b>	117
<b>Not Applicable</b>	60
<b>TOTAL</b>	<b>261</b>

Table 8: Risk Assessment Outcomes

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The table below summarises the outcome of the audit priority assessment process.

Audit Priority Rating	GTL 8 Audit Priority by Obligation
Priority 1	2
Priority 2	5
Priority 3	-
Priority 4	94
Priority 5	100
Not Applicable	60
<b>TOTAL</b>	<b>261</b>

Table 9: Audit Priority by Obligation

## 1.8 Audit Plan Approval

Following the completion of the risk workshops and supporting activities, each obligation was reviewed and risk prioritised according to its inherent risk rating using the Authority's methodology. The relevant management team members confirmed the applicable risk and control ratings prior to completion of the Audit Plan.

The final Audit Plan was approved by the Authority on 5 August 2015.

## 1.9 Execution of the Audit Plan

The execution stage comprised a singular audit priority assessment of each obligation. Testing took the form of interviews, walkthroughs, document reviews, process and system output reviews, observations and discussion, and substantive testing within requisite areas, with the testing being based on our sample test population. The nature of our testing and various sample sizes are detailed below:

Audit Priority	Nature of Testing	Sample Size (where relevant)
1	Inquiry, inspection and re-performance (where possible)	20
2	Inquiry, observation and inspection	15
3	Inquiry, observation and inspection	10
4	Inquiry and observation	5
5	Inquiry and observation	1

Table 10: Nature of Testing and Sample Size

A list of the licensee's representatives who participated in the audit is provided in Appendix 1.

A list of key documents and other information sources examined by the auditor during the course of the audit is provided in Appendix 2.

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We have reported an Adequacy of Controls Rating and Compliance Rating for applicable obligations using the following structure in line with the Authority's guidelines:

Performance audit compliance and controls rating scales			
Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
N/A	Obligation was identified as not being applicable during the course of the audit	N/R	Not rated due to no relevant events in the audit period or obligation identified as not being applicable during the course of the audit

Table 11: Compliance and Controls Rating Scales

## 1.10 Audit Team Members and Time Undertaken to Complete Audit

The following table outlines the auditor's personnel who undertook the audit and time taken to complete the audit procedures.

Audit Members	Hours
Jeeva Maistry, Engagement leader and quality reviewer	15
Danielle Burnett, Engagement Manager	37.5
Jonathan Tukimin, Lead Auditor	200
Kayleigh van Eyk, Field Auditor	120
Ricky Cheng, Field Auditor	90
Justin Sutrisno, Field Auditor	37.5
<b>Total</b>	<b>500</b>

Table 12: Audit Members and Hours

## 1.11 Culture of Compliance

Through conducting the 2015 GTL8 Performance Audit, we note that Synergy management and staff have a positive, proactive culture and attitude towards compliance. Management have designed and successfully embedded a culture focused on providing excellent customer service where compliance with legislated requirements are met or exceeded as a by-product of improving and enhancing the customers' experience.

Management has designed and implemented processes, controls and systems to ensure compliance with licence obligations. Staff members undergo induction and ongoing annual training to ensure they understand regulatory obligations that impact their immediate work functions. Refresher training programs are carried out at regular intervals. Staff members are provided with a 'Customer Care Pack' which simplifies the complex regulatory regime into easy to understand guidance for staff including self-assessment tools to identify breaches if and when they occur.

The strength of the compliance culture is also demonstrated through the comprehensive self-reporting of identified breaches. Where Synergy has self-identified compliance breaches, the retailer was observed to proactively develop and implement remedial actions with the objective of mitigating or eliminating the risk of a re-occurrence of the root cause.

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Where compliance breaches have been identified through our audit fieldwork, Synergy proactively undertook investigations with the objective of identifying cause(s) to enable appropriate corrective measures to be developed and where practicable implemented immediately.

### 1.12 Summary of action for previous audit non compliances and recommendations

The table below illustrates the profile of action taken by the licensee in response to the recommendations in the previous audit report. There was 1 issue raised in the prior audit period which was resolved during the prior audit period. There was 1 issue raised during the past audit period which was resolved during the current audit period. Further details can be found in Section 2 Previous Non Compliances and Audit Recommendations.

Rating	A. Resolved before end of previous audit period	B. Resolved during current audit period	C. Unresolved at the end of the current audit period
1- <b>Significant weaknesses and/or serious action required</b>	-	-	-
2- <b>Does not meet minimum requirements</b>	-	1	-
3- <b>Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance</b>	-	-	-
4- <b>Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance</b>	1	-	-
5- <b>Compliant with no further action required to maintain compliance</b>	-	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	-

Table 13: Actions in Response to Previous Report Recommendations

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## 1.13 Compliance summary from current audit

This performance audit involved the testing of 201 out of a total of 261 licence obligations. The difference of 60 obligations not tested was because they were determined as not applicable to Synergy during the planning stage of the audit principally due to Synergy's current legislative prohibition on not being able to supply gas to any customer that consumes less than 0.18TJ per annum. A further 18 obligations were determined as not applicable to Synergy during the audit fieldwork and are detailed in Section 5.5 Obligations rated Not Applicable during the audit.

The table below illustrates the compliance profile of Synergy. There are 3 obligations rated as non-compliant for the audit period and/or with an opportunity for improvement of controls which have not been rectified during the audit period. There are 2 obligations which were rated as non-compliant for the audit period however have been resolved during the audit period therefore no further action is required. Further details can be found in Section 3 Current Audit Non-Compliances and Recommendations.

GTL8		Adequacy of controls					Subtotal
		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/A – Not Applicable	
Compliance Rating	1 – Compliant	99	2	0	0	0	101
	2 – Non-compliant minor	2	0	0	0	0	2
	3 – Non-compliant moderate	1	0	0	0	0	1
	4 – Non-compliant major	0	0	0	0	0	0
	N/R - Not Rated	78	1	0	0	18	97
	Not Applicable						60
						<b>Total</b>	<b>261</b>

Table 14: Compliance Profile

Further details of the overall compliance rating applied to each licence condition or obligation and adequacy of controls is detailed in Section 4 Compliance Summary.

## 1.14 Audit Opinion

We have performed an engagement to provide limited assurance on the adequacy of design and operational effectiveness of the control procedures of Synergy in relation to the GTL8 Performance Audit for the period 1 July 2012 to 30 June 2015.

### Directors' responsibility for overseeing compliance with GTL8

The directors of Synergy are responsible for such internal controls as the directors determine is necessary, including control procedures that are adequately designed and operated effectively in complying with GTL8. Management's assertions about the effectiveness of these control procedures in relation to the Audit are included in the GTL8 control register as detailed in the audit plan presented and approved by the Authority on 5 August 2015.

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## **Our responsibility**

Our responsibility is to express a conclusion to directors on the effectiveness of the control procedures based on the obligations stipulated in GTL8.

We conducted our engagement in accordance with the Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and other auditing standards applicable to internal control engagements in order to state whether anything has come to our attention that would indicate that the control procedures, in all material respects, did not operate effectively.

An engagement to provide limited assurance in relation to control procedures consists of making enquiries and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with Australian Auditing and Assurance Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement or an audit. Accordingly, we do not express a reasonable assurance or audit opinion.

## **Inherent limitations**

Because of the inherent limitations in any system of internal controls it is possible that errors or irregularities may occur and not be detected. Further, the internal control structure within which the control procedures which are the subject of our engagement, has not been subject to any reasonable assurance procedures and no opinion is expressed as to its effectiveness.

Our engagement is not designed to detect all weaknesses in the control procedures, as the tests and procedures have not been performed continuously throughout the period and the tests and procedures performed on the control procedures have been performed on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the control procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The limited assurance opinion expressed in this report has been formed on the above basis.

## **Conclusion**

Based on our engagement to provide limited assurance, which is not an engagement to provide reasonable assurance, we have not become aware of any matter that would lead us to believe that Synergy has not maintained, in all material respects, control procedures that were adequately designed and operated effectively in complying with GTL8 for the period 1 July 2012 to 30 June 2015.

19 November 2015

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## 2 Previous Non Compliances and Audit Recommendations

The tables below show Previous Non Compliances and Recommendations. Further details on these findings are reported in Section 5 Observations- Performance Audit Details.

A. Resolved before end of previous audit period				
Reference (no./year)	(Compliance rating/Legislative Obligation/details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required (Yes/No/Not Applicable) and Details of further action required including current recommendation reference if applicable
265, 266/ 2012	<p><b>Rating:</b> 4- Compliant apart from minor or immaterial recommendations to improve the strength of the internal controls to maintain compliance.</p> <p><b>Legislative Obligation:</b></p> <p>Trading Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.15(1) Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>Review of Synergy's Gas Retail Performance Reports published on their website confirmed that during the review period, the 2008/09, 2009/10 and 2010/11 Performance Reports were published no later than the following 1 October. However, Synergy published the 2010/11 gas performance report less than 7 days to providing it to the Authority and Minister for Energy. Sample testing of the notice to the Minister and the Authority confirmed that the Gas Performance report was sent 7 days prior to its publication on Synergy's website.</p>	<p>Compliance with mandatory deadlines needs to be reaffirmed to all business units.</p> <p>The ERA and Minister for Energy were not provided with the required 7 day advance notice due to Synergy inadvertently publishing the performance report on its website hosting environment</p> <p>In response to the incident, Synergy implemented the following procedure:</p> <ol style="list-style-type: none"> <li>1. Any time sensitive content that has an embargo on its live date will be placed in the staging environment until just before it is required to go live.</li> <li>2. Once time embargoed content is published to the staging environment - no other content will be published until the time sensitive content has gone live.</li> <li>3. Communicated to relevant staff provisions regarding time under the Interpretation Act 2004.</li> </ol>	5 October 2011	No further action required.

Table 15: Previous Non Compliances and Audit Recommendations – (A) Resolved Before End of Previous Audit Period

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<b>B. Resolved during current Audit period</b>				
<b>Reference (no./year)</b>	<b>(Compliance rating/Legislative Obligations/details of the issue)</b>	<b>Auditors' Recommendations</b>	<b>Date Resolved</b>	<b>Further action required (Yes/No/Not Applicable) and Details of further action required including current recommendation reference if applicable</b>
156/2012	<p><b>Rating:</b> 2- Does not meet minimum requirements</p> <p><b>Legislative Obligation:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(1) and 4.5(3) Energy Coordination Act section 11M</p> <p><b>Details:</b> Review of small-use gas customer bills did not meet the minimum prescribed information required by clause 4.5(1)(b)(b) of the Gas Customer Code. Clause 4.5(1)(b)(b) denotes that —to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period. However, the customers' bills were silent on this matter.</p>	Synergy should amend the bill to reflect a graph or bar chart illustrating the customer's amount due or consumption for the period.	March 2015	No further action required.

Table 16: Previous Non Compliances and Audit Recommendations – (B) Resolved During Current Audit Period

<b>C. Unresolved at end of current Audit period</b>			
<b>Reference (no./year)</b>	<b>(Compliance rating/Legislative Obligations/details of the issue)</b>	<b>Auditors' Recommendations</b>	<b>Further action required (Yes/No/Not Applicable) and Details of further action required including current recommendation reference if applicable</b>
N/A			

Table 17: Previous Non Compliances and Audit Recommendations – (C) Unresolved at end of Current Audit Period

# 3 Current Audit Non-Compliance and Recommendations

The table of current non compliances and recommendations detailed below shows non-compliance and recommendations where management review and development of a post-audit implementation plan is required. Further details on these findings and opportunities for improvements identified during the audit are reported in Section 5 Observations- Performance Audit Details.

## 3.1 Resolved during current Audit Period

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
146 / 2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b></p> <p>Trading Licence clause 2.1 Schedule 2 Compendium clause 4.4 Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>Synergy has self-reported a breach affecting 112 electricity collective customers during 2013/14 for failure to send customers their bills despite notifying Synergy of a change in mailing address.</p> <p>It was noted that some of these collective customers may also have small-use gas business accounts. The cause of the non-compliance was identified as human error where the customer service representatives failed to comply with Synergy's standard operating procedures. Errors were also being caused by a system defect in circumstances where a customer's account existed prior to the SAP billing system implementation.</p> <p>Refer to Section 5.2 for further details.</p>	<p>May 2015.</p> <p>A reconciliation address report was developed and implemented to identify any address mismatches and reconcile the data between Synergy's customer facing and transactions systems.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
147 / 2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2</p> <p><b>Legislative Obligation:</b></p> <p>Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(1) Energy Coordination Act section 11M</p>	<p>March 2015.</p> <p>The usage graph on small-use gas invoices was implemented in March 2015.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>

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Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p><b>Details:</b></p> <p>Review of small-use gas customer bills did not meet the minimum prescribed information required by clause 4.5(1)(bb) of the Gas Customer Code. Clause 4.5(1)(bb) denotes that —to the extent that the data is available, a graph or bar chart illustrating the customer’s amount due or consumption for the period must be displayed on the bill. However, the customers’ bills were silent on this matter.</p> <p>Refer to Section 5.2 for further details.</p>		
183 / 2015	<p><b>Non Compliance</b></p> <p>– <b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b></p> <p>Trading Licence clause 2.1 and 5.1 Schedule 2 Compendium clause 10.10(3) Energy Coordination (Customer Contracts) Regulation 46 (4) Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>1 recording from 2014 of the 3 phone recordings tested for the customer’s direct debit verifiable consent was not available as the operator did not have call recording capability on their phone. An interaction note on the customer’s account was recorded advising that the required information had been agreed to.</p>	<p>September 2014.</p> <p>A telephony project was completed in 2014 that enabled call recording for all relevant staff, including credit management staff.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>

Table 18: Current Audit Non Compliance and Recommendation – Resolved During Current Period

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## 3.2 Unresolved at end of current Audit Period

Reference (non./year)	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
84, 248 (2013) / 2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b></p> <p>Trading Licence clause 5.1 Energy Coordination Act section 11X(3)</p> <p><b>Details:</b></p> <p>Staff at reception were unaware of the physical copies of the Energy Coordination Act, Gas Compendium and Gas Marketing Code kept behind the counter without the assistance of the auditor. This was due to the staff member recently returning to work after a period of leave and was unaware of the reminder notice previously provided by the regulation and compliance team. Without the assistance of the auditor, the documents would not have been located by the receptionists.</p>	<p>Re-train reception staff regarding compliance with the licence condition to make available relevant codes, compendiums and regulations for inspection and continue current awareness raising emails. Additionally develop a mechanism such as a "cheat sheet" to act as a reminder of frequently asked questions to assist reception staff to comply with the licence conditions. The cheat sheet should contain information required to meet the customer's request and licence obligations.</p>	<p><b>Management response</b></p> <p>Include a section in the Synergy reception frequently asked questions and short form procedures on where to locate the electricity and gas code of conduct folder. Obtain a signed acknowledgement from reception staff that they have read the breach notice, are aware of the section in the customer support reception procedures and location of the file. Also conduct a one on one session with each reception staff member reminding them of the regulatory requirement.</p> <p><b>Due date</b></p> <p>18 September 2015</p> <p><b>Responsible/Accountable Business Unit or Stakeholder</b></p> <p>Fleet and Property Manager, Finance</p>

Table 19: Current Audit Non Compliance and Recommendations – Unresolved at end of Current Audit Period

## Gas Trading Licence Performance Audit Report

# 4 Compliance summary

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)				
			A	B	C	D	NA	1	2	3	4	NR
1	Energy Coordination Act section 11Q(1-2)	5	x					x				
2	Energy Coordination Act section 11WG(1)	4	x					x				
3	Energy Coordination Act section 11WG(2)	5	x					x				
4	Energy Coordination Act section 11WK(1- 2)	5	x									x
5	Energy Coordination Act section 11WK(3)	5	x									x
6	Energy Coordination Act section 11X(3)	2	x									x
10	Energy Coordination Act section 11ZA(1)	5	x					x				
19	Energy Coordination Act section 11ZOR(2)	4	x					x				
20	Energy Coordination Act section 11ZOV(1)	4	x					x				
21	Energy Coordination Act section 11ZOV(2)	2	x					x				
22	Energy Coordination Act section 11ZOZ(3)	5	x					x				
24	Energy Coordination Act section 11ZQH	5	x					x				
29	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1)	4	x					x				
30	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(2)	5	x					x				

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
31	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(4)	4	x						x				
32	Energy Coordination (Customer Contracts) Reg 12 (2)	4	x										x
33	Energy Coordination (Customer Contracts) Reg 12 (4)(a)	5	x						x				
34	Energy Coordination (Customer Contracts) Reg 12 (4)(b)	5	x						x				
35	Energy Coordination (Customer Contracts) Reg 12 (5)(a)	4						x					x
36	Energy Coordination (Customer Contracts) Reg 12 (5)(b)	5						x					x
37	Energy Coordination (Customer Contracts) Reg 12 (5)(c)	4						x					x
38	Energy Coordination (Customer Contracts) Reg 12 (5)(d)	5						x					x
39	Energy Coordination (Customer Contracts) Reg 12 (5)(e)	5						x					x
41	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.3 AGA Code	4	x						x				

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
42	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.2.1 and 5.1.2.2 AGA Code	5					x						x
43	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.3.1 and 5.1.3.2 AGA Code	5	x										x
44	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.4.1 and 5.1.4.2 AGA Code	4					x						x
45	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.5.1 and 5.1.5.2 AGA Code	4					x						x
46	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.7.2 AGA Code	5					x						x
47	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(a) AGA Code	5	x						x				
48	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(b) AGA Code	5	x										x
50	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(d) AGA Code	5	x						x				

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
51	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(e) and (f) AGA Code	4	x						x				
52	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.2.2.2 AGA Code	4	x										x
53	Energy Coordination (Customer Contracts) Reg 13 (1), Clause 4.4.6.2 AGA Code	5	x										x
56	Energy Coordination (Customer Contracts) Reg 14 (2),	5	x						x				
57	Energy Coordination (Customer Contracts) Reg 14 (3), Clauses 4.1.2.1 and 4.1.2.2 AGA Code	5	x						x				
58	Energy Coordination (Customer Contracts) Reg 14, Clause 4.1.3.1 and 4.1.3.2 AGA Code	5	x						x				
59	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.1 AGA Code	4	x						x				
60	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.1, 4.2.3.2 and 4.2.3.3 AGA Code	4	x						x				

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
61	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.2 AGA Code	4					x						x
62	Energy Coordination (Customer Contracts) Reg 15 (1) and (2)	4					x						x
63	Energy Coordination (Customer Contracts) Reg 15 (1) and 47 (2) and (4), Clause 4.2.3.4 AGA Code	5	x						x				
64	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.1 AGA Code	4	x						x				
65	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.2 AGA Code	5	x						x				
66	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.4 AGA Code	5	x						x				
67	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.5 AGA Code	5					x						x
68	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.1 AGA Code	5	x						x				
69	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.2 AGA Code	4	x										x

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
70	Energy Coordination (Customer Contracts) Reg 16 (3)	4					x						x
71	Energy Coordination (Customer Contracts) Reg 19	5	x						x				
73	Energy Coordination (Customer Contracts) Reg 27 (4) and 40 (3)	5						x					x
74	Energy Coordination (Customer Contracts) Reg 20 (3) and 48	5	x						x				
75	Energy Coordination (Customer Contracts) Reg 22 and 49 (2)	5	x						x				
76	Energy Coordination (Customer Contracts) Reg 49 (3)	5	x										x
77	Energy Coordination (Customer Contracts) Reg 49 (4)	5	x										x
78	Energy Coordination (Customer Contracts) Reg 49 (5)	5	x										x
79	Energy Coordination (Customer Contracts) Reg 50	4	x						x				
80	Energy Coordination (Customer Contracts) Reg 44	4	x						x				
81	Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (1)	5	x										x

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
82	Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (2)	5	x						x				
83	Energy Coordination (Customer Contracts) Reg 46 (1) and (2)	5	x										x
84	Energy Coordination (Customer Contracts) Reg 46 (4)	5		x					x				
85	Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(a) AGA Code	5	x						x				
86	Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(b) AGA Code	5	x						x				
90	Energy Coordination (Customer Contract) Reg 33 (3), clause 3.5.2.2 AGA Code	5	x										x
91	Energy Coordination (Customer Contract) Reg 42	5	x						x				
96	Energy Coordination Act section 11M	5	x						x				
97	Energy Coordination Act section 11M	5	x						x				
98	Energy Coordination Act section 11M	5	x						x				
99	Energy Coordination Act section 11M	4	x						x				
100	Energy Coordination Act section 11M	5	x						x				
101	Energy Coordination Act section 11M	5	x						x				

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
102	Energy Coordination Act section 11M	5	x						x				
103	Energy Coordination Act section 11M	5	x										x
106	Energy Coordination Act section 11M	5	x						x				
107	Energy Coordination Act section 11M	5	x										x
108	Energy Coordination Act section 11M	5	x						x				
109	Energy Coordination Act section 11M	4						x					x
110	Energy Coordination Act section 11M	4	x										x
111	Energy Coordination Act section 11M	5	x										x
112	Energy Coordination Act section 11M	5	x										x
113	Energy Coordination Act section 11M	5	x										x
114	Energy Coordination Act section 11ZPP	4	x						x				
115	Energy Coordination Act sections 11ZPP and 11M	5	x						x				
116	Energy Coordination Act section 11ZPP	5	x						x				
117	Energy Coordination Act section 11ZPP	5	x						x				
118	Energy Coordination Act section 11ZPP	5	x						x				
119	Energy Coordination Act section 11ZPP	4	x						x				
120	Energy Coordination Act section 11ZPP	4	x						x				
121	Energy Coordination Act section 11ZPP	4	x						x				
123	Energy Coordination Act section 11ZPP	5	x						x				
124	Energy Coordination Act section 11ZPP	5	x										x



# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
153	Energy Coordination Act section 11M	4	x						x				
154	Energy Coordination Act section 11M	4	x										x
155	Energy Coordination Act section 11M	2	x										x
156	Energy Coordination Act section 11M	5	x										x
157	Energy Coordination Act section 11M	4	x										x
158	Energy Coordination Act section 11M	4	x										x
159	Energy Coordination Act section 11M	4	x										x
160	Energy Coordination Act section 11M	5	x										x
162	Energy Coordination Act section 11M	4	x						x				
163	Energy Coordination Act section 11M	5	x										x
164	Energy Coordination Act section 11M	2	x					x					
165	Energy Coordination Act section 11M	2	x										x
165A	Energy Coordination Act section 11M	5	x										x
166	Energy Coordination Act section 11M	4	x										x
167	Energy Coordination Act section 11M	4	x										x
168	Energy Coordination Act section 11M	5	x										x
169	Energy Coordination Act section 11M	5	x										x
170	Energy Coordination Act section 11M	5	x										x
171	Energy Coordination Act section 11M	4	x										x
172	Energy Coordination Act section 11M	4	x										x

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
173	Energy Coordination Act section 11M	4	x										x
174	Energy Coordination Act section 11M	4	x										x
175	Energy Coordination Act section 11M	4	x										x
175A	Energy Coordination Act section 11M	5	x										x
176	Energy Coordination Act section 11M	4	x										x
177	Energy Coordination Act section 11M	4	x										x
178	Energy Coordination Act section 11M	4	x										x
179	Energy Coordination Act section 11M	4	x										x
180	Energy Coordination Act section 11M	4	x										x
180A	Energy Coordination Act section 11M	4	x										x
181	Energy Coordination Act section 11M	5	x						x				
182	Energy Coordination Act section 11M	5	x						x				
183	Energy Coordination Act section 11M	4	x								x		
184	Energy Coordination Act section 11M	4	x										x
186A	Energy Coordination Act section 11M	5	x										x
190	Energy Coordination Act section 11M	5	x						x				
191	Energy Coordination Act section 11M	4	x										x
192	Energy Coordination Act section 11M	4	x						x				
193	Energy Coordination Act section 11M	4	x						x				
194*	Energy Coordination Act section 11M	4	x										x

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
196	Energy Coordination Act section 11M	4	x										x
221	Energy Coordination Act section 11M	5	x										x
222	Energy Coordination Act section 11M	5	x						x				
223	Energy Coordination Act section 11M	4	x						x				
225	Energy Coordination Act section 11M	4	x										x
227	Energy Coordination Act section 11M	4	x										x
228	Energy Coordination Act section 11M	4	x										x
229	Energy Coordination Act section 11M	4	x										x
231	Energy Coordination Act section 11M	5	x						x				
232	Energy Coordination Act section 11M	4	x										x
233	Energy Coordination Act section 11M	4	x										x
234	Energy Coordination Act section 11M	4	x						x				
235	Energy Coordination Act section 11M	4	x						x				
236	Energy Coordination Act section 11M	4	x						x				
237	Energy Coordination Act section 11M	5	x						x				
239	Energy Coordination Act section 11M	4	x						x				
240	Energy Coordination Act section 11M	4	x						x				
241	Energy Coordination Act section 11M	5						x					x
242	Energy Coordination Act section 11M	5						x					x
243	Energy Coordination Act section 11M	5	x						x				

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
245	Energy Coordination Act section 11M	5	x						x				
246	Energy Coordination Act section 11M	4	x						x				
247	Energy Coordination Act section 11M	5	x						x				
248*	Energy Coordination Act section 11M	5		x					x				
251	Energy Coordination Act section 11M	4	x						x				
252	Energy Coordination Act section 11M	4	x						x				
253	Energy Coordination Act section 11M	4	x						x				
254	Energy Coordination Act section 11M	4	x										x
255	Energy Coordination Act section 11M	4	x										x
255A	Energy Coordination Act section 11M	4	x										x
256	Energy Coordination Act section 11M	4	x										x
257	Energy Coordination Act section 11M	4	x										x
258	Energy Coordination Act section 11M	4	x										x
259*	Energy Coordination Act section 11M	4	x						x				
260*	Energy Coordination Act section 11M	4	x						x				
263*	Energy Coordination Act section 11M	4	x						x				
264*	Energy Coordination Act section 11M	4	x						x				
265*	Energy Coordination Act section 11M	4	x						x				
266*	Energy Coordination Act section 11M	4	x						x				
267*	Energy Coordination Act section 11M	4						x					x

# Gas Trading Licence Performance Audit Report

Compliance Obligation Reference No. (Refer Gas Compliance Reporting Manual)	Obligations Under	Audit Priority (rated 1 (Highest) to 5 (Lowest))	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 6 for details)					Compliance Rating (Refer to the 4-point rating scale in Table 6 for details)					
			A	B	C	D	NA	1	2	3	4	NR	
275*	Energy Coordination Act section 11M	5	x						x				
277*	Energy Coordination Act section 11M	5	x						x				
278*	Energy Coordination Act section 11M	5	x						x				
279*	Energy Coordination Act section 11M	5	x						x				
280*	Energy Coordination Act section 11M	5	x						x				
281	Energy Coordination Act section 11M	5	x										x
282	Energy Coordination Act section 11M	5	x										x
283	Energy Coordination Act section 11M	5	x										x

\* indicates compliance obligation reference as per 2013 Gas Compliance Reporting Manual. No longer used in 2015 Gas Compliance Reporting Manual, however was still relevant during the audit period 1 July 2012 to 30 June 2015.

Table 20: Compliance Summary

# 5 Observations – Performance Audit Details

## 5.1 Unresolved Observations during the audit period (with recommendations)

The following sets out the audit findings. The obligations are listed as they appear in the March 2015 Gas Compliance Reporting Manual.

The management responses provided by Synergy in section 5.1 constitutes the post implementation plan and does not form part of the audit report prepared by KPMG

Compliance Manual Reference: 84, 248		Controls / Compliance Rating B / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 and 5.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 10.10(3)		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 46 (4) Energy Coordination Act section 11M		<b>Reporting Type</b> NR (84) 2 (248)
<b>Obligation Description</b>		
<b>84</b>	A licensee must ensure that a copy of the Energy Coordination (Customer Contracts) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.	
<b>248 (2013)</b>	A retailer and distributor must make a copy of the Gas Marketing Code and the Compendium available for inspection, at no charge, at their offices.	
<b>Observations</b>		
<p>Through observation and inspection of Synergy's offices, we noted that copies of the following documents are available at the reception desk of Synergy's office for inspection:</p> <ul style="list-style-type: none"> <li>• Energy Coordination (Customer Contract) Regulations 2004;</li> <li>• Gas Compendium; and</li> <li>• Gas Marketing Code.</li> </ul> <p>The Regulation and Compliance team periodically send Building Services a reminder notice noting that physical copies of the aforementioned documents are available at reception for customer inspection at no charge. However, staff at reception were unaware of the physical copies kept behind the counter without the assistance of the auditor. This was due to the staff member recently returning to work after a period of leave and was unaware of the reminder notice provided by the Regulation and Compliance team. Without the assistance of the auditor, the documents would not have been located by the receptionists.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with minor improvement needed and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
<p><i>Re-train reception staff regarding compliance with the licence condition to make available relevant codes, compendiums and regulations for inspection and continue current awareness raising emails.</i></p> <p><i>Additionally develop a mechanism such as a "cheat sheet" to act as a reminder of frequently asked questions to assist reception staff to comply with the licence conditions. The cheat sheet should contain information required to meet the customer's request and licence obligations.</i></p>		
<b>Management Response and Actions Required</b>		
<p>Include a section in the Synergy reception frequently asked questions and short form procedures on where to locate the electricity and gas code of conduct folder. Obtain a signed acknowledgement from reception staff that they have read the breach notice, are aware of the section in the customer support reception procedures and location of the file. Also conduct a one on one session with each reception staff member reminding them of the regulatory requirement.</p>		
<b>Due Date</b>		
18 September 2015		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Fleet and Property Manager, Finance		

**5.2 Resolved Observations during the audit period**

<b>Compliance Manual Reference: 146</b>		<b>Controls / Compliance Rating</b> A / 2
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.4		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>146</b>	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	
<b>Observations</b>		
<p>Discussions with the customer service manager, billing Team and business sales manager noted that customer bills are sent by post to the customer's supply address, unless the customer has nominated another address or an electronic address. When a customer first registers, customer facing agents input client information including, supply address and mailing address in the client relationship management (CRM) system and SAP.</p> <p>Through a sample test of 20 small-use gas customers, it was noted that sampled small-use gas customers received bills at their supply address, unless they have nominated another address or an electronic address.</p> <p>However, review of the annual compliance reports for audit period 1 July 2012 to 30 June 2015, noted that Synergy has self-reported breaches affecting 112 electricity collective customers in the 2013/14 for failure to send customers their bills despite notifying Synergy of a change in mailing address. It was noted that some of these collective customers may also have small-use gas business accounts. The cause of the non-compliance was identified as human error where the customer service representatives failed to comply with Synergy's standard operating procedures. Errors were also being caused by a system defect in circumstances where a customer's account existed prior to the SAP billing system implementation.</p> <p>A business case was developed and approved for the 'customer information project' (previously referred to as address management project) in May 2014. A reconciliation address report is currently generated monthly to identify any address mismatches and reconcile the data between Synergy's customer facing and transactions systems. Western Power and Synergy are also agreeing on an address management strategy which will include reconciliation and resolution for premises and supply addressing across both businesses. Synergy is working towards implementing these addressing standard formats to improve the quality of address information. This will allow customer service representatives to auto select an address and pre-populate the address once confirmed with the customer. The system will then validate the data which will restrict information being placed into incorrect fields, reducing the risk of typographical (human) errors. The enhancements will improve the quality of address functionality within Synergy's system and simplify the process for its operators when updating customer addresses. Implementation of the addressing component of the customer information project was completed in May 2015.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition post implementation of the customer information project in May 2015.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
No further action required.		

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<b>Compliance Manual Reference: 147</b>		<b>Controls / Compliance Rating</b> A / 2
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(1)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>147</b>	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in sub clause 4.5(1)(a)-(cc) on the customer's bill.	
<b>Observations</b>		
<p>Through discussion with customer service manager, billing manager and ICT applications manager and review of sample bills it was noted that customer bills include the information prescribed in sub clause 4.5(1)(a) to (cc). The SAP billing module is automatically configured with the bill design to populate this information.</p> <p>Synergy self-identified and reported a breach for the period 30 June 2014 and 14 March 2015, where 1,232 bills issued to small-use gas customers did not display a graph or bar chart illustrating the customer's consumption or cost of consumption for the period, the average daily cost and average daily consumption calculations.</p> <p>Obligation 147 was also previously reported as a breach in the 2012 GTL8 Performance Audit, as the bill graph was omitted from the bill design. As part of Synergy's internal initiatives and projects, the usage graph on small-use gas invoices was implemented on 14 March 2015. The breach issue has been resolved during the current audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition post bill redesign implementation on 14 March 2015.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
No further action required		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 183</b>		<b>Controls / Compliance Rating</b> A / 3
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.3		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>183</b>	Prior to commencing a direct debit, a retailer must obtain the customer's verifiable consent and agree with the customer, wherever possible, on the amount to be debited, and the date and frequency of the direct debit.	
<b>Observations</b>		
<p>Synergy has policy and procedural documentation in place to govern the direct debit set up process. A direct debit sales script has been developed to assist the Credit Management team capture the customer's verifiable consent for a direct debit set up.</p> <p>Through enquiry and observation with the Credit Management team it was noted that the direct debit declaration is read out to the customer over the phone before they enter into a direct debit arrangement and consent obtained verbally. Verifiable consent is maintained on record via the call operator recording the call.</p> <p>During the audit period, there were 3 new small-use gas customers entering into a direct debit arrangement with Synergy. The review noted that 1 recording from 2014 of the 3 phone recordings tested for the customer's direct debit verifiable consent was not available as the operator did not have call recording capability on their phone. An interaction note on the customer's account was recorded advising that the required information had been agreed to.</p> <p>A telephony project was completed in September 2014 that enabled call recording for all relevant staff, including credit management staff.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition post telephony implementation on September 2014.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	3 – Non-compliant – moderate impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
No further action required		

# Gas Trading Licence Performance Audit Report

## 5.3 Observation detail on obligations

The following sets out the audit findings. The obligations are listed as they appear in the 2015 Gas Compliance Reporting Manual.

Compliance Manual Reference: 1		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence clause 4.1 Trading Licence clause 4.1		
Licence Obligation: Energy Coordination Act section 11Q(1-2)		Reporting Type 2
Obligation Description		
1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 and 5)	
<p><b>Observations</b></p> <p>Through discussions with the regulation and compliance team and a review of licensing fee transactions noted that Synergy paid the applicable fees in accordance with the <i>Energy Coordination (Licensing Fees) Regulations Clause 4 and 5</i>.</p> <p>The regulation and compliance team maintains a regulatory calendar which tracks all compliance related dates.</p> <p>Once a year the Authority issues Synergy with invoices for the following licences: GTL8, ERL1, and EGL7. The invoice is processed through Synergy's accounts payable process, with the payment approval subjected to the financial delegation of authority.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 2, 3, 106, 108</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 12.1, 12.2 and 13.1		
<b>Licence Obligation:</b> Energy Coordination Act Section 11M and 11WG(1-2)		<b>Reporting Type</b> 2 (2, 3, 108) NR (106)
<b>Obligation Description</b>		
<b>2</b>	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.	
<b>3</b>	A licensee must comply with a direction given to the licensee under section 11WI.	
<b>106</b>	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority.	
<b>108</b>	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.	
<b>Observations</b>		
<p>Through discussions and observation with the regulation and compliance team and review of regulation and compliance operations manual, it was noted that during the audit period, gas small-use customers were only supplied gas via a non-standard contract. The regulation and compliance team is responsible for coordinating any directives provided by the Authority.</p> <p>Under the <i>Energy Coordination Act s11WI</i> and <i>Licence obligation 106 and 108</i>, Synergy is required to comply with the Authority's direction to amend the standard form contract. During the audit period, Synergy made changes to the gas standard form contract as per a review directive from the Authority, which was approved by the Authority on 16 June 2014. All communication with the Authority is done in writing.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 10</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Distribution Licence clause 15.1 Trading Licence clause 16.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZA(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>10</b>	A licensee must provide the Authority with a performance audit by an independent expert acceptable to the Authority within 24 months of commencement and every 24 months thereafter (or longer if the Authority allows).	
<b>Observations</b>		
<p>Through discussions and observations with the regulation and compliance team, it was noted that a regulatory calendar is utilised to track key activities and due dates. When the Authority publishes notices along with the performance report for the next audit due date, this is updated in the calendar so that the tendering process for an independent auditor can commence well in advance.</p> <p>The regulation and compliance operations manual sets out standard operating procedures and defines the roles and responsibilities of the Regulation and Compliance team when communicating with the Authority.</p> <p>The previous GTL8 performance audit was conducted by BDO in November 2012 for the period 1 July 2009 to 30 June 2012. At the conclusion of the 2012 GTL8 performance audit, the Authority published a notice stating that it was satisfied that Synergy maintained a high level of compliance with its GTL8 licence conditions and decided to maintain the audit cycle at 36 months.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 19, 20, 21, 22</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1 and 18.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZOR(2) and (3), 11ZOV(1) and (2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>19</b>	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	
<b>20</b>	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	
<b>21</b>	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	
<b>22</b>	A licensee, as a member of a retail scheme, must comply with a direction given to it by the Authority to amend the scheme, and to do so within a specified time.	
<b>Observations</b>		
<p>Through discussions and observation with the regulation and compliance team and review of REMCo's website it was noted that Synergy is a member of an approved retail market scheme, REMCo. Synergy is also represented on the REMCo board as an observer. To be a retail market scheme participant Synergy was required to pay a one-time registration fee and an on-going annual membership fee.</p> <p>All staff complete an induction training as well as annual refresher training courses facilitating compliance with the retail market scheme. Synergy staff are also required to complete a compliance training module relating to Synergy's code of conduct as well as modules on Competition and Consumer Act of 2013, Consumer Law and Misleading Conduct and Competition law (2013). The training emphasises what is expected of their employees in order to adhere to this obligation. Review of the training register noted that training has been completed by the relevant employees.</p> <p>The regulation and compliance team is responsible for coordinating any directives provided by the Authority. During the audit period, there were no identified instances of prohibited conduct relating to the operation of a retail market scheme.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 24</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Distribution Licence clause 17 Trading Licence clause 18.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZQH		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>24</b>	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	
<b>Observations</b>		
<p>Through discussions and walkthroughs with the regulation and compliance team and review of the Energy and Water Ombudsman's website it was noted that Synergy is a member of an approved energy ombudsman scheme, the Energy and Water Ombudsman.</p> <p>The scheme is industry funded and operated. Synergy's small-use gas customers can access the Energy and Water Ombudsman's dispute resolution and escalation services.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 29, 30, 31</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1), 6(2) and 6(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>29</b>	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	
<b>30</b>	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	
<b>31</b>	When offering to supply gas to a new customer under a standard form contract, a licensee is to offer to supply gas at a capped tariff.	
<b>Observations</b>		
<p>Review of Synergy's website, gas tariff flyer and regulation compliance operations manual noted that Synergy has a regulated standard form gas capped tariff (180JG – 1TJ per year) for non-residential customers operating in mid-west and south-west areas. Synergy does not supply Albany, Kalgoorlie or Boulder with Gas.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, Synergy did not have small-use gas customers on the standard form contract. All small-use gas customers were supplied gas on non-standard form contracts.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

Compliance Manual Reference: 33, 34, 41, 47, 50, 222, 223		Controls / Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1 Schedule 2 Compendium clause 7.1 and 7.2		Reporting Type NR (33, 34, 41, 47, 50) 2 (222, 223)
Licence Obligation: Energy Coordination (Customer Contracts) Regulation 12 (4)(a), 12 (4)(b) and 12(6) Clause 5.1.1.3 and 5.1.8.1(d) AGA Code		
Obligation Description		
33	Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).	
34	Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).	
41	A licensee must not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	
47	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	
50	A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	
222	A retailer must follow the procedures specified in sub clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in sub clause 7.1(2).	
223	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in sub clause 7.2(1).	
<b>Observations</b>		
<p>Enquiries and observation with the credit portfolio team and review of the credit management manual, disconnection policies and procedures and a walkthrough of processes noted that Synergy has controls in place to:</p> <ol style="list-style-type: none"> <li>1. Issue the small-use gas customer with a written reminder notice not less than 14 business days after the day on which a bill with overdue advice was issued, including the requirement for payment to be made on or before the day not less than 20 business days after the day on which the bill was issued;</li> <li>2. Issue the small-use gas customer with a disconnection warning not less than 22 business days after the billing day advising the customer that the disconnection will occur unless payment is made on or before the specified day in the disconnection warning letter, being a day not less than 10 business days after the day on which the disconnection warning is given.</li> <li>3. Use its best endeavours to contact the customer and offer the customer an extension of time to pay the bill.</li> <li>4. Ensure all bills contain the retailer's contact telephone number and information for customers experiencing financial hardship or payment difficulties, and the disconnection warning letters contain information on the complaints process and gas ombudsman via use of standard templates.</li> <li>5. "Lock" customer accounts to prevent escalation to debt collection or disconnection where a customer has made an application for concession, is under consideration for financial hardship, has agreed to payment plan arrangements.</li> <li>6. Review of customer accounts prior to disconnection proceedings to ensure disconnection would not breach any obligations.</li> </ol> <p>During the audit period, 1 July 2012 to 30 June 2015, there has been 1 case of disconnection of a small-use gas customer due to non-payment, with the outstanding debt for direct service charge owing was greater than the average bill over the past 12 months. Through observations and walkthrough with the credit portfolio team found that the 1 case of disconnection of a small-use gas customer complied with the <i>Energy Coordination (Customer Contracts) Regulation 12(4)(a), 12(4)(b) and 12(6)</i> and <i>Gas Compendium clause 7.1 and 7.2</i>.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 51, 52, 229</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 12 (6) Clause 5.1.8.1(e) and 5.1.8.1(f) AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>51</b>	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	
<b>Observations</b>		
<p>Through enquiry and observation with the credit portfolio team and business sales team, and review of disconnection checks and procedures it was identified that Synergy will not disconnect:</p> <ul style="list-style-type: none"> <li>• after 3pm Monday to Thursday;</li> <li>• after 12noon on Friday;</li> <li>• on a Saturday, Sunday or Public Holiday;</li> <li>• on a business day prior to a Public Holiday; or</li> <li>• when a customer has made a complaint directly related to the reason for the disconnection.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 56, 57</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 14 (2) and 14 (3) Clauses 4.1.2.1 and 4.1.2.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>56</b>	A licensee must inform customers that the supply charge is either for residential or non-residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	
<b>57</b>	A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request.	
<b>Observations</b>		
<p>Through walkthrough and enquiries with sales support team and business Sales team, it was noted that Synergy only has contestable, non-residential small-use customers for gas. Small-use gas customers sign the gas standard agreement which contains the relevant information relating to the fixed component and usage component.</p> <p>A sample testing of 15 customer contracts found that it contains information relating to the gas fees and charges including both the specified fixed component and specified usage component.</p> <p>Enquiries with the customer service manager and business sales manager, supplemented with review of the customer service training program found that staff are trained to provide small-use gas customers with notice of tariff charged without charge upon request.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 58, 162, 231</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 and 5.1 Schedule 2 Compendium clause 4.12(2) and 10.1(1)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Regulation 14 Clause 4.1.3.1 and 4.1.3.2 AGA Code		<b>Reporting Type</b> NR (58) 2 (162, 231)
<b>Obligation Description</b>		
<b>58</b>	A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	
<b>162</b>	For the purpose of sub clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed.	
<b>231</b>	A retailer must give notice to each of its customers affected by a variation in its tariffs as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle.	
<b>Observations</b>		
<p>Through discussion and walkthrough with the marketing and communications manager and a review of the marketing and communications strategy indicated that when a customer is affected by a variation in tariffs, they are notified with a bill inserts and an accompanying letter.</p> <p>Any variations in tariffs are also communicated on Synergy's website through the 'News and Information' page.</p> <p>During the audit period, Synergy had no small-use gas customers on a standard form contract. However, Synergy has a single tariff product available for small-use business customers. As at 30 June 2015, Synergy has 82 small-use gas customers, all supplied gas on non-standard form contracts.</p> <p>Synergy has processes in place to ensure that the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained. If a change of tariff falls within a billing cycle, the rate is allocated on a pro-rata basis.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 59, 136, 137</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1, 5.1 Schedule 2 Compendium clause 4.1(a) and (b)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Regulation 15 (1) Clause 4.2.1 AGA Code		<b>Reporting Type</b> NR (59) 2 (136, 137)
<b>Obligation Description</b>		
<b>59</b>	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	
<b>136</b>	A retailer must issue a bill no more than once a month unless the conditions specified in sub clause 4.1(a)(i)(ii) are met.	
<b>137</b>	A retailer must issue a bill at least every 3 months unless the conditions specified in sub clause 4.1(b)(i)-(iii) are met.	
<b>Observations</b>		
<p>Our discussions with the customer service manager, Billing team, and business sales team noted that customers are not billed for a period in excess of three months. Majority of Synergy's small-use gas customers are on bi-monthly or quarterly billing cycle.</p> <p>ATCO provides Synergy with metering data prior to the bill date. Should ATCO fail to obtain an actual meter reading, a substitute reading is provided by ATCO. Billing is always based on metering data supplied by ATCO.</p> <p>A sample test of 20 small-use gas customers, during the audit period, confirmed they received a bill at least once every 3 months and no more than once a month.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 60, 64, 65, 66</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 15 (1) Clause 4.2.3.1, 4.2.3.2, 4.2.3.3, 4.2.4.1, 4.2.4.2 and 4.2.4.4 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>60</b>	A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.	
<b>64</b>	A licensee must base a customer's bill on a meter reading and meters must be read at least once per year.	
<b>65</b>	A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	
<b>66</b>	A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in accordance with the meter reading.	
<b>Observations</b>		
<p>Through discussions with the customer service manager supplemented with a review of the gas standard agreement, "Section 6. Bill" found that bills are prepared in accordance with the AGA code Clause 4.2.3 - Contents of the Bill.</p> <p>A standard billing template is utilised to issue bills to customers and billing data is issued free of charge at customer's request. Bills are automatically generated from SAP.</p> <p>ATCO provides Synergy with metering data prior to the bill date. Should ATCO fail to obtain an actual meter reading, a substitute reading is provided by ATCO. When an actual meter reading is subsequently available, billing staff process adjustments and the customer will be re-billed based on actual meter readings. Billing is always based on metering data supplied by ATCO.</p> <p>Our review of meter read exception reports generated from SAP noted that all small-use gas customers have had their meter read by ATCO at least once a year.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 63, 234, 235, 236, 237</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 and 5.1 Schedule 2 Compendium clause 10.2(1) and 10.2(2)		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 15 (1) and 47 (2) and (4), Clause 4.2.3.4 AGA Code		<b>Reporting Type</b> NR (63) 2 (234, 235, 236, 237)
<b>Obligation Description</b>		
<b>63</b>	A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	
<b>234</b>	A retailer must, on request, give a customer their billing data.	
<b>235</b>	A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer.	
<b>236</b>	A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's reasonable charge for providing the billing data.	
<b>237</b>	A retailer must keep a customer's billing data for 7 years.	
<b>Observations</b>		
<p>Enquiries with the business sales team, sales support and billing team noted that staff are trained to provide a small-use gas customer with bill data free of charge upon request. Review and walkthrough of Synergy's customer request service level agreement, business intelligence reporting procedures and sampled small use gas customer request noted Synergy has systems in place to provide the customer with the information within 10 business days.</p> <p>A walkthrough of SAP's billing module identified a reporting function that can generate an individual small-use gas customer's consumption and expenditure report. Billing data is stored in SAP from 2009 since its implementation. Our walkthrough of the legacy billing system "Valhalla" found that it contained billing data pre-2009.</p> <p>In addition, small-use gas customers are able to access their consumption and billing data online through the 'My Account' portal on Synergy's website.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 68, 82, 182</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 and 5.1 Schedule 2 Compendium clause 5.2		
<b>Licence Obligation</b> Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Regulation 15(1) and 45 (2) Clause 4.3.2.1 AGA Code		<b>Reporting Type</b> 2 (182) NR (68, 82)
<b>Obligation Description</b>		
<b>68</b>	A licensee must offer payment in person and payment by mail.	
<b>82</b>	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	
<b>182</b>	A retailer must offer a customer at least the following payment methods: in person at 1 or more payment outlets located within the Local Government District of the customer's supply address; by mail; for residential customers, by Centre pay; and either electronically or by telephone by means of a debit facility or a credit card.	
<b>Observations</b>		
<p>Through discussion with the marketing and communications manager and Billing manager and review of the sample gas bill template noted that Synergy offers payment in person and by mail. Information regarding alternative payment options are specified on the front page of the each bill. There is a payment slip attached at the bottom of each bill, offering the following methods of payment: electronic funds transfer, mail, BPAY or in person.</p> <p>For residential customers, payment by means of a debit facility or a credit card is available. However, during the audit period Synergy did not supply gas to residential customers.</p> <p>Review of a sample gas bill also found information on how the customer can get a copy of the gas customer charter, free of charge.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 71, 247</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1 Schedule 2 Compendium clause 10.10(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Regulation 19		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>71</b>	A licensee must provide a customer: (a) a copy of their customer service charter; (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.	
<b>247</b>	A retailer and distributor must make electronic copies of the Gas Marketing Code and the Compendium available, at no charge, on their website.	
<b>Observations</b>		
<p>Synergy sends a copy of their contract and a gas customer service charter to each small gas customer together with their first bill. In addition, the gas customer service charter is also available on Synergy's website.</p> <p>Through inspection of customer bills and the standard gas agreement terms and conditions, we verified provisions relating to this obligation, such as:</p> <ul style="list-style-type: none"> <li>• Information on how to obtain copies of regulations or any relevant code;</li> <li>• Information about fees and charges;</li> <li>• Billing data; and</li> <li>• Information on government assistance programs (i.e. interpreter service) and financial difficulty enquiries.</li> </ul> <p>Review of Synergy's website found the gas customer charter, gas marketing code, gas compendium and gas energy efficiency brochure. As Synergy does not have any gas residential customers, information on government assistance programs and financial counselling services are not applicable.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 74, 75</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 20(3), 22, 48, and 49(2)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>74</b>	A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.	
<b>75</b>	A licensee must only provide a credit reporting agency with default information relevant to one of their bills.	
<b>Observations</b>		
<p>Through discussion and walkthrough with the credit portfolio team and review of payment arrangement and final account policies and procedures it was noted that credit management officers and account managers use their best endeavours to contact small-use gas customers who are 20 days past their payment due date. The credit management officers and account managers provide alternative payment arrangements for small-use gas customers who are experiencing payment difficulties. Policies and procedures also outline requirements around credit reporting agencies in compliance with the obligations.</p> <p>Enquiry and walkthrough with the credit portfolio team noted that SAP has system locks in place to prevent legal action taken on customers flagged with either being on a payment arrangement or having an unresolved complaint.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, there was 1 case of disconnection due to non-application whereby the small-use gas customer had an outstanding debt from gas consumption without an account with Synergy. The small-use gas customer did not enter into a payment arrangement with Synergy, and was subsequently referred to a credit reporting agency for default on their gas account.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 79</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 50		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>79</b>	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	
<b>Observations</b>		
<p>Enquiry with the Credit Portfolio Manager and review of disconnection warning letters and templates noted that the following information is provided to customers:</p> <ul style="list-style-type: none"> <li>• Free call complaint number: 1800 208 987.</li> <li>• Customer advocate email: <a href="mailto:advocate@synergy.net.au">advocate@synergy.net.au</a> if complaint has not been resolved.</li> <li>• Energy and Water Ombudsman: 1800 754 004 and alternative contact details for customers with hearing difficulties and foreign languages.</li> </ul> <p>The disconnection warning letters are issued based on a standard templates designed by the marketing department and approved by legal team and the regulation and compliance team.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, there was 1 case of disconnection due to non-application whereby the small-use gas customer had an outstanding debt from gas consumption without an account with Synergy. No exceptions were noted.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 80</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 44		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>80</b>	When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than 1 month before the day on which the contract is due to expire (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	
<b>Observations</b>		
<p>Enquiry with the business sales team noted that account managers look after small-use gas customer's account. Opportunity reports are generated by the data analytics team indicating the expiry dates of contracts by segment. The business sales team review the report and identify contracts with upcoming renewals within the coming 12 months.</p> <p>Customers are contacted over the phone and followed up in writing not more than 2 months and not less than one month before the day on which the contract is due to expire and informed of their options. The process is documented in the "re-contracting process".</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 85, 86</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contract) Regulation 28 Clause 3.1.1(a) AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>85</b>	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply.	
<b>86</b>	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address.	
<b>Observations</b>		
<p>Through discussions with the legal team and regulation and compliance team, supplemented with review of the standard gas agreement term and conditions it was noted that the following provisions are included in the standard form contract:</p> <ul style="list-style-type: none"> <li>• The retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply; and</li> <li>• The retailer or distributor must provide, install maintain metering and necessary equipment at the supply address.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 91</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contract) Regulation 42		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>91</b>	A licensee must notify a customer of any amendment to a non-standard contract.	
<b>Observations</b>		
<p>Interviews with the business sales team, legal team, and risk coordinator noted that the legal team draft the review notices that are sent out to customer's informing them of any amendments to the non-standard form contract.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, an amendment to the non-standard form contract was made in relation to changes in the carbon scheme clauses. Review of the legal approval procedures identified processes in place to notify the customers with regards to the changes. Small-use gas customers affected were sent letters notifying of the amendments to the non-standard form contract together with their next bill. The letters were reviewed by the legal team to ensure they meet the legislative obligations.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 96, 97, 98, 99</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 16.2, 16.4 and 17		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>96</b>	A licensee must comply and require its expert to comply with the Authority's standard guidelines dealing with the performance audit.	
<b>97</b>	A licensee's independent auditor must be approved by the Authority prior to the audit.	
<b>98</b>	A licensee may be subject to individual performance standards.	
<b>99</b>	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	
<b>Observations</b>		
<p>On 30 June 2015, the Authority approved Synergy's independent auditor, KPMG, to undertake the 2015 gas trading licence performance audit. The audit plan was prepared in accordance with the Authority's standard audit guidelines which was approved by the Authority on 5 August 2015.</p> <p>Through discussion and observation with the regulation and compliance team, there were no applicable individual performance standards issued by the Authority. A review of the regulation and compliance operations manual noted that Synergy has processes in place to ensure all notices are in relation to Synergy's licence obligation must be in writing, and within the specified timeframes.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 100, 101</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 21.1 and 22.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>100</b>	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	
<b>101</b>	A licensee must report to the Authority if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	
<b>Observations</b>		
<p>Through discussions and observation with the financial controller and regulation and compliance team, supplemented with a review of Synergy's audit financial statements, noted that accounting records are prepared in accordance with Australian Accounting Standards Board.</p> <p>Synergy's audited financial statements, prepared by RSM Bird Cameron on behalf of the Office of the Auditor General, can be found on Synergy's website.</p> <p>The regulation and compliance team noted that during the audit period 1 July 2012 to 30 June 2015, there were no instances where Synergy experienced a significant change in its corporate, financial or technical circumstances. We note that Synergy cannot be placed under external administration because it is not incorporated under the Corporations Act.</p> <p>On 1 January 2014, Synergy and Verve Energy merged to become Electricity Generation and Retail Corporation trading as Synergy. However this merger has not materially affected the licensee's ability to perform its obligations under the gas trading licence..</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 102, 277, 279, 280</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 and 23.1 Schedule 2 Compendium clause 13.17(1), 13.17(3) and 13.18		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>102</b>	A licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the Authority.	
<b>277 (2013)</b>	The annual retailer and distributor reports specified in clauses 13.15 and 13.16 respectively are to be published not later than the following October 1.	
<b>279 (2013)</b>	A copy of each report must be given to the Minister and the Authority not less than 7 days before it is published.	
<b>280 (2013)</b>	A retailer and distributor must provide the information in the records in clauses 13.15 and 13.16 to the Authority in a format acceptable to the Authority no later than the following 23 September.	
<b>Observations</b>		
Review of Synergy's website identified that annual record keeping reports under <i>2013 Gas Compendium clause 13.15</i> were published for the review period 2012-13 and 2013-14 no later than the following 1 October.		
Review of the annual record keeping report for the period 2012-13 and 2013-14 were provided to the Authority in an acceptable format no later than 23 September and to the Minister for Energy and the Authority not less than 7 days before it was published.		
Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 114, 115, 116, 246</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 and 19.2 Schedule 2 Compendium clause 10.10(1)		
<b>Licence Obligation:</b> Energy Coordination Act sections 11ZPP and 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>114</b>	A licensee must comply with the Gas Marketing Code of Conduct.	
<b>115</b>	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct.	
<b>116</b>	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.	
<b>246</b>	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium.	
<b>Observations</b>		
<p>Enquiries with the business sales team and sales support team noted that Synergy endeavours to comply with the gas marketing code of conduct through various controls including segregation of duties, supervisory, quality assurance checks and training.</p> <p>Staff are required to undertake mandatory annual training programs regarding misleading and deceptive conduct as well as specific regulatory training on energy industry codes. This training includes annual testing and the recording of those results.</p> <p>Review of the gas marketing training program noted the following key areas:</p> <ul style="list-style-type: none"> <li>• Entering into contracts;</li> <li>• Information to be provided to customers;</li> <li>• Marketing conduct; and</li> <li>• Miscellaneous (including record keeping).</li> </ul> <p>Staff are also required to undertake business compliance and industry compliance training which covers compliance with gas marketing code of conduct. Through sample testing of 5 customer facing staff we noted all 5 had completed annual training programs regarding misleading and deceptive conduct as well as business compliance and industry compliance training.</p> <p>Customer facing staff are also trained to provide the customer information on obtaining a copy of the gas marketing code and the gas compendium. All customer requests and resolution are logged and recorded against the customer account within SAP.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 117, 118, 119, 120, 121</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 19 Gas Marketing Code of Conduct clause 2.2(1), 2.2(2), 2.2(3), 2.3(1), 2.3(2), 2.3(3) and 2.3(4)		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZPP		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>117</b>	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	
<b>118</b>	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).	
<b>119</b>	A retailer or gas marketing agent must ensure that non-standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	
<b>120</b>	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	
<b>121</b>	A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).	
<b>Observations</b>		
<p>Enquiries with the business sales team and sales support team noted that compulsory training is provided to employees regarding unsolicited and solicited contracts and the key requirements. All consumers will be given a copy of the standard form contract upon entering into it and if the contract was entered over the phone, a copy of the standard form contract will be provided to the customer within 5 business days.</p> <p>The customer completes a verifiable consent form as proof of verifiable consent before the contract process is progressed. All verifiable consents are kept on record and can be provided to customers upon request.</p> <p>Review of the standard gas agreement terms and conditions identified that the contract begins on the date and time that Synergy and the customer agree to supply gas to the customer or at any earlier time when gas is deemed by law to be supplied to customer under the standard gas agreement terms and conditions.</p> <p>Information specified in the <i>Gas Marketing Code clause 2.2 and 2.3</i> are provided to the small-use gas customer no later than the customer's first bill.</p> <p>During the audit period 1 July 2012 to 30 June 2015, all small-use gas customers were supplied gas on non-standard form contracts. Walkthrough of non-standard form contracts found that they were entered into in the manner satisfying the <i>Energy Coordination Act section 11ZPP and Gas Marketing Code of Conduct clause 2.2 and 2.3</i>.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 123</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 19 Gas Marketing Code of Conduct clause 2.4(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZPP		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>123</b>	A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.	
<b>Observations</b>		
<p>Through discussion with Synergy's Information and Communications Technology (ICT) applications manager and system analyst, it was noted that the telephone line is contracted to a third party being Telstra. The ICT applications team is responsible for ensuring the telephone number is operating effectively and is available for customers to contact Synergy during normal business hours for any purpose. There is also a monitoring process in place to ensure that all systems are operating effectively and if there is an outage the ICT service team will automatically be alerted so the incident can be resolved in a timely manner.</p> <p>Through review of the Telstra service level agreement (SLA) it was noted that the business hours are from 7am to 7pm. There are also priorities assigned to the various incidents with P1 being of the highest priority. Any incident that affects the customer is noted as a high priority. Telstra's response and resolution schedule is available 24/7. The higher the priority the quicker Telstra's SLAs for the incident response time and resolution time.</p> <p>ICT also has a detailed incident management process in place which records Synergy's information and communications technology incidents such as a disruption to any ICT service, a reduction in quality of any ICT service and failure of a configuration item that has not yet affected service. This ensures that in the event of an outage, all services are restored as quickly as possible.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the license condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 129, 259, 260</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 19 Gas Marketing Code of Conduct clause 2.8 and 2.9 Schedule 2 Compendium clause 13.1(1) and 13.1(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZPP		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>129</b>	Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.	
<b>259 (2013)</b>	Unless expressly provided otherwise, a retailer, distributor or gas marketing agent must keep a record or other information as required to be kept by the Code of Conduct and the Compendium for at least 2 years from the last date on which the information was recorded.	
<b>260 (2013)</b>	For the purposes of clause 13.1(1), a retailer must keep records or other information specified in clause 13.1(2)(a)-(g).	
<b>Observations</b>		
Interviews with the customer service team, sales team and sales support team noted that records to be kept under <i>Gas Marketing Code of Conduct clause 2.9 and the 2013 Gas Compendium clause 13.1(1)</i> are kept within SAP and Synergy's document management system (DMS) for at least 2 years.		
Staff are required to undertake mandatory annual training programs which covers record keeping requirements.		
Review of the gas marketing training program noted the following key areas:		
<ul style="list-style-type: none"> <li>● Entering into contracts;</li> <li>● Information to be provided to customers;</li> <li>● Marketing conduct; and</li> <li>● Miscellaneous.</li> </ul>		
In addition, Synergy maintains records under the <i>2013 Gas Compendium 13.1(2)(a)-(g)</i> within SAP and Synergy's DMS.		
Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 134, 135</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 3.1(1) and 3.1(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>134</b>	If a retailer agrees to sell gas to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor.	
<b>135</b>	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day, if the request is received after 3pm or on a weekend or public holiday.	
<b>Observations</b>		
<p>Through enquiries with the business sales team and review of gas new connection procedure, and walkthrough of the new connection process it was identified small-use gas customer connection requests are raised within SAP. Once Synergy agrees to sell gas to the customer a service notification is raised within SAP and automatically sent to ATCO within the same day (if the request was received before 3pm), and the next day if the request was received after 3pm or on a weekend or public holiday.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate system controls in place for new connections and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 149</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5 (3)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>149</b>	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.	
<b>Observations</b>		
<p>Discussions with the customer service manager, billing team and sales support manager noted that at the end of each billing period, Synergy sends a bill to the small-use gas customer outlining all charges payable by the customer under the gas sales agreement for that billing period, including any late payment fees and historical debt.</p> <p>SAP is configured to automatically carry forward any historical debt as an outstanding balance item in the next bill. A walkthrough of a bill with historical debt noted that the debt amount and basis of calculation is documented on the bill.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 150, 152, 153</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.6(1), 4.7(1) and 4.7(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2 (150) NR (152, 153)
<b>Obligation Description</b>		
<b>150</b>	A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter in the circumstances specified in sub clause 4.6(1)(a)(b).	
<b>152</b>	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	
<b>153</b>	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a).	
<b>Observations</b>		
<p>Discussions with customer service manager and the billing team noted that Synergy only issues bills based on meter readings supplied by ATCO. ATCO provides meter data whether it is an actual read or substitute read. If a substitute read is provided by ATCO, Synergy issues a bill, clearly identifying on the bill that it is an estimate.</p> <p>The meter readings automatically sent from ATCO to SAP via the retail market operator (REMCO) "B2M – business 2 market" system.</p> <p>Customers on interval meters (smart meters) are billed monthly, and customers on basic meters are billed bi monthly. The interval meter captures gas consumption on an hourly basis, and actual data is provided by ATCO on a weekly basis. The basic meter requires ATCO representative to physically observe the meter readings, and actual meter readings are only provided if the ATCO representative is able to get to the meter. Actual meter readings are scheduled by ATCO prior to the bill date. Should the ATCO representative fail to obtain an actual meter reading, a substitute reading is provided by ATCO.</p> <p>Through enquiry with the market service manager and customer processing manager, supplemented with a review of meter read exception reports noted that there has been no instances where an actual meter reading was not provided by ATCO for a period greater than 12 months for small-use gas customers. ATCO has a service level agreement with Synergy to perform meter read services.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 164</b>		<b>Controls/ Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Gas Customer Code clause 4.14(1)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>164</b>	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	
<b>Observations</b>		
<p>Review of the final bill procedures, standard gas agreement terms and conditions and discussion with senior sales support officer and sales operations coordinator indicated that there were processes and procedures in place if the customer requests an issue of a final bill. The procedure outlines systems and processes in place to ensure that Synergy use reasonable endeavours to arrange for a final bill in accordance with the customer's request.</p> <p>Sample testing of 15 final bills noted that final bills were issued upon customer request unless the customer did not notify Synergy of the request and in that case Synergy issued the final bill as soon as they became aware that the customer had moved out.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the license condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 181</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>181</b>	The due date on the bill must be at least 12 business days from the date of that bill. Unless a retailer specifies a later date, the date of dispatch is the date of the bill.	
<b>Observations</b>		
<p>Through interviews with the ICT applications manager, system analyst and billing team, noted that the default due date of a standard form contract bill is configured within SAP for a value of 12 business days. However, as per <i>Schedule 2 Gas Compendium clause 1.4</i>, clause 5.1 is exempt from non-standard form contracts.</p> <p>During the audit period, all small-use gas customers were supplied gas on a non-standard form contract, which allows 14 calendar days which may be shorter than 12 business days. In these cases the customer has agreed to the non-standard terms and conditions of the non-standard gas product.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 190, 192, 193</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.7(1), 5.7(3) and 5.7(4)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>190</b>	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer's supply address in the circumstances specified in sub clause 5.7(1).	
<b>192</b>	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent.	
<b>193</b>	If a retailer and a customer enter into a new contract for the supply address, a retailer must not require the previous customer to pay for gas consumed at the customer's supply address from the date the new contract becomes effective and in circumstances specified in sub clause 5.7(4)	
<b>Observations</b>		
<p>Discussions with the customer service manager and billing officer and a sample test of 5 account closures and final bills noted that when a customer notifies Synergy of the plan to vacate a premises, the contract termination process commences and the customer's final date is entered into SAP. Synergy has standard operating procedures for final bills with the final bill sent to the customer's nominated mailing address. Once the contract has been terminated in SAP, the customer no longer receives bills from Synergy.</p> <p>Once the supply address is vacated, the time and date of the contract termination is recorded in the customer's account in SAP and communicated to ATCO through the RGMS portal. Once recorded in SAP the customer is not required to pay for the supply of gas after this period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 239, 240</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 10.4 and 10.5		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>239</b>	A retailer must give a customer on request, at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source); how a customer may arrange for an energy efficiency audit at the customer's supply address; and the typical running costs of major domestic appliances.	
<b>240</b>	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	
<b>Observations</b>		
<p>Based on discussions with customer service team, business sales team, sales support team and product change team noted that account managers and product development specialist provided customers upon request with information relating to cost effective and efficient ways to use gas. The website also contained information and tools such as energy audit checklists, energy management policies, and energy reduction tips at no charge.</p> <p>Staff are required to undertake business compliance and industry compliance training which covers compliance with gas marketing code of conduct and gas compendium. Staff are trained to provide information relating to the distribution of gas or refer the customer towards ATCO.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 243</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5A(3)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>243</b>	The gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e).	
<b>Observations</b>		
<p>Our review of the gas safety awareness program noted that it contains information in <i>Schedule 2 Compendium clause 10.5A(3)</i>:</p> <ul style="list-style-type: none"> <li>• Information on the properties of gas;</li> <li>• A notice of the requirement for proper installation and use of approved appliances and equipment;</li> <li>• A notice of the requirement to use only qualified trade persons for gas connection and appliance and equipment installation;</li> <li>• The proper procedure for the reporting of gas leaks or appliance or equipment defects; and</li> <li>• Safety procedures to be followed and the appropriate telephone number to call in case of emergency.</li> </ul> <p>Information regarding gas safety can also be found on the gas customer service charter, which is provided to all new small-use gas customers and is available on Synergy's website.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 245</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 10.9		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>245</b>	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	
<b>Observations</b>		
<p>Enquiries with the marketing and communication Manager and legal manager, noted that all written information that is given to customers are reviewed by the legal team and the marketing team. An internal checklist is used by the legal team to track licence obligations (relating to the legal team) when reviewing written information.</p> <p>Through observation and review of the documentation presented to customers found that the written information was clear, simple and concise. The documents were structured and worded in a way that makes it easy for the customers to understand.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 251, 252, 253</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 12.1(1) and 12.1(2)(a-d)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>251</b>	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	
<b>252</b>	The complaints handling process must comply with AS ISO 10002 – 2006 and address, at the least, the criteria specified in clause 10.2(b).	
<b>253</b>	The complaints handling process must detail how the retailer will handle complaints about a retailer or marketing, and be available at no cost to customers.	
<b>Observations</b>		
<p>Interviews with the service quality team and review of the complaints policies and procedures identified the existence of internal processes for handling complaints. Synergy has a dedicated complaints team within their service quality team who are trained to manage complaints and resolve disputes. The complaint handling process is outlined in the Synergy's complaints policy</p> <p>Discussion with the service quality team and review of the customer complaints policy noted that the definition of a complaint is consistent with the Australian Standard on Complaints Handling AS ISO 10002:2006. The complaints policy clearly distinguishes the characteristics of a customer query and customer complaint.</p> <p>Review of the complaints policy noted a detailed complaints handling guide. Synergy's complaint resolution policy brochure is also available to customers at no cost on the company's website. The brochure outlines the complaints handling procedure, and provides guidance on how to lodge a complaint and how Synergy will handle complaints. As part of the complaints handling process, customers are also advised of the complaints escalation to a senior employee or that they may contact the Energy and Water Ombudsman.</p> <p>An automated email is generated and sent to the customer notifying them that their complaint has been acknowledge and a response will be provided shortly. Review of the guideline for responding to written complaints noted that Synergy has systems and processes in place to respond to all complaints within 20 days of being received as per the <i>Gas Compendium clause 12.1(4)</i>.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	–NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 263, 265, 266, 275, 278</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 13.2(b)(i)-(ix), 13.3(1)(b)-(f)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>263 (2013)</b>	A retailer must keep a record of the total number and percentage of its business customer accounts under the affordability and access indicators specified in clause 13.2(b)(i)-(ix).	
<b>265 (2013)</b>	A retailer must keep a record of the total number of complaints received from residential and business customers, as well as keeping a record of the complaint indicators specified in clause 13.3(1)(b)-(f).	
<b>266 (2013)</b>	A retailer must keep a record of the details of each complaint referred to in clause 13.3(1)	
<b>275 (2013)</b>	A retailer must prepare a report in respect of each reporting year setting out the information in the records specified in clause 13.15(a)-(d).	
<b>278 (2013)</b>	A report is published for the purposes of clause 13.17(1) if copies of it are available to the public, without cost, at places where the retailer or distributor transacts business with the public, and a copy of it is posted on a website maintained by the retailer or distributor.	
<b>Observations</b>		
<p>Through discussion with the performance excellence and quality team, regulation and compliance team, and customer service manager, identified that Synergy prepares annual record keeping reports which cover:</p> <ul style="list-style-type: none"> <li>business customer accounts under the affordability and access indicators specified in the <i>2013 Schedule 2 Compendium clause 13.2(b)(i)-(ix)</i>;</li> <li>total number of complaints received from residential and business customers specified in the <i>2013 Schedule 2 Compendium clause 13.3(1)(b)-(f)</i>; and</li> <li>information specified in <i>2013 Schedule 2 Compendium clause 13.15(a)-(d)</i>.</li> </ul> <p>The underlying source of data used to prepare the Record Keeping Report is derived from SAP.</p> <p>Complaints are also logged within SAP against the customer's account. Review of the complaints procedure and SAP noted that service quality staff team members are required to leave detailed interaction notes using the complaints matrix for the following mandatory fields:</p> <ol style="list-style-type: none"> <li>Situation</li> <li>Action taken</li> <li>Resolution</li> </ol> <p>Review of Synergy's website, noted that the record keeping reports have been published on Synergy's website during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 264</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 13.2(c)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>264 (2013)</b>	A retailer must keep a record of the actions it undertook, and the responses from the distributor to those actions, to obtain metering data where the retailer has issued a bill outside of the time frame set out in clause 4.1(b).	
<b>Observations</b>		
<p>Through discussions and observations with the Customer Processing Manager and ICT Manager, we noted that any actions undertaken by Synergy and responses from ATCO are logged and recorded within SAP. Actions undertaken, ATCO reference number, date and time of the response is recorded against the customer's account and this record serves as evidence of actions undertaken.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

**5.4 Obligations with Not Rated compliance rating with no recommendation**

<b>Compliance Manual Reference: 4, 5</b>		<b>Controls / Compliance Rating A / NR</b>
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11WK(1-3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>4</b>	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence.	
<b>5</b>	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	
<b>Observations</b>		
<p>Through discussions and observation with the regulation and compliance team and review of regulation and compliance operations manual, it was noted that during the audit period, gas small-use customers were only supplied gas via a non-standard contract. The regulation and compliance team is responsible for coordinating any directives provided by the Authority.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, all small-use gas customers were supplied gas on a non-standard form contract. No small-use gas customers were supplied gas on a standard form contract. However, Synergy has system controls in place to ensure that a standard form contract continues to be in force until it is terminated or supply becomes subject to a non-standard contract.</p> <p>Review of Synergy's lost consumption procedures identified that Synergy has processes in place to identify premises with gas consumption without a standard or non-standard form contract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 6</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1 Distribution Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11X(3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>6</b>	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	
<b>Observations</b>		
<p>Through discussion and observation with the Risk Coordinator and Retail Services Manager, supplemented with review of documentation, it was noted that reasonable steps have been taken to minimise the extent of any interruption, suspension or restriction to the supply of gas. Synergy has a comprehensive suite of policies and procedures for Business Continuity Management, Emergency Management and Crisis Management.</p> <p>However, review of currency of the policies and procedural documentation (Emergency Load Management Systems (ELMS) Procedure) relating to the minimisation of supply disruption to ensure fairness and transparency noted that it was last updated in April 2009. Management have advised that the ELMS procedure document has been superseded by modifications to the Business Continuity Management and Crisis Management procedures. The logic from ELMS has been incorporated into these documents which will be the working procedures in the event of a supply disruption. We reviewed the Business Continuity Management and Crisis Management procedures with no exceptions were noted.</p> <p>During the audit period, from Synergy's side, there have been no interruptions, suspensions or restrictions to the supply of gas to small use customers due to an accident, emergency, potential danger or other unavoidable cause.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 32, 48</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 12(2) and Regulation 12(6) Clause 5.1.8.1(b) AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>32</b>	Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if <ul style="list-style-type: none"> <li>a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address; and</li> <li>b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.</li> </ul>	
<b>48</b>	A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	
<b>Observations</b>		
<p>Through discussions and observation with the credit portfolio team and review of disconnection policies and procedural documentation it was noted that Synergy will not disconnect or cause a disconnection to occur if a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address or where the issue is the subject of a complaint by the customer and is being reviewed externally and is not resolved.</p> <p>Enquiries with the credit management team, life support team, business sales team and sales support team found that, during the audit period, there were no small-use gas customer with life support status or small-use gas customers with complaints.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, there has been 1 case of disconnection of a small-use gas customer which was due to non-payment. The disconnection process was followed in compliance with the obligation.</p> <p>A walkthrough of the SAP system noted that it is configured to prevent disconnection service request notification to be sent to ATCO when a customer is flagged as requiring life support. In addition, when a customer has entered into a payment arrangement with Synergy or has an external unresolved complaint, a lock is placed on the customer's account preventing a disconnection service request notification to be raised with ATCO.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 43</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 12 (6) Clauses 5.1.3.1 and 5.1.3.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>43</b>	A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over.	
<b>Observations</b>		
<p>Discussion with the marketing and communications manager and review of a sample gas bill template noted that a 24 hour emergency number and information service is available (13 13 52). This number can be found on all small-use gas customer bills, on Synergy's website and in the gas customer charter. The gas customer charter specifies that this number (13 13 52) can be used for emergencies as well as faults/interruptions and is a 24 hour service.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 52, 229</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 12 (6) Clause 5.2.2.2 AGA Code		<b>Reporting Type</b> NR (52) 2 (229)
<b>Obligation Description</b>		
<b>52</b>	If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.	
<b>229</b>	A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.	
<b>Observations</b>		
<p>During the audit period, 1 July 2012 to 30 June 2015, there has been 1 case of disconnection of a small-use gas customer which was due to non-payment. Review of the SAP customer interaction notes and service notifications raised found that the disconnection task was raised before 3pm on a weekday. The customer has not met the criteria for reconnection and as such no reconnection task was raised by Synergy.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 53</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 13 (1) Clause 4.4.6.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>53</b>	If a licensee uses a refundable advance to offset an amount owed, it must provide to the customer an account of its use and pay any balance within 10 business days to the customer.	
<b>Observations</b>		
<p>Through enquiry with the credit portfolio team and business sales team noted that during the audit period 1 July 2012 to 30 June 2015, there were no customers which has paid a refundable advance.</p> <p>Discussions with the credit portfolio team and review of refundable advances policies and procedures identified systems, controls and processes in place to ensure that Synergy complies with the licence obligation.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 69, 184</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.4		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> NR (69) 2 (184)
<b>Obligation Description</b>		
<b>69</b>	A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	
<b>184</b>	A retailer must accept payment in advance from a customer on request. Acceptance of an advance payment will not require a retailer to credit any interest to the amounts paid in advance. The minimum amount for which a retailer will accept an advance payment is \$20.	
<b>Observations</b>		
<p>Through interviews and observation with the customer processing manager and billing officer and a review of payment in advance policies and procedures noted that all payments made in advance are automatically applied into the customer's account within SAP. The minimum amount for which payment in advance is accepted by Synergy is \$20.</p> <p>Through enquiry with the credit management team and customer service team noted that, during the audit period, there were no payments in advance and no customers requesting to have their bill redirected.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 76, 77, 78</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 49(3-5)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>76</b>	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	
<b>77</b>	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	
<b>78</b>	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	
<b>Observations</b>		
<p>Through discussion and walkthrough with the credit portfolio team and review of payment arrangement and final account policies and procedures it was noted that credit management officers and account managers use their best endeavours to contact small-use gas customers who are 20 days past their payment due date. The credit management officers and account managers provide alternative payment arrangements for small-use gas customers who are experiencing payment difficulties. Policies and procedures also outline requirements around credit reporting agencies in compliance with the obligations.</p> <p>Enquiry and walkthrough with the credit portfolio team noted that SAP has system locks in place to prevent legal action taken on customers flagged with either being on a payment arrangement or having an unresolved complaint.</p> <p>During the audit period, there were no instances where a customer reported to a credit reporting agency had cleared their debt.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 81, 83</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Regulation 45 (1), 46 (1) and (2)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>81</b>	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter within 2 business days of the request.	
<b>83</b>	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contracts) Regulations 2004 or a relevant code.	
<b>Observations</b>		
<p>Discussions and observations with the customer service manager, sales support manager, and business sales manager noted that customer facing staff are trained to provide information on obtaining a copy of the gas customer service charter, gas marketing code, the gas compendium and gas energy efficiency brochure.</p> <p>Through interview with the Business Sales team, there is an internal service level agreement for providing the customer with a copy of the customer service charter is two business days from the customer's request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 90</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 5.1 Distribution Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contract) Regulation 33 (3) Clause 3.5.2.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>90</b>	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.	
<b>Observations</b>		
<p>Enquiries with the business sales consultant, and review of policies and procedures identified that it is mandatory for Synergy representatives to wear Synergy identification when meeting with customers and accessing the supply address. Similarly, ATCO has the same policy.</p> <p>It was also noted that all employees of Synergy are made well aware of the identification requirements. The mandatory marketing code of conduct training requires that Synergy staff complies with the following:</p> <p><i>"If face to face contact wear a clearly visible identity card that shows:</i></p> <ul style="list-style-type: none"> <li>• <i>Name of Marketing Representative</i></li> <li>• <i>Photograph</i></li> <li>• <i>Identification number</i></li> <li>• <i>Name of the marketer/retailer"</i></li> </ul> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 103, 107, 110, 111, 281, 282, 283</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1, 3, 12.3 and 24 Schedule 2 Compendium clause 13.1, 13.2 and 13.3		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2 (103, 110, 111, 281, 282, 283) NR (107)
<b>Obligation Description</b>		
<b>103</b>	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	
<b>107</b>	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.	
<b>110</b>	A licensee must provide the Authority within 3 business days of a request by the Authority with reasons for refusing to commence supply to a customer if requested by the Authority.	
<b>111</b>	A licensee must comply with a direction from the Authority to supply a customer, subject to specified conditions.	
<b>281</b>	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the Authority.	
<b>282</b>	A report referred to in clause 13.1 must be provided to the Authority by the date, and in the manner and form, specified by the Authority.	
<b>283</b>	A report referred to in clause 13.1 must be published by the date specified by the Authority.	
<b>Observations</b>		
<p>Through discussions and observation with the legal team and regulation and compliance team, noted that the aforementioned obligations serve as a reserve power for the Authority, should they require the licensee to comply with specific directions.</p> <p>The regulation and compliance team is responsible for managing the relationship between Synergy and the Authority.</p> <p>Any amendments to the small-use gas supply contracts or publications are reviewed by the legal team.</p> <p>Synergy advised during the audit period, 1 July 2012 to 30 June 2015, there were no requests from the Authority with regards to the aforementioned obligations.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 112</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence Schedule 3 clause 2.1 to 2.2		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>112</b>	A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.	
<b>Observations</b>		
<p>Through discussions and walkthrough with the regulation and compliance team and market services manager, and review of the ATCO gas access arrangement contract, Synergy uses ATCO's distribution network for the supply of gas to small-use gas customers.</p> <p>ATCO operates three gas distribution systems in WA:</p> <ul style="list-style-type: none"> <li>▪ The mid-west and south west gas distribution systems</li> <li>▪ The Kalgoorlie gas distribution system</li> <li>▪ The Albany distribution system</li> </ul> <p>ATCO owns, operates and maintains the pipelines and networks. ATCO owns and manages over 13,700KM of distributions pipeline. ATCO is responsible for gas installs reads and maintains the gas meters.</p> <p>Review of Synergy's regulation and compliance operations manual identified standard operating procedures in relation to providing reasonable information relating to its activities to ATCO for the safe and efficient operation of the distribution system.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 113</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence Schedule 3 clause 3.1		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>113</b>	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.	
<b>Obligation Description</b> A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.		
<b>Observations</b> Through discussion and observations with the regulation and compliance team and a review of the regulation and compliance operations manual, the regulation and compliance team is responsible for notifying the Minister of these amendments within the required timeframe.  The price, price structure, fee or interest rate are prescribed under the <i>Energy Coordination (Customer Contracts) Regulations 2004</i> . The price under the standard form contract is set by the Minister of Energy.  During the audit period, 1 July 2012 to 30 June 2015, Synergy did not have gas customers on the standard form contract. All small-use gas customers were supplied gas on a non-standard contract.  Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 124, 125, 126, 127, 128</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 19 Gas Marketing Code of Conduct clause 2.5(1), 2.5(2), 2.7, 2.8 and 2.9		
<b>Licence Obligation:</b> Energy Coordination Act section 11ZPP		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>124</b>	A retailer or gas marketing agent who contacts a customer for the purposes of marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number.	
<b>125</b>	A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must: - wear a clearly visible and legible identity card showing the information specified; and - as soon as practicable provide the customer, in writing, the information specified.	
<b>126</b>	A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises.	
<b>127</b>	A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.	
<b>128</b>	A gas marketing agent must: <input type="checkbox"/> keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing carried out by or on behalf of the gas marketing agent; and <input type="checkbox"/> on request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request.	
<b>Observations</b>		
<p>Through interviews with the business sales team and sales support team, noted that marketing agents are trained to provide, on request, Synergy's complaints telephone number, Energy and Water Ombudsman's telephone. Synergy does not engage in door to door marketing.</p> <p>Synergy has an internal marketing business unit and does not engage with external marketing agents.</p> <p>Synergy's complaints telephone number and Energy and Water Ombudsman telephone number is also found on all small-use gas customer bills.</p> <p>Interviews with the customer service team, complaints team, business sales team and sales support team noted that records to be kept under <i>Gas Marketing Code of Conduct clause 2.9 and the 2013 Gas Compendium clause 13.1(1)</i>, including complaints, are kept within SAP (i.e. customer interaction notes) and Synergy's document management system (DMS) for at least 2 years.</p> <p>Interviews with the complaints team and review of the complaints register identified that during the audit period 1 July 2012 to 30 June 2015, there were complaints from small-use gas customers.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 138, 140, 141, 142, 143</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.2(1), 4.2(3), 4.2(4), 4.2(5) and 4.2(6)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>138</b>	Prior to placing the customer on a shortened billing cycle, a retailer is considered to have given a customer notice if the retailer has advised the customer of the information specified in sub clause 4.2(1)(a)-(d).	
<b>140</b>	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	
<b>141</b>	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	
<b>142</b>	Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid 3 consecutive bills by the due date, to the billing cycle that previously applied to the customer.	
<b>143</b>	At least once every 3 months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.	
<b>Observations</b>		
<p>Enquiry and observations with the credit portfolio team noted that during the audit period, 1 July 2012 to 30 June 2015, Synergy had no small-use gas customers on a shortened billing cycle.</p> <p>Review of Synergy's shortened billing cycle policy identified that small-use gas customers are not entered into a shortened billing cycle unless they meet a certain criteria. Shortened billing cycle systems, policies and procedures are in place to enable Synergy to meet the licence conditions should customers on shortened billing cycles eventuate. SAP is also configured to ensure that a shortened billing cycle is for a period of a least 10 business days.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 148</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>148</b>	A retailer is not obliged to include a graph or bar chart on the bill, if the bill is not indicative of the customer's actual consumption or based upon a meter reading.	
<b>Observations</b>		
<p>Discussions with the customer service manager, billing team and sales support manager noted that at the end of each billing period, Synergy sends a bill to the small-use gas customer outlining all charges payable by the customer under the gas sales agreement for that billing period, including any late payment fees and historical debt.</p> <p>Through discussions and interviews with the business sales and sales support team, there were no instances during the audit period where Synergy had to exercise this obligation.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 154, 155, 156, 157</b>		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.8(1), 4.8(2), 4.8(3) and 4.9		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>154</b>	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	
<b>155</b>	In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner the information specified in sub clause 4.8(2)(a)-(c) The customer may request a verification of a meter reading and a meter reading.	
<b>156</b>	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	
<b>157</b>	If a retailer gives a customer an estimated bill, and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading.	
<b>Observations</b>		
<p>ATCO performs all meter readings. If an actual meter reading is not obtained, estimated meter readings are provided by ATCO. When an actual meter reading is subsequently available, staff process adjustments and the customer will be re-billed based on actual meter readings.</p> <p>Customers are notified on each estimated bill the calculation of the estimated amount.</p> <p>The system is automatically configured to issue an estimated bill with the estimated bill print visible on the bill. Review of the sample estimated bill template noted that it contained information specified in sub clause 4.8(2)(a)-(c).</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 158, 159, 160</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.10, 4.11(1) and 4.11(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> NR (158) 2 (159, 160)
<b>Obligation Description</b>		
<b>158</b>	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer's reasonable charge for reading the meter (if any), the retailer must do so.	
<b>159</b>	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	
<b>160</b>	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	
<b>Observations</b>		
<p>Through observation with customer service team and review of supporting documents, Synergy has processes in place to ensure that a request is made to the distributor if a customer requests a meter test. Synergy will not charge a meter test fee where the meter was found to be faulty. All meter test service request are sent to ATCO through the RGMS portal.</p> <p>Synergy had no customer requests for a verification of a meter reading; or a meter reading; or a meter test, during the audit period. However, Synergy has an established framework to handle these requests should they eventuate.</p> <p>Customers do not pay upfront for the cost of the metering test. At the conclusion of the test, if the meter was found to be defective, there is no fee payable by the customer. However, if the meter was found to be not defective, the customer may be asked to pay a fee for the meter testing. ATCO has a service level agreement with Synergy to perform meter read services.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 163</b>		<b>Controls/ Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.13		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>163</b>	If a customer's gas use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	
<b>Observations</b>		
<p>Through interviews and observation with the regulation and compliance team, business sales team, customer service team and sales support team, Synergy has one regulated standard form gas capped tariff (180JG – 1TJ per year) for non-residential customers operating in Mid-West and South-West areas.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, all small-use gas customers were supplied gas on a non-standard form contract. There were no small-use gas customers on a standard tariff.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 165, 165A</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Gas Customer Code clause 4.14(2), 4.14(3)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>165</b>	If the customer's account is in credit at the time of account closure, the retailer must repay the amount to the customer.	
<b>165A</b>	If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).	
<b>Observations</b>		
<p>Review of the final bill procedures, indicated that there were processes and procedures in place if the customer requests an issue of a final bill. The procedure outlines systems and processes in place to ensure that Synergy use reasonable endeavours to arrange for a final bill if in accordance with the customer's request.</p> <p>Enquiry with the credit portfolio team and review of the credit transfer policy and final bill procedures noted that if an account is in credit at the time of the final bill, a bill message will advise the customer to contact Synergy to arrange a refund. The policy sets out the relevant refund process and related timeframes.</p> <p>Enquiry with the credit portfolio team identified that, during the audit period, there have been no instances where a small-use gas customer has been in credit at the time of account closure.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 166, 167, 168, 169, 170, 171, 172, 173, 177</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.15, 4.16(1)(a) and 4.16(1)(b), 4.16(2), 4.16(3), 4.17(2), 4.18(2) and 4.18(3)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2 (166, 167, 168, 169, 170, 171, 173, 177) NR (172)
<b>Obligation Description</b>		
<b>166</b>	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	
<b>167</b>	If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer; - may require a customer to pay the unpaid amount; - must advise the customer that the customer may request the retailer to arrange a meter test in accordance with applicable law; and; - must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.	
<b>168</b>	If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	
<b>169</b>	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	
<b>170</b>	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable	
<b>171</b>	If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in sub clauses 4.17.(2)(a)-(e).	
<b>172</b>	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and ask the customer for instructions as to whether the amount should be credited to the customer's account; or repaid to the customer.	
<b>173</b>	If a retailer receives instructions under sub clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. No interest shall accrue to a credit or refund referred to in this sub clause.	
<b>177</b>	If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to sub clause (5), ask the customer for instructions as to whether the amount should be - credited to the customer's account; - repaid to the customer; or; - included as a part of the new bill smoothing arrangement where the adjustment arises under clause 4.3(2)(a)-(b).	
<b>Observations</b>		
<p>Based on discussion with the customer service manager, business sales manager and sales support manager noted that the account managers, in consultation with the billing team, are responsible for adjusting any undercharged or overcharged amounts to the correct amount. If a customer is overcharged, the customer will be re-billed with the correct amount. If the customer has paid the overcharged amount prior to the re-bill, a credit will automatically be placed against the customer's account. Amounts credited may be refunded by way of cheque or EFT on the customer's request.</p> <p>Synergy does not require customers to pay the disputed bill amount until the bill issue has been resolved. Synergy has system controls within SAP to prevent the customer from paying the disputed bill amount until the bill issue has been resolved. Once Synergy has determined the outcome of the bill review, the customer is immediately informed of the outcome and requested to pay the amount that is correct. Findings of the review are available to the customer on request.</p> <p>Observation with the credit portfolio team and business sales team asserted that during the audit period, no small-use gas customers were overcharged, undercharged and there were no customer's request for bill review.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 174</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.18(4)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>174</b>	If a retailer does not receive instructions under sub clause 4.18(2) within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account. No interest shall accrue to a credit or refund referred to in this sub clause.	
<b>Observations</b>		
<p>Enquiry with the credit portfolio team and review of the credit transfer policy noted that if Synergy does not receive instructions from the customer under Gas Compendium sub clause 4.18(2), the overcharged amount is automatically transferred into the small-use gas customer's account.</p> <p>Observation with the credit portfolio team and business sales team asserted that during the audit period, no small-use gas customers were overcharged and undercharged. However, Synergy has systems controls and processes in place to ensure compliance with the licence condition.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 175, 175A</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.18(6) and 4.18(7)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>175</b>	Where the overcharged amount is less than \$75 the retailer may notify the customer of the overcharge by no later than the next bill after the retailer became aware of the error, and <ul style="list-style-type: none"> <li>ask the customer for instructions in accordance with sub clause 4.18(2); or</li> <li>credit the amount to the customer's account.</li> </ul>	
<b>175A</b>	Where the customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties, financial hardship or subject to an alternative payment arrangement, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit the retailer must deal with that amount of credit in accordance with clause 4.18(2) or 4.18(6) where the amount is less than \$75.	
<b>Observations</b>		
<p>Discussions and observation with the credit portfolio team and review of the credit refund policies and procedures noted that customers overcharged by Synergy are sent a letter, together with their next bill, requesting them to contact Synergy if they would like to arrange for a refund. The credit portfolio team will arrange for a refund as directed by the small-use gas customer's instructions within 3 business days.</p> <p>Enquiry with the credit portfolio team and business sales team asserted that during the audit period, no small-use gas customers were overcharged. However, Synergy has systems controls and processes in place to ensure compliance with the licence condition.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 176, 178, 179, 180, 180A</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 4.19(1), 4.19(3), 4.19(4), 4.19(5) and 4.19(6)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2 (176, 178) NR (179, 180, 180A)
<b>Obligation Description</b>		
<b>176</b>	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of the customer, the retailer must follow the procedure specified in sub clause 4.19(1)(a)-(d).	
<b>178</b>	If a retailer received instructions under sub clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. No interest shall accrue to an adjustment amount.	
<b>179</b>	If a retailer does not receive instructions under sub clause 4.19(2) within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account. No interest shall accrue to an adjustment amount.	
<b>180</b>	Where the adjustment amount owing to the customer is less than \$75, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and - ask the customer for instructions in accordance with sub clause 4.19(2); or - credit the amount to the customer's account.	
<b>180A</b>	Where the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties, financial hardship or subject to an alternative payment arrangement, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit the retailer must deal with that amount of credit in accordance with clauses 4.19(2) or 4.19(5) where the amount is less than \$75.	
<b>Observations</b>		
<p>Through enquiries with the customer service manager, business sales manager and sales support manager noted that the account managers, in consultation with the billing team, are responsible for any adjustments. Review of the credit management operations manual noted that Synergy has systems and controls in place to comply with the aforementioned licence conditions.</p> <p>Discussions with the credit portfolio team, regulation and compliance team, and business sales manager identified that, during the audit period, there was 1 instance of Synergy recovering an amount of an adjustment from their small-use gas customers. However, in this case it was due to the act or omission by the customer and the customer's non-application for gas consumption.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 186A</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.6(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>186A</b>	Where the retailer has charged a late payment fee in the circumstances set out in clause 5.6(1)(c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	
<b>Observations</b>		
<p>Through interviews with the business sales team and review of the miscellaneous credit procedure noted that a customer can request a refund of a fee if the request meets the criteria specified. Where Synergy is at fault or has charged a fee in error, the fee must be refunded to the customer's account or the customer may request a credit on their account.</p> <p>Enquiries with the complaints team and review of the complaints register determined that there were no customer complaints during the audit period 1 July 2012 to 30 June 2015.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period, we were unable to test for compliance.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 191</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.7(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>191</b>	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice.	
<b>Observations</b>		
<p>Discussions with the customer service manager and billing officer noted that once the supply address is vacated, the time and date of the contract termination is recorded in the customer's account in SAP and communicated to ATCO through the RGMS portal. Once recorded in SAP the customer is not required to pay for the supply of gas after this period.</p> <p>Discussions with the customer service manager and billing officer noted that during the audit period, this obligation was not exercised for small use gas customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 194, 196, 221, 227</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 5.8(1), 5.8(2), 6.11 and 7.6		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 1 (227) 2 (194, 196, 221)
<b>Obligation Description</b>		
<b>194 (2013)</b>	A retailer must comply with the Conduct Principles set out in the debt collection guideline issued by the Australian Competition and Consumer Commission (ACCC) concerning section 50 of the Australian Consumer Law (WA).	
<b>196</b>	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	
<b>221</b>	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	
<b>227 (2013)</b>	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	
<b>Observations</b>		
<p>Enquiry with the credit portfolio team and review of the debt collection procedures identified processes to ensure staff compliance with the conduct principles and debt collection guidelines issued by the ACCC. Enquiries with the learning and development team and review of training compliance register found that the credit portfolio team have undergone training to ensure that staff are aware of the conduct principles set out in the debt collection guideline issued by the ACCC.</p> <p>In the review of the final collections process (gas and electricity) it is identified that before referral to their collection agency, Synergy must ensure that they have confirmed the correct legal entity via search ABN look up and ASIC register for ACN's.</p> <p>Discussions and interview with the senior business credit management officer identified that Synergy only attempts to recover a debt from the persons authorised on the business account. The sales department performs all the validation checks on the persons listed on the account.</p> <p>Prior to disconnection of gas the small-use gas customer with an outstanding debt, Synergy offers alternative payment arrangements for small-use gas customers who are experiencing payment difficulties.</p> <p>Enquiries with the credit portfolio team noted that during the audit period, 1 July 2012 to 30 June 2015, there were no small-use gas customers referred on to a debt collection agency.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with these obligations.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 225, 228</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 7.4 and 8.1(2)		
<b>Licence Obligation:</b> Energy Coordination Act 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>225</b>	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in sub clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in sub clause 7.4(1) on behalf of the retailer.	
<b>228</b>	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply address if the customer makes a request for reconnection, and pays the retailer's reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges for reconnection.	
<b>Observations</b>		
<p>Discussions and observation with the credit portfolio team and a review of contract management and credit management manual noted reconnection policies and procedures for reconnecting after a disconnection for non-payment exist. Through SAP, a reconnection service request is issued if a minimum of half the debt is paid within 14 days or if a customer has made an arrangement for payment of the overdue amount. The reconnection task timeframe is within 7 business days.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, there has been 1 case of disconnection of a small-use gas customer due to non-payment. However, the customer did not pay the overdue amount or make a payment arrangement for reasonable charges under Gas Compendium clause 8.1.</p> <p>During the audit period, 1 July 2012 to 30 June 2015, there has been no cases of disconnection due for denial of access to meter. Enquiry and observation with the credit portfolio team noted that Synergy does not disconnect for denial of access to a gas meter.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 232, 233</b>		<b>Controls / Compliance Rating</b> A / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 10.1(2) and 10.1(3)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>232</b>	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer.	
<b>233</b>	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.	
<b>Observations</b>		
<p>Based on discussions with the customer service manager, business sales manager and sales support manager and review of tariff change procedures and website information noted that Synergy has processes in place to ensure that notice is given of any variations in tariffs to each of the customers affected no later than the next bill in a customer's billing cycle.</p> <p>Tariff information can also be found on Synergy's website:  <a href="http://www.synergy.net.au/for_business/small_medium_business/prices_and_rebates.xhtml">http://www.synergy.net.au/for_business/small_medium_business/prices_and_rebates.xhtml</a></p> <p>During the audit period, Synergy had no residential customers and 82 small-use gas customers who were all supplied gas on non-standard form contracts. Synergy has internal service level agreements in place for responding with customer's request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 254, 255, 255A, 256, 257, 258</b>		<b>Controls / Compliance Rating A / NR</b>
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 12.3(1)(a-b), 12.1(4), 12.2, 12.3 and 12.4		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>254</b>	A retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor, when responding to a customer complaint.	
<b>255</b>	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Free call telephone number of the gas ombudsman.	
<b>255A</b>	A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	
<b>256</b>	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	
<b>257</b>	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	
<b>258</b>	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).	
<b>Observations</b>		
<p>Interviews with the service quality team and review of the complaints policies and procedures identified the existence of internal processes for handling complaints. Synergy has a dedicated complaints team within their service quality team who are trained to manage complaints and resolve disputes. The complaint handling process is outlined in the Synergy's complaints policy</p> <p>Review of the complaints policy noted a detailed complaints handling guide. Synergy's complaint resolution policy brochure is also available to customers at no cost on the company's website. The brochure outlines the complaints handling procedure, and provides guidance on how to lodge a complaint and how Synergy will handle complaints. As part of the complaints handling process, customers are also advised of the complaints escalation to a senior employee or that they may contact the Energy and Water Ombudsman.</p> <p>An automated email is generated and sent to the customer notifying them that their complaint has been acknowledge and a response will be provided shortly. Review of the guideline for responding to written complaints noted that Synergy has systems and processes in place to respond to all complaints within 20 days of being received as per the <i>Gas Compendium clause 12.1(4)</i>.</p> <p>It was also noted that, the service quality team would assess the complaint and determine whether ATCO or Synergy were the appropriate entity to handle the complaint. If the service quality team determines that the complaint should be handled by ATCO, as per the complaints policy, they can transfer the customer directly to an ATCO representative or provide them with ATCO's contact details.</p> <p>Enquiries with the business sales team, customer service team, complaints team and review of the complaints register noted that during the audit period 1 July 2012 to 30 June 2015 there has been no complaints have been received from small-use gas customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and due to no events occurring in the audit period, we are unable to determine Synergy's compliance.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

## 5.5 Obligations rated Not Applicable during the audit

Compliance Manual Reference: 35, 36, 37, 38, 39, 42		Controls / Compliance Rating NA / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Regulation 12 (5)(a-e) and 12 (6) Clauses 5.1.2.1 and 5.1.2.2 AGA Code		Reporting Type NR
Obligation Description		
35	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	
36	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	
37	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	
38	A licensee must reconnect supply to a customer within 10 business days after disconnection for refusal to pay a refundable advance, if the customer pays the refundable advance and the customer has paid any applicable reconnection fee.	
39	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	
42	A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.	
<b>Observations</b> Discussions and observation with the billing team and credit portfolio team noted that Synergy does not perform disconnections and reconnections of gas supply to a customer. The distributor, ATCO, is responsible for performing the disconnections and reconnections of gas supply to a customer.  Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.		
<b>Adequacy of Controls Rating</b>		NA – Not Applicable
<b>Compliance Rating</b>		NR – Not Rated
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 44, 45</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 12 (6) Clauses 5.1.4.1, 5.1.4.2, 5.1.5.1 and 5.1.5.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>44</b>	A licensee who disconnects supply for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issue a notice to the customer of its intention to disconnect supply at least 5 business day's notice prior to the disconnection date.	
<b>45</b>	A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavours to minimise disruption and restore supply.	
<b>Observations</b>		
<p>Enquiry and walkthrough with the credit portfolio team identified that during the audit period, 1 July 2012 to 30 June 2015, there were no cases of disconnection due to emergency situation or for health, safety or maintenance reasons.</p> <p>ATCO is responsible for disconnection for an emergency situation or for health and safety reasons. Synergy provides small-use gas customers with the distributor's state-wide 24 hours/7 days hotline for gas emergencies and faults. ATCO will arrange with the customer any disconnections due to maintenance, or health and safety reasons.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 46</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 12 (6) Clause 5.1.7.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>46</b>	A licensee must not disconnect supply for failure by a customer to pay a refundable advance without giving a written notice to the customer of its intention to disconnect at least 5 business days prior to the disconnection date.	
<b>Observations</b>		
<p>Through enquiry and walkthrough with the credit portfolio team, business sales team and sales support team identified that there were no instances of a disconnection for failure by a customer to pay a refundable advance. However, Synergy has documented policies and procedures for issuing refundable advances and disconnection by failure to pay a refundable advance.</p> <p>Discussions and observation with the billing team and credit portfolio team noted that Synergy does not perform disconnections of gas supply. The distributor, ATCO, is responsible for performing the disconnections and reconnections of gas supply to a customer.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 61, 62</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 15 (1) and 15 (2) Clause 4.2.3.2 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>61</b>	A licensee must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	
<b>62</b>	If a customer does not direct how a payment is to be allocated, a licensee must apply the payment — (i) to charges for the supply of gas before applying any portion of it to such goods or services; or (ii) if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.	
<b>Observations</b>		
<p>Through enquiry and walkthrough with the credit portfolio team and customer service team identified that, during the audit period, there were no small-use gas customer directing payments on their gas bill. Each invoice has a payment slip attached at the bottom, offering the methods of payment for the invoiced amount.</p> <p>Payments received from small-use gas customers are configured within SAP to be applied towards the direct charges for the supply of gas for the oldest outstanding bill prior to any portion of other goods or services.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>		NA – Not Applicable
<b>Compliance Rating</b>		NR – Not Rated
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 67</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 15 (1) Clause 4.2.4.5 AGA Code		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>67</b>	A licensee must read a customer's meter upon request and may impose a fee for doing so.	
<b>Observations</b>		
<p>ATCO provides Synergy with metering data prior to the bill date. Should ATCO fail to obtain an actual meter reading, a substitute reading is provided by ATCO. When an actual meter reading is subsequently available, billing staff process adjustments and the customer will be re-billed based on actual meter readings. Billing is always based on metering data supplied by ATCO.</p> <p>Synergy does not perform meter readings for the supply of gas.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 70</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 16 (3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>70</b>	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless — <ul style="list-style-type: none"> <li>a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and</li> <li>b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.</li> </ul>	
<b>Observations</b>		
<p>Any contract breaches are handled by the business sales and sales support team with consultation with the legal team. During the audit period, 1 July 2012 to 30 June 2015, there were no cases of termination of small-use gas customer's contract due to a breach of the contract.</p> <p>Discussions and observation with the business sales team and credit portfolio team noted that Synergy does not have the right to disconnect supply of gas due to a breach of the contract.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however, due to no events during the audit period we were unable to test Synergy's compliance with this obligation.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 73</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 5.1		
<b>Licence Obligation:</b> Energy Coordination (Customer Contracts) Regulation 27 (4) and 40 (3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>73</b>	A licensee must not supply gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	
<b>Observations</b>		
<p>Through enquiries and interviews with the regulation and compliance team, customer service team, legal team, business sales team and sales support team, Synergy does not engage in door to door marketing or contracting.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 109</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 15.1 and 15.2		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>109</b>	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer.	
<b>Observations</b>		
<p>Enquiries with the business sales team and sales support team identified that Synergy does not interrupt the supply of gas to small-use gas customers and continue to supply gas to the customer so long as there is a contract in place. If the customer's non-standard contract expires, they will be placed on a standard rate contract and continue supplying gas to the customer until they decide to renew their contract or churn out.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 241, 242</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5A(1), 10.5A(2)		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>241</b>	The retailer must, within 3 months of being subject to the Compendium, lodge with the Authority, a gas customer safety awareness programme.	
<b>242</b>	The retailer must consult with the Authority when preparing the gas customer safety awareness programme.	
<b>Observations</b>		
<p>Through discussions walkthrough with the regulation and compliance team and a review of Synergy's website, we noted that Synergy's has a gas safety awareness program. The program has been previously submitted to the Authority in the previous audit period.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>		NA – Not Applicable
<b>Compliance Rating</b>		NR – Not Rated
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Gas Trading Licence Performance Audit Report

<b>Compliance Manual Reference: 267</b>		<b>Controls / Compliance Rating</b> NA / NR
<b>Licence Clause:</b> Trading Licence clause 2.1 Schedule 2 Compendium clause 13.5		
<b>Licence Obligation:</b> Energy Coordination Act section 11M		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>267 (2013)</b>	A retailer must keep a record of the call centre performance indicators specified in clause 13.5(a)-(e).	
<b>Observations</b>		
<p>Through discussion and observation with the regulation and compliance officer, customer experience manager, performance excellence and quality manager, and business sales manager, it was noted Synergy does not have a call centre for gas small-use customers.</p> <p>Small-use gas customers are allocated account managers that look after their accounts and queries.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Appendix 1. – Licensee's representatives who participated in the audit

The table below outlines all personnel who were involved in discussions and contributed to the findings detailed in this Audit Report.

#	Name	Title
1	Simon Thackray	Regulation and Compliance Manager
2	Suzanne Lloyd	Regulation and Compliance Officer
3	Karthi Mahalingham	Network Regulation and Compliance Manager
4	Steven Langridge	Business Sales Manager
5	Anazia Farla	Business Sales Consultant
6	Andrew Pearsall	Business Sales Consultant
7	Gerda Becker	ICT Applications Manager
8	Carolyn Peel	Customer Service Manager
9	Dee Christiansen	Service Quality Team Leader
10	Kylie Giles	Customer Processing Manager
11	Marjellie Dumoran	Billing Officer
12	Liesja Hagenson	Contact Centre Manager
13	Paul Bresloff-Barry	Market Services Manager
14	Aroha Rongo	Retail Business Compliance Coordinator
15	Pina Tarantolo	Business Systems Analysis Manager
16	Cory Thorpe	Business Systems Analyst
17	Krystal Skinner	Marketing and Communications Manager
18	Ben Hammond	Residential Segment Manager
19	Andrea Chapman	Legal Manager
20	Amit Kabra	Financial Controller
21	Craig Butler	Collections Manager (Strategy)
22	Sara Deveney	Senior Credit Management Officer
23	John Coulter	Performance Excellence and Quality Manager
24	Gordon Mason	Sales Support Manager
25	Cameron Benness	Contract Manager
26	Joshua Reeby	Senior Sales Support Officer

## Appendix 2. – Key Documentation and information sources

The table below outlines all documents used in this Audit Report.

#	Title
1	Knowledge Base (KB) – complaints - create complaint from interaction/task
2	KB - collections timeline for gas customers - credit management
3	KB - complaint matrix
4	KB - create a service notification process
5	KB - customer charter and codes
6	KB - customer management- interactions
7	KB - customer management- update customer details - update mailing address
8	KB - customer movements - standard move out
9	KB - final invoice process
10	KB - gas new connection process
11	KB - gas short billing cycle
12	KB - gas supply tariffs process
13	KB - gas tariff information
14	KB - how to raise a re-bill task process
15	KB - how to run a consumption and expenditure report for the customer
16	KB - how to select the task type process - billing task matrix
17	KB - mandatory declaration
18	KB - meter check - information regarding gas check reads
19	KB - outstanding debt process- transferring debts to active accounts and transferring credits between accounts
20	KB - payment arrangements
21	KB - price and charges - gas tariff information
22	KB - product change
23	KB - read your meter
24	KB – reconnection - gas
25	KB - refunds outside of delegated financial authority
26	KB - refusing supply to a gas customer
27	KB - supply of gas
28	KB - unbilled invoices
29	Sample - downward migration letter
30	Sample - tariff migration flyer insert sample
31	Sample - transfer advice letter and Invoice
32	Sample - verifiable consent form
33	Sample – bill - change of rate associated with tariffs included on bills.
34	Sample - disconnection letter template
35	Sample - reminder letter template
36	Sample - standard letter templates (code # GNRC/CONF/TRNS-TL01)
37	Sample - tariff communications with customers
38	Sample - tariff migration flyer insert
39	Standard operating procedure (SOP) - billing and invoicing

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<b>40</b>	SOP - complaints process
<b>41</b>	SOP - create complaint from interaction/task
<b>42</b>	SOP - credit management- gas disconnections
<b>43</b>	SOP - credit transfer and account maintenance
<b>44</b>	SOP - direct debit process
<b>45</b>	SOP - final account procedure for gas and electricity
<b>46</b>	SOP - final invoice
<b>47</b>	SOP- final invoice
<b>48</b>	SOP - gas disconnections
<b>49</b>	SOP - gas sales process and gas sales script
<b>50</b>	SOP- incident management
<b>51</b>	SOP - manage quotes
<b>52</b>	SOP- meter check read
<b>53</b>	SOP - meter test
<b>54</b>	SOP- miscellaneous credits process
<b>55</b>	SOP- monitoring processes
<b>56</b>	SOP – business process exception (MR02)
<b>57</b>	SOP – business process exception (MR05)
<b>58</b>	SOP - outbound call guidelines
<b>59</b>	SOP - payment allocation rules
<b>60</b>	SOP- process for basic reads
<b>61</b>	SOP - process for interval reads
<b>62</b>	SOP- rebill for gas
<b>63</b>	SOP - rebill reference guide
<b>64</b>	SOP - refundable advance process
<b>65</b>	SOP - run a business intelligence report
<b>66</b>	SOP - SAP quote accept process
<b>67</b>	SOP- security deposit process including refundable advances
<b>68</b>	SOP - service notifications - create a service notification
<b>69</b>	SOP - small use gas customer recontracting process
<b>70</b>	SOP - tariff migration process
<b>71</b>	Business continuity management system (West)
<b>72</b>	Business continuity management policy (West)
<b>73</b>	Business continuity management strategy position paper (Adelaide Terrace)
<b>74</b>	Crisis management and response plan (West)
<b>75</b>	Crisis management and response plan - (East)
<b>76</b>	Crisis management and response toolkit (West)
<b>77</b>	Crisis management and response toolkit (East)
<b>78</b>	Emergency preparedness and response toolkit (West)
<b>79</b>	Emergency response plans and procedures (west)
<b>80</b>	Emergency response plans and procedures (west)
<b>81</b>	Special risk plan
<b>82</b>	Business continuity plan - Australia Place
<b>83</b>	Business continuity plan - fuel supply disruption
<b>84</b>	Australia place information technology disaster recovery strategy (Adelaide Terrace)
<b>85</b>	Australia place information technology disaster recovery strategy (Australia Place)
<b>86</b>	Information technology disaster recovery strategy (Adelaide Terrace)

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<b>87</b>	Information technology disaster recovery strategy: action plan (Australia Place)
<b>88</b>	Exercising, maintenance and awareness plan (West)
<b>89</b>	Crisis control document pack (including emergency management procedures)
<b>90</b>	Signed audited financial report 2013
<b>91</b>	Signed audited financial report 2014
<b>92</b>	Regulation and compliance operations manual
<b>93</b>	Gas compliance manual and regulation and compliance calendar
<b>94</b>	Residential and small to medium enterprise collection paths
<b>95</b>	ATCO access contract
<b>96</b>	Telstra service level agreement
<b>97</b>	AAPT service level agreement
<b>98</b>	Alphawest service level agreement
<b>99</b>	Standard gas sales agreement terms and conditions
<b>100</b>	Non-standard gas agreement terms and conditions
<b>101</b>	Standard gas sales agreement terms and conditions (solicited)
<b>102</b>	REMCo market rules
<b>103</b>	REMCo business to business process flows
<b>104</b>	Gas customer charter
<b>105</b>	Synergy's standard gas sales agreement application
<b>106</b>	Energy efficiency information
<b>107</b>	Online compulsory training on business and industry compliance ("Learn Connect" program)
<b>108</b>	Fact sheet #8 Energy and Water Ombudsman of Western Australia
<b>109</b>	In-house sales coaching training and checklist
<b>110</b>	Complaint statistics recorded by the service quality team
<b>111</b>	Campaign strategy (2015)
<b>112</b>	List of customers on standard and non-standard contracts

## Appendix 3. – Summary of Tables

Table #	Description
1	Compliance Risks
2	Consequence Rating
3	Likelihood Rating
4	Inherent Risk Rating - Consequence
5	Inherent Risk Rating
6	Adequacy Rating
7	Audit Priority
8	Risk Assessment Outcomes
9	Audit Priority by Obligation
10	Nature of Testing and Sample Size
11	Compliance and Controls Rating Scales
12	Audit Members and Hours
13	Actions in Response to Previous Report Recommendations
14	Compliance Profile
15	Previous Non Compliances and Audit Recommendations - (A) Resolved Before End of Previous Audit Period
16	Previous Non Compliances and Audit Recommendations - (B) Resolved During Current Audit Period
17	Previous Non Compliances and Audit Recommendations – (C) Unresolved at end of Current Audit Period
18	Current Audit Non Compliance and Recommendations – Resolved During Current Period
19	Current Audit Non Compliance and Recommendations – Unresolved at end of Current Audit Period
20	Compliance Summary

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