



# Electricity Retail Licence (ERL1)

## Performance Audit Report

Electricity Generation and Retail Corporation  
trading as Synergy

November 2015



# Electricity Retail Licence Performance Audit Report

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# Abbreviations

Abbreviation	Definition
Authority	Economic Regulation Authority
BAU	Business as usual
BPEM	Business process exception management
CDN	Customer detail notification
CRM	Customer relationship management
CSO	Customer support officer
CSR	Customer service representative
DMS	Document management system
ETAC	Electricity transfer access contract
HUGS	Hardship utility grant scheme
ICT	Information and communication technology
IMO	Independent Market Operator
ISU	Industry specific solution for utilities (billing system)
MDH	Market data hub
MDN	Meter data notification
MDV	Meter data verification
MsgAck	Message acknowledgement
MsgNAck	Message non acknowledgement
NMI	National metering identifier
P2P	Promise to pay
RBU	Retail Business Unit
REBS	Renewable energy buyback scheme
SAP	Systems applications and products
SLA	Service level agreement
SOP	Standard operating procedure
SSO	Sales support officer
SSP	Service standard payment
SSR	Senior service representative
T&T	Transformation and technology
TTY	Teletypewriter

# Electricity Retail Licence Performance Audit Report

## 1 Executive Summary

### 1.1 Introduction

This document presents the findings emanating from Electricity Generation and Retail Corporation trading as Synergy ("Synergy") Electricity Retail Licence (ERL) 1 Performance Audit ("Audit") that was conducted by KPMG.

The Audit covered the period 1 July 2013 to 30 June 2015. The Audit was undertaken in accordance with the Audit plan that was presented to and approved by the 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 ERL1. To this end, the Audit focused on Synergy's systems, processes, governance structures, reporting regimes and regulatory culture to ensure compliance with the obligations, standards, outputs and outcomes stipulated in the licence.

### 1.3 Scope

The scope of the Audit 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 2013 to 30 June 2015 for ERL1. 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 electricity retail operations are:

- Electricity Compliance Reporting Manual January 2013
- Electricity Compliance Reporting Manual May 2014
- Electricity Compliance Reporting Manual July 2014
- Electricity Compliance Reporting Manual September 2014
- Electricity Industry Customer Transfer Code 2004
- Electricity Industry (Licensing Fees) Regulations 2005
- Electricity Industry (Obligation to Connect) Regulations 2005

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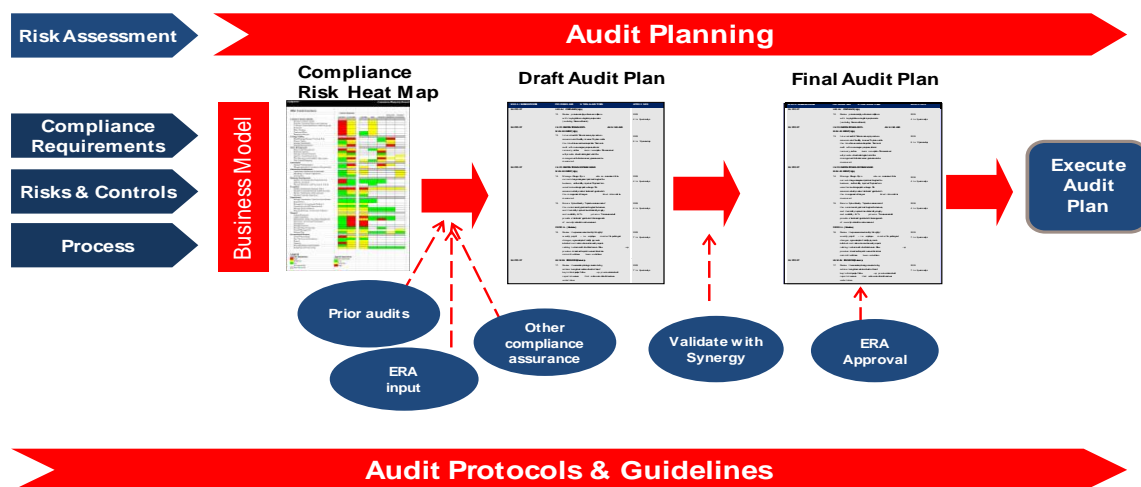
- Electricity Industry (Licence Conditions) Regulations 2005
- Electricity Industry (Code of Conduct) Regulations 2005
- Electricity Industry (Customer Contracts) Regulations 2005
- Electricity Industry (Ombudsman Scheme) Regulations 2005
- Electricity Industry Act 2004
- Electricity Retail Licence ERL1
- Code of Conduct for the Supply of Electricity to Small Use Customers 2012
- Code of Conduct for the Supply of Electricity to Small Use Customers 2012 as amended 2013
- Code of Conduct for the Supply of Electricity to Small Use Customers 2014
- Electricity Industry Metering Code 2012
- Economic Regulation Authority (Licensing Funding) Regulations 2014

## 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



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## 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 ERL1 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, KPMG 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.
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	Significant percentage of complaints not being correctly handled.	More widespread breaches of legislative obligations or licence conditions over time.

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Rating		Non-compliance		
Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions	Supply quality and reliability	
		<p>number of customers affected and/or extended duration and/or damage to customer equipment.</p> <p>Supply interruptions affecting significant proportion of customers on the network for up to one day.</p> <p>Significant number of customers experiencing excessive number of interruptions per annum.</p> <p>Significant percentage of new connections not provided on time/ some customers experiencing extended delays.</p>	<p>Customers not receiving correct advice regarding financial hardship.</p> <p>Significant percentage of bills not issued on time.</p> <p>Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective.</p> <p>Instances of wrongful disconnection.</p>	<p>Compliance framework requires improvement to meet minimum standards.</p>
3	Major	<p>Supply interruptions affecting significant proportion of customers on the network for more than one day.</p> <p>Majority of new connections not completed on time/ large number of customers experiencing extended delays.</p>	<p>Significant failure of one or more customer protection processes leading to ongoing breaches of standards.</p> <p>Ongoing instances of wrongful disconnection.</p>	<p>Wilful breach of legislative obligation or licence condition.</p> <p>Widespread and/or ongoing breaches of legislative obligations or licence conditions.</p> <p>Compliance framework not fit for purpose, requires significant improvement.</p>

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
B	Probable
C	Unlikely

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

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Described below are the inherent risk ratings:

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

Table 5: Inherent Risk Rating

## 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	ERL1 Risk Ranking by Obligation
<b>High</b>	72
<b>Medium</b>	109
<b>Low</b>	98
<b>Not Applicable</b>	6
<b>TOTAL</b>	<b>285</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	ERL1 Audit Priority by Obligation
Priority 1	35
Priority 2	52
Priority 3	3
Priority 4	95
Priority 5	94
Not Applicable	6
<b>TOTAL</b>	<b>285</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. In addition Synergy also self-identified areas of Audit focus on specific obligations which was reflected in the Audit plan approved by the Authority.

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.

We have reported an adequacy of controls rating and compliance rating for applicable obligations using the following structure in line with the Authority's Audit and Review Guidelines April 2014 (**guidelines**):

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

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	22.5
Danielle Burnett, Engagement Manager	75
Lele Dai, Lead Auditor	300
Kayleigh van Eyk, Field Auditor	170
Ricky Cheng, Field Auditor	180
Justin Sutrisno, Field Auditor	230
<b>Total</b>	<b>977.5</b>

Table 12: Audit Members and Hours

## 1.11 Culture of Compliance

Through conducting the 2015 ERL1 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 an easy to understand guidance for staff.

The strength of the compliance culture is also demonstrated through the comprehensive self-reporting of identified breaches. Where Synergy 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 the 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 were 13 issues raised in the prior audit period which remain unresolved at the end of the current audit period. Where items remain unresolved (table C. unresolved at the end of the current Audit period) and they relate to a matter raised in the current Audit period the current KPMG recommendation reference is detailed in the final column. 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- Significant weaknesses and/or serious action required	-	-	-
2- Does not meet minimum requirements	2	5	9
3- Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance	-	2	4
4- Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance	-	1	-
5- Compliant with no further action required to maintain compliance	-	-	-
<b>Total</b>	<b>2</b>	<b>8</b>	<b>13</b>

Table 13: Actions in Response to Previous Report Recommendations

## 1.13 Compliance summary from current audit

This performance audit involved the testing of 279 out of a total of 285 licence obligations. The difference of 6 obligations not tested was because they were determined as not applicable to Synergy during the planning stage of the audit. There were also 39 obligations with a Not Rated compliance rating and no recommendations due to no testable events in the audit period. This is consistent with the requirements stipulated within the guidelines.

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The table below illustrates the compliance profile of Synergy. There are 52 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 18 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.

		Adequacy of controls					Subtotal
ERL1		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/A – Not Applicable	
Compliance Rating	1 – Compliant	170	7	0	– 0	– 0	177
	– 2 – Non-compliant minor	– 26	12	0	0	– 0	38
	– 3 – Non-compliant moderate	– 5	– 7	– 0	– 0	– 0	– 12
	– 4 – Non-compliant major	– 0	– 1	– 0	– 0	– 0	– 1
	– N/R - Not Rated	– 39	9	0	0	– 3	51
Total							279

Table 14: Compliance Profile

The number of breaches reported above needs to be taken in the context of Synergy's operations as a mass scale retailer. Synergy has more than 1 million customers, issues more than 6 million bills per annum, processes more than 400,000 customer movements (in and out of premises), receives approximately more than 1 million telephone calls and processes more than 1.2 million concession payments annually.

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 ERL1 Performance Audit for the period 1 July 2012 to 30 June 2015.

### Directors' responsibility for overseeing compliance with ERL1

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 ERL1. management's assertions about the effectiveness of these control procedures in relation to the Audit are included in the ERL1 control register as detailed in the Audit plan presented and approved by the Authority on 5 August 2015. Our responsibility

Our responsibility is to express a conclusion to directors on the effectiveness of the control procedures based on the obligations stipulated in ERL1.



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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 controls 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 ERL1 for the period 1 July 2012 to 30 June 2015.

19 November 2015

## 2 Previous Non Compliances and Audit Recommendations

The tables below show previous non compliances and recommendations. Where items remain unresolved (table C. unresolved at the end of the current Audit period) and they relate to a matter raised in the current Audit period the current KPMG recommendation reference is detailed in the final column.

Note – in relation to obligation reference numbers:

Font in bold and black: are the corresponding obligations numbers in the September 2014 Electricity Compliance Reporting Manual.

Font in blue: are the obligations numbers in the February 2013 Electricity Compliance Reporting Manual.

A. Resolved before end of previous audit period				
Reference (no.) Obligation number and report year	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
234 230	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> A retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.</p> <p><b>Details:</b> Based on our discussions with the Manager of Credit Management and through review documentation such as policies and procedures pertaining to disconnections, the model SLA between Synergy and the Network Operator, we determined that Synergy has processes in place to ensure its disconnection practices comply with the requirement as detailed within the Code of Conduct for this clause. Review of the disconnection requests made by Synergy to the Network Operator indicated a request was also made through Synergy to the Network Operator for the record detailing actual time of disconnection sampled. We did not identify any disconnection exceptions through the testing performed. Examination of Synergy's incident register revealed that it had self-reported a non-compliant disconnection to the</p>	Nil	October 2012.	No.

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## A. Resolved before end of previous audit period

Reference (no.) Obligation number and report year	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>Authority. We understand the cause for disconnection outside of the prescribed conditions related to the existence of a bill related complaint. An incorrect classification had been applied resulting in a disconnection process being re-engaged and a disconnection request was sent to the Network Operator. The work order was then carried out. It was identified that the incorrect assignment of "closed status" to the customer's complaint by the Service Quality Team Representative lead to the disconnection outside of the prescribed conditions. Subsequent to this occurring, Synergy has included within its training module the notion of "not to draw conclusions" on specific cases. Based on our discussions, review of policies, procedures and revised training documents, sample based testing pre and post the incident as detailed, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p> <p>Further, based on our understanding of the cause and the subsequent activities implement by Synergy We do not have any subsequent recommendations for this non-compliance matter.</p>			
292 288	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their websites.</p> <p><b>Details:</b> We navigated through Synergy's website and</p>	Nil.	May 2013.	No.

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<u>A. Resolved before end of previous audit period</u>				
Reference (no.) Obligation number and report year	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>confirmed an electronic copy of the Code of Conduct has been made available, at no charge.</p> <p>However, we note Synergy self-identified and reported a breach of obligation 288 whereby, between 1 January and 8 May 2013 the version of the Code of Conduct for the Supply of Electricity to Small Use Customers (Code of Conduct) available on Synergy's website was dated June 2010 instead of the December 2012 version which came into effect on 1 January 2013. The matter was remedied on 8 May 2013.</p> <p>Based on the corrective action already taken, we do not have any further recommendations in this regard.</p>			

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

<u>B. Resolved during current Audit Period</u>				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
7	<b>Rating: 2</b>	1. Synergy considers obtaining an in principle agreement with the Network Operator to enable submission of standing data or historical data requests that exceeds the prescribed amount.	July 2013.	1. No.
7	<b>Legislative Obligation:</b> A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.	2. Alternatively, Synergy develops and implements a		2. No.



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B. Resolved during current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p><b>Details:</b> Discussions with the Risk and Compliance Manager, Energy Markets revealed that Synergy does not have an agreement with the Network Operator for submissions of data requests above the prescribed number. Further, the Risk and Compliance Manager, Energy Markets revealed that there was an absence of a current agreement with the Network Operator that permitted the number of requests to exceed the prescribed limit. Examination of the number of data requests submitted by Synergy identified instances where the requests exceeded the daily quota. Our discussions revealed that historically Synergy had an agreement in place with the Network Operator, however, during the audit period the arrangement had lapsed and as a result of oversight, the agreement had not been renewed.</p>	mechanism that restricts its ability to communicate standing data or historical data requests to the prescribed maximum as detailed within this clause.		
136	<p><b>Rating:</b> 3</p> <p><b>Legislative Obligation:</b> An electricity marketing agent must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.</p> <p><b>Details:</b> Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register noted Synergy had self-identified two matters of non-compliance with this clause in relation to customer contacts and a lack of availability of its current Powershift terms and conditions during a portion of the audit period. Discussions with Manager Retail Regulatory and Compliance revealed that Synergy had on the first incident, signed up customers to its Powershift products on terms and conditions which were out of date. Secondly, Synergy participated in the Perth Solar Cities trial, which required Powershift to be</p>	Synergy ensures that it issues correct marketing material associated with its marketing campaigns.	July 2013.	No.

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## B. Resolved during current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>marketed to a minimum number of customers by an identified date. During the targeted marketing campaign approximately 150 customers were incorrectly identified by Western Power as potentially benefiting from the product. Due to the early running of the campaign, it is understood that Synergy was unable to verify the campaign targets as meeting the criteria.</p> <p>Synergy has identified that it has not undertaken like campaigns during the audit period and the above campaign no longer operates.</p>			
153	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> A retailer and an electricity marketing agent must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.</p> <p><b>Details:</b> Review of Synergy's incident register revealed approximately 65 privacy incidents between the audit and reporting periods. Enquiries made and walkthrough of the 2012 Performance Audit Post Audit Implementation Plan confirmed that the actions had been completed.</p> <p>Notwithstanding, the remedial actions undertaken by Synergy, we noted instances of non-compliance to procedures by its staff had resulted in further privacy related issues.</p> <p>This obligation has since been removed from the Electricity Compliance Reporting Manual February 2013. It is understood that the requirement to adhere to the National Privacy Principles as set out within the Privacy Act 1998 will directly apply to Synergy.</p>	<p>1. Synergy continues to investigate and rectify the cause of the system upgrade error to ensure the system is able to save the updated customer information to meet its compliance requirement.</p> <p>2. Synergy reinforces the requirement for its CSRs to adhere to the SOPs relating to the management of customer account related information ensuring it is accurately captured to facilitate compliance with this obligation.</p> <p>3. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</p> <p>4. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</p>	<p>1. August 2013</p> <p>2. June 2014</p> <p>3. December 2014</p> <p>4. February 2014.</p>	<p>1. No.</p> <p>2. No.</p> <p>3. No.</p> <p>4. No.</p>

# Electricity Retail Licence Performance Audit Report

## B. Resolved during current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
189 190	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree with the customer, wherever possible, the amount to be debited; and the date and frequency of the direct debit.</p> <p><b>Details:</b> Discussions with Manager Business Partnership indicated that Synergy has implemented a web validation application via the Zumba project and IVR validation process via the PCI project in July 2012. Grant Thornton understands that Synergy engaged independent external consultants to determine their compliance around this license obligation. Further, Synergy is required to complete a survey, annually, to maintain their SAQ compliance. This review process is a preventative control to monitor the integrity of the validation process. Review of policies and a training documentation, indicated that Synergy personnel were conversant with the Electronic Funds Transfer Code of Conduct. Whilst our sample based testing did not reveal any exceptions, discussion with Manager Retail Regulatory and Compliance, and review of Synergy's incident register identified that Synergy had experienced a system defect within its IVR process. It is understood that the system error did not enable customer credit card payments to be correctly processed so that funds could be withdrawn in accordance with the authorisation. Synergy has approximately 92,000 customers on direct debit arrangements, but it is unsure as to how many customers this defect has impacted. Further, CSRs had failed to adhere to operating procedures</p>	Synergy continues to investigate and rectify the cause of the system error to ensure the system is accurately complying with the customer's instructions during the IVR process.	Management's Planned Actions were not implemented due to significant complexity identified during the development stage. The process to direct customers to contact Synergy in this scenario remains in place.	No.

# Electricity Retail Licence Performance Audit Report

## B. Resolved during current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	on two occasions which resulted in direct debit related activities being undertaken prior to obtaining the customer's verifiable consent.			
264 258	<p><b>Rating: 4</b></p> <p><b>Legislative Obligation:</b> If a pre-payment meter is found to be inaccurate or not operating correctly, a retailer must immediately arrange for the repair or replacement of the pre-payment meter, correct any overcharging or undercharging, and refund any charges payable by the customer for testing the pre-payment meter.</p> <p><b>Details:</b> During our review of pre-payment meter customer history and work orders, we noted that a pre-payment meter had been identified as requiring repair or replacement. The Network Operator undertook the activity to replace the pre-payment meter with a like meter. It is our understanding that as the meter was found to be in need of replacement, it was not being used by the customer.</p> <p>Our discussions revealed that if there was a need for Synergy to reimburse the customer of over payment, the customer is able to be provided with pre-payment meter cards with an amount already credited to the nearest \$10 increment. Alternatively, Synergy has a process in place to forward a cheque to the customer. Review of the re-imbursement process also confirmed that activities required to be undertaken if instructions are not provided by the customer within the specified timeframe.</p> <p>However, we did identify the existence of a mechanism to identify and record whether the pre-payment meter had been under or overcharging. In regard to the sample identified, Synergy indicated that it was unsure as to whether the prepayment meter card was being used at the time and whether that card had any value that was required to be</p>	Synergy implements a process that requires an assessment to be performed to determine whether the prepayment meter customer is required to correct any overcharging or undercharging, and refund any charges payable by the customer in the prescribed circumstances.	September 2013.	No.



# Electricity Retail Licence Performance Audit Report

## B. Resolved during current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	refunded to the customer.			
236/236A 232	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> Where a customer registered with a retailer under sub clause 7.7(1) notifies the retailer of a change of the customer's supply address, contact details, life support equipment or that the customer's supply address no longer requires registration as a life support equipment address, the retailer must undertake the actions specified in sub clause 7.7(2)</p> <p><b>Details:</b> Discussions with the Credit Management Team Leader, and review of policies and procedures relating to life support, indicated that Synergy has processes in place to ensure when a customer that has been registered as requiring life support equipment at their supply address, Synergy will:</p> <ul style="list-style-type: none"> <li>• Register the change of details;</li> <li>• Notify the customer's distributor of the change of details— <ul style="list-style-type: none"> <li>○ that same day, if the notification is received before 3pm on a business day; or</li> <li>○ the next business day, if the notification is received after 3pm or on a Saturday, Sunday or public holiday; and</li> </ul> </li> <li>• Continue to comply with sub clause (1)(d) with respect to that customer's supply address.</li> </ul> <p>Sampling of instances where notifications were received by Synergy revealed that when Synergy was advised that a customer registered as requiring life support equipment has a change of details, the Customer Support Specialist ("CSS") will follow verification procedures to try to validate the changes with the customer or appropriate entity. Once the CSS was satisfied changes in details were accurate, they then registered the change of details and notified the</p>	<p>1.Synergy reinforces the requirement for its operators to adhere to the SOPs and communicates the updated life support information to the Network Operator within the specified timeframe.</p> <p>2.Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</p> <p>3.Synergy reports back to senior management with respect to the review under recommendation 2. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</p> <p>4.Retail has scheduled specialist life support equipment training to its dedicated life support team in September and March each year.</p>	<p>1. August 2013</p> <p>2. December 2014</p> <p>3. December 2014</p> <p>4. March 2014</p>	<p>1. No.</p> <p>2. No.</p> <p>3. No.</p> <p>4. No.</p>

# Electricity Retail Licence Performance Audit Report

## B. Resolved during current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>distributor within the timeframes specified.</p> <p>Further, we observed that SAP prevented the issuance of a disconnection request to a customer designated as requiring "life support".</p> <p>Whilst our sample based testing did not reveal any exceptions, Synergy had self-identified 4 instances where it had not forwarded to the Network Operator, change of customer details by the prescribed timeframe.</p> <p>Discussion with the Manager Retail Regulatory and Compliance revealed that Synergy staff had failed to comply with the established policies and procedures which caused the non-compliance with this obligation.</p> <p>It is understood that Synergy has taken remedial actions and provided further training to staff in this regard.</p>			
310	<p><b>Rating: 3</b></p> <p><b>Legislative Obligation:</b> A retailer must keep a record of the information related to pre-payment meter customers specified in sub clause 13.7(1).</p> <p><b>Details:</b> Our walkthrough of prepayment meters, sampled based testing of disconnections and complaints of the processes, and review of procedures in place for managing prepayment meters did not reveal any exceptions. However, we noted that Synergy does not have a formalised process in place that ensures the capturing of records to facilitate compliance with clause 13.7(i) and (j) of the Code of Conduct.</p> <p>In the absence of a formalised process to demonstrate that such records are maintained, Synergy may not be able to substantiate whether its prepayment meter customers had</p>	<p>1.The feasibility of developing an automated monitoring mechanism that provides for the prescribed information.</p> <p>2.Where deemed feasible, implement the automated workflow within its information system.</p> <p>3.Alternatively, develop and implement a workaround that would provide the records required to ensure Synergy's compliance with this obligation.</p>	N/A – During audit period, Synergy did not have a requirement to source new pre-payment meters.	<p>1. No.</p> <p>2. No.</p> <p>3. No.</p>

# Electricity Retail Licence Performance Audit Report

## B. Resolved during current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	experienced a disconnection or not received electricity other than being disconnected. Further Synergy may not be able identify the duration of each of those events referred to, in clause 13.7(i) of the Code of Conduct, if any such event had been experienced by its pre-payment meter customers.			

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

## C. Unresolved at end of current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
130 135  131 137	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> When a customer enters into a new contract that is not an unsolicited consumer agreement with a retailer or electricity marketing agent, the retailer or electricity marketing agent must offer to provide the customer with a copy of the contract, and if this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible, but no more than 28 days thereafter. Subject to sub clause 2.4(4), for a standard form contract a retailer or electricity marketing agent must give the specified information in sub clause 2.4(2) no later than with, or on, the</p>	<p><b>Previous Recommendations:</b> 1.Synergy reinforces the requirement for its CSRs to adhere to the SOPs relating to the management of customer account related information ensuring it is accurately captured to facilitate compliance with this obligation.</p> <p>2.Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</p> <p>3.Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen</p>	<p><b>Previous:</b> 1. August 2013  2. December 2014  3. February 2014.  4. November 2013  5. May 2015</p>	<p><b>Previous Action Required:</b> 1. No. 2. No. 3. No. 4. No. 5. No</p> <p><b>Current Action Required:</b> Yes:</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>customer's first bill. If requested by a customer, and before a customer has entered into a non-standard form contract or a standard form contract that is an unsolicited consumer agreement, the electricity marketing agent must obtain the customer's written acknowledgement that the information in sub clause 2.4(2) has been given, if the customer has not previously been provided a written copy of the contract, a copy of the contract must be provided at no charge to the customer.</p> <p><b>Previous Details:</b> Discussion with the Marketing team and walkthrough of the policies and procedures revealed that Synergy does have a process in place to facilitate the provision of a contract to a customer within the timeframe specified. Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register noted that it had self-identified a nexus between CSRs recording an incorrect account address upon establishment.</p> <p>Discussions with the Manager Retail Regulatory and Compliance revealed that further the CSRs have been provided further training and Synergy has implemented a monitoring mechanism to provide feedback as to the success of the remedial actions.</p> <p>However, further review of Synergy's incident register revealed, further instances of CSRs not complying with policies, procedures or guidelines.</p> <p><b>Current Details:</b> Synergy self-reported 16 breaches against obligation 130 in 2014-15 due to customers being entered into standard form contracts, in a manner that is not in line with what is set out in the Code of Conduct. These were identified as due to errors by the CSRs.</p>	<p>the existing controls.</p> <p>4.A system change was implemented in November 2013 to provide an additional prompt which will display a confirmation pop-up message when a user sets a new 'main' address type for a customer and the customer has an account that currently uses an address other than the premises address. This change will further enhance the system prompt introduced in December 2012 to remind staff to check the mailing address as part of the SOP. In addition a report will be produced monthly to identify any possible address errors for correction.</p> <p>5.The Address Management Project was approved by Synergy's Project Investment Council (PIC) in October 2013. The objective of this project is to improve the quality of address functionality within Synergy's system and simplify the CSR experience when updating addressing, hence reducing human error. Estimated project delivery is first quarter 2014/15 which will be confirmed once business case and project plan finalised.</p> <p><b>Current Recommendations:</b> It is recommended that retail management continue to monitor progress against planned initiatives including review of critical SOPs and provide an update to the senior management on progress at the end of the year.</p>	<p><b>Current:</b> Outstanding</p>	<ul style="list-style-type: none"> <li>Investigate the feasibility of email or SMS notifications</li> <li>Review critical SOPs against regulatory requirements</li> <li>Provide an update to senior management on progress at the end of the year.</li> </ul> <p><b>Current Action Reference:</b> (130/2015) and (131/2015)</p>



# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	Synergy self-reported 2 breaches in 2014-15 due to the prescribed information being issued to the wrong address. This was due to a system change implemented to allow customers to select paper-less billing.			
145 148	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> A retailer must issue a bill no more than once a month and at least once every three (3) months, unless under the circumstances specified in sub clause 4.1.</p> <p><b>Previous Details:</b> Our review of Synergy's incident register revealed that a customer had been issued 5 that are for billing periods ranging from 27 to 29 day (2 during 2012). This was due to meter readings being provided by the Network Operator at a frequency whilst not previously planned, but in accordance with the model SLA. Upon receipt of the metering data, Synergy's automated process would convert consumption data into billing data. These bills were then communicated to the customer, as described above In the absence of the identification of the applicable sub clause under the Interpretation Act 1984 by which the Authority classifies as a month we concluded that Synergy was compliant with the provision of bills issued in a period of "no more than once a month" based on the model SLA definition of "one month". Whilst our sample based testing did not identify any exceptions with bills being issued greater than 3 months, we noted that Synergy had self-identified instances where it had issued a bill outside of three months. We note that Synergy in this regard has made a concerted effort in addressing this issue. Review of the bills greater than 90 day report, we</p>	<p><b>Previous Recommendation:</b> Synergy continues to review its billing process and control mechanisms that facilitate the issuing of a bill with the view to continue reducing the number exceptions for bills not issued at least once every three months</p> <p><b>Current Recommendation:</b> It is recommended that Synergy continues to monitor and manage the control mechanisms in place to identify late billing and continue to report breach incidents in a timely manner and enhance existing preventative system controls where feasible or practical.</p>	<p><b>Previous:</b> May 2014</p> <p><b>Current:</b> Outstanding</p>	<p><b>Previous Action Required:</b> No,</p> <p><b>Current Action Required:</b> Yes:</p> <ul style="list-style-type: none"> <li>Continue to monitor and report late billing breach incidents against targets in a timely manner</li> <li>Strengthen preventative system controls where feasible or practical.</li> </ul> <p><b>Current Action Reference:</b> (145/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>noted approximately 400 outstanding items at that point in time. The Authority has removed the monthly reporting requirement which applied during the current and previous audit periods.</p> <p><b>Current Details:</b> On a daily basis a 90 day unbilled report is created which reports all customers who have not had a bill issued to them in the last 3 months. Synergy self-identified 10,504 bills between 1 July 2013 and 30 June 2014 (0.016% of bills issued over the year) which were issued to small use customers outside of the regulated timeframes of clause 4.1(b). Between 30 June 2013 and 1 July 2014 there were 7,733 occasions self-reported. These were due to printing issues, self-read meter data not provided, incorrect customer self-meter reads, non-application of electricity account by customers, lack of timely energy data provisions by Western Power and incorrect account establishment by Synergy.</p>			
154 157	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</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.</p> <p><b>Previous Details:</b> Review of the processes in-place around assigning the customer's address for billing purposes indicated this information is contained within Synergy's Knowledge Base. Synergy's policies instruct the marketing agent to enter the customer's supply address, or another address specified by the customer, into Knowledge Base. Further, the Contact Centre has specified instructions that</p>	<p><b>Previous Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Synergy continues to investigate and rectify the cause of the system upgrade error to ensure the system is able to save the updated customer information to meet its compliance requirement.</li> <li>2. Synergy reinforces the requirement for its CSRs to adhere to the SOPs relating to the management of customer account related information ensuring it is accurately captured to facilitate compliance with this obligation.</li> <li>3. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</li> </ol>	<p><b>Previous:</b></p> <ol style="list-style-type: none"> <li>1. August 2013.</li> <li>2. April 2014.</li> <li>3. December 2014.</li> <li>4. December 2014.</li> <li>5. November 2013.</li> </ol>	<p><b>Previous Action Required:</b></p> <ol style="list-style-type: none"> <li>1. No.</li> <li>2. No.</li> <li>3. No.</li> <li>4. No.</li> <li>5. No.</li> <li>6. No.</li> </ol> <p><b>Current Action Required:</b></p> <ol style="list-style-type: none"> <li>1. Yes:</li> </ol>

# Electricity Retail Licence Performance Audit Report

## C. Unresolved at end of current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>require the recording of the correct address for billing purposes. These instructions include a request for the customer's supply address upon entering into a contract or other nominated address.</p> <p>Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register confirmed that it had self-identified approximately 400 customers who have been affected as a result of non-compliance with this obligation.</p> <p>A billing system upgrade in April 2013 impacted the ability of the system to accurately record customer addresses. We understand that if the CSR was recording a customer's address and saved the information without selecting the help menu, the data would not be saved. This upgrade impacted the majority of the affected customers.</p> <p>The remaining instances were a result of CSRs not adhering to the established procedures.</p> <p><b>Current Details:</b></p> <p>Synergy self-reported 477 instances where bills were not issued to the postal or electronic address nominated by the customer in 2013-2014. These breaches were due to manual error and resulted in customers being issued overdue notices (since reversed) and two customers being disconnected (paid SSP or good will payments).</p> <p>Management have undertaken coaching initiatives, implemented additional monitoring and put in place system prompts to address this breach.</p> <p>In 2014-15, 1,435 breaches were self-reported reported where customers who had nominated electronic email addresses were issued with bills via post. This was due to a system change implemented to allow customers to select paper-less billing. New system changes were implemented</p>	<p>4. Synergy reports back to the senior management with respect to the review under recommendation 3. Where appropriate, it undertakes the necessary corrective actions to strengthen the existing controls.</p> <p>5. A system change was deployed in November 2013 to provide an additional prompt which will display a confirmation pop-up message when a user sets a new 'main' address type for a customer and the customer has an account that currently uses an address other than the premises address. This change will further enhance the system prompt introduced in December 2012 to remind staff to check the mailing address as part of the SOP. In addition a report will be produced monthly to identify any possible address errors for correction.</p> <p>6. The Address Management Project was approved by Synergy's Project Investment Council (PIC) in October 2013. The objective of this project is to improve the quality of address functionality within Synergy's system and simplify the CSR experience when updating addressing, hence reducing human error. Estimated project delivery is first quarter 2014/15 which will be confirmed once business case and project plan finalised.</p> <p><b>Current Recommendations:</b></p> <p>There should be a review of the system change request process to ensure:</p> <ol style="list-style-type: none"> <li>1. legal and regulatory requirements are adequately documented during the design phase;</li> <li>2. system building reflects legal and regulatory requirements; and</li> <li>3. system testing prior to go live confirms legal and regulatory requirements have been met.</li> </ol>	<p>6. May 2015.</p> <p><b>Current:</b></p> <ol style="list-style-type: none"> <li>1. Outstanding</li> <li>2. Outstanding</li> </ol>	<p>There should be a review of the system change request process to ensure:</p> <ul style="list-style-type: none"> <li>• legal and regulatory requirements are adequately documented during the design phase;</li> <li>• system building reflects legal and regulatory requirements; and</li> <li>• system testing prior to go live confirms legal and regulatory requirements have been met.</li> </ul> <p><b>Current Action Reference:</b> (154/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	to rectify this issue.			
155 158	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in sub clause 4.5(1) on the customer's bill.</p> <p><b>Previous Details:</b>            1. Interviews held with Manager Retail Regulatory and Compliance with respect to prior performance audit observations revealed that Synergy continues to experience issues around the ability to display a range of information it is required on a customer's bill specifically average daily cost of consumption and average daily consumption for collective bills.            2. Synergy had identified the cause to be related to the manner by which the billing hierarchy is set-up for clients with multiple account requiring only one bill or receiving different products.            3. Discussions with the Manager, Retail Regulatory and Compliance also revealed that during the review of the concession protocol within SAP, it was identified that when a customer's concession eligibility period was renewed, the flag which triggered the concession value was determined to be ineffective.            4. Synergy has since identified a further 3,500 customers who did not receive their concession entitlements during the audit period due to the SAP not updating the eligibility status of those customers. All concession types were affected.            5. Further, review of Synergy's incident register indicated that it had self-identified a situation where it had not applied the full dependent child rebate entitlement during the period</p>	<p><b>Previous Recommendations:</b>            1. Synergy continues with its work around to obtain verifiable consent from the effected customers or undertake the necessary remedial action or removing those customers from the restricted information list.            2. Perform a review of the system changes implemented to rectify the causes to determine adequacy and effectiveness of the changes and reporting on the observations made.            3. That Synergy continues to reimburse those customers who are deemed to be entitled to the concessions based on their eligibility status.</p> <p><b>Current Recommendations:</b>            1. System issues            There should be a review of the system change request process to ensure:  <ul style="list-style-type: none"> <li>legal and regulatory requirements are adequately documented during the design phase;</li> <li>system building reflects legal and regulatory requirements; and</li> <li>system testing prior to go live confirms legal and regulatory requirements have been met.</li> </ul>           2. Information on the bill            It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</p>	<p><b>Previous:</b>            1. Outstanding            2. July 2013.            3. July 2013.</p> <p><b>Current:</b>            Outstanding</p>	<p><b>Previous Action Required:</b>            1. Yes  <ul style="list-style-type: none"> <li>Retiring B1 Tariff requires State Government approval which would likely to be considered as part of the electricity market review.</li> </ul>           2. No.            3. No.</p> <p><b>Current Action Required:</b>            Yes:            1. System issues            There should be a review of the system change request process to ensure:  <ul style="list-style-type: none"> <li>legal and regulatory requirements are adequately documented during the design phase;</li> <li>system building reflects legal and regulatory requirements; and</li> <li>system testing prior to go live confirms legal and regulatory requirements have been met.</li> </ul>           2. Information on the bill  <ul style="list-style-type: none"> <li>It is recommended that retail</li> </ul> </p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>September through November 2012. This was noted to have impacted approximately 12,700 customers.</p> <p>6. Synergy has indicated that the cause of SAP failing to recognise a customer's concession eligibility has since been rectified. SOPs have since been implemented to address the dependent child rebate entitlement. Remedial actions were noted to be taken by the business and the finalisation of this matter was scheduled for January 2013. We understand that the technical design has been revisited by Synergy and a technical remedial action has since been implemented.</p> <p><b>Current Details:</b> Synergy self-reported breaches in relation to this obligation in 2014-15 due to the following:</p> <ul style="list-style-type: none"> <li>• 113 bills issued incorrectly displayed credit amount due to lack of understanding of the impact of the cheque cancel process.</li> <li>• 238,568 bills which did not display accurate metering supply period.</li> <li>• Bills which did not display the correct graph or bar chart on units of consumption due to new functionality implementation.</li> <li>• 24 instances where the value and type of concession applicable to eligible residential customers were not displayed or applied (this also affected 8 customers who did not receive their correct concession entitlements and five customers who did not receive their supply charge rebate resulting in two customers disconnected for non-payment) as the CSR did not follow the SOP (human error)</li> <li>• Up to 47,000 bills may not have displayed the required concession information in 2014/15. This was due to issues with concessions applied to My Account.</li> <li>• 16 customers did not receive their correct concession</li> </ul>			<p>management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</p> <p><b>Current Action Reference:</b> (155/2015)</p>

# Electricity Retail Licence Performance Audit Report

## C. Unresolved at end of current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>due to human error of CSR</p> <ul style="list-style-type: none"> <li>1 instance where the customer received a bill that displayed the incorrect meter reading type due to human error of the billing officer entering incorrect meter reading type into the system</li> <li>2 instances where incorrect applicable tariffs were displayed due to human error of the CSRs</li> <li>88,000 customers received an incorrect GST reference due to system issues.</li> </ul> <p>One customer was affected due to Western Power's error in rejecting the REBS application and therefore the bill not reflecting REBS information</p>			
157 160 402 423	<p><b>Rating: 3</b></p> <p><b>Legislative Obligation:</b> A retailer must base a customer's bill on the following:</p> <ol style="list-style-type: none"> <li>1.the distributor's or metering agent's reading of the meter at the customer's supply address;</li> <li>2.the customer's reading of the meter in the circumstances specified in sub clause 4.6(1)(b); or</li> <li>3.where the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code.</li> </ol> <p>A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.</p> <p><b>Previous Details:</b> Walkthrough of procedures indicated that under the Metering Code, all energy data must be provided by a Network</p>	<p><b>Previous Recommendations:</b></p> <ol style="list-style-type: none"> <li>1.Synergy reinforces the requirement for its CSRs to adhere to the SOPs to ensure the accuracy of the customer account information.</li> <li>2.Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</li> <li>3.Synergy reports back to senior management with respect to the review under recommendation. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</li> </ol> <p><b>Current Recommendations:</b> It is recommended that retail management continue to monitor progress against planned initiatives including investigating the feasibility of email or SMS notifications to 'forced final' customers advising them of account closure and review of critical SOPs to ensure they reflect regulatory requirements and provide an update to the Business on</p>	<p><b>Previous:</b></p> <ol style="list-style-type: none"> <li>1. November 2013.</li> <li>2. January 2014.</li> <li>3. August 2014.</li> </ol> <p><b>Current:</b> Outstanding</p>	<p><b>Previous Action Required:</b></p> <ol style="list-style-type: none"> <li>1. No.</li> <li>2. No.</li> <li>3. No.</li> </ol> <p><b>Current Action Required:</b> Yes:</p> <ul style="list-style-type: none"> <li>• Investigating the feasibility of email or SMS notifications to 'forced final' customers advising them of account closure.</li> <li>• Review of critical SOPs to ensure they reflect regulatory requirements</li> <li>• Provide an update to the Business on progress at the end of the year against performance targets.</li> </ul>



# Electricity Retail Licence Performance Audit Report

## C. Unresolved at end of current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>Operator for billing purposes. The SLA provides the Network Operator with a standard set operating procedures to obtain energy data, including the customer's self-read. In the event a customer self reads their meter they must contact Synergy to provide them with a meter reading. On receipt of the request, Synergy will forward the information onto the Network Operator so they can validate the meter reading information provided. In order for a meter reading to be entered into the system, a meter reading order is created. A meter reading order contains register-specific data and information about a planned meter reading, such as the meter reader and the scheduled meter reading date. The customer's bill would then be based on the validated meter reading.</p> <p>Whilst our sample based testing of customer bills did not reveal any exceptions, review of Synergy's incident register identified a single instance where a customer had received two bills with the incorrect information as a result of the CSR establishing the account at incorrect premises. The impact of which noted that the mailing address was correct but Synergy had determined the address to be unoccupied. Subsequently a disconnection for non-application took place. We understand that the customer's account has been remedied and the customer was provided compensation. Further Synergy has indicated that the responsible CSR has been identified and provided further training and coaching.</p> <p><b>Current Details:</b> Synergy self-reported breaches affecting to 1,036 customers in 2013-14 and 844 breaches in 2014-15 due to manual error by the CSR during initial customer set up or customer errors in providing an incorrect address.</p>	progress at the end of the year.		<b>Current Action Reference:</b> (157/2015)
176	<p><b>Rating: 3</b></p> <p><b>Legislative Obligation:</b> If a retailer proposes to recover an</p>	<p><b>Previous Recommendations:</b> 1. Synergy reinforces the requirement for its CSRs to adhere</p>	<b>Previous:</b>	<b>Previous Action Required:</b> 1. No.

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
179	<p>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), a retailer must do so in the manner specified in sub clause 4.17(2).</p> <p><b>Previous Details:</b> Discussions with Synergy indicated that there were policies and procedures in place to ensure that Synergy recovers an undercharged amount as result of an error, defect or default in the manner specified in 4.17(2). Walkthrough of the recovery process revealed that Synergy provides customers with a written notification or special bill to recover the uncharged amount. Further, review of customer bills where Synergy proposes to recover an amount undercharged indicated that no interest was charged and the recoverable time was within the 12 month period. Whilst our sample based testing did not reveal any instances of non-compliance, review of Synergy's incident register noted two instances of non-compliance with this obligation. It is understood in one instance, due to the application received by fax being unreadable an incorrect establishment of a customer's mailing address had occurred. Five bills were issued to the incorrect address causing a wrongful disconnection for non-payment. An undercharged amount was recovered for a period greater than the maximum allowable period. The second instance was a result of not receiving energy data to enable a bill to be issued to the customer. This period extended to 483 days. Synergy advised that it had taken remedial actions including the payment of a service standard fee, waived the undercharged amount and performed an urgent</p>	<p>to the SOPs to ensure the accuracy of the customer account information. 2. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation. 3. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</p> <p><b>Current Recommendations:</b> It is recommended that Management continue to progress system changes to ensure bills cannot be raised for undercharges due to a retailer or network operator's actions for a period over 365 days.</p>	<p>1. June 2014. 2. December 2014. 3. December 2014.</p> <p><b>Current:</b> Outstanding</p>	<p>2. No 3. No</p> <p><b>Current Action Required:</b> Yes:  <ul style="list-style-type: none"> <li>Progress system changes to ensure bills cannot be raised for undercharges due to a retailer or network operator's actions for a period over 365 days.</li> </ul> </p> <p><b>Current Action Reference:</b> (176/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>reconnection.</p> <p>Further, Synergy representatives have advised that it has since ceased receiving Power fax applications from third parties and staff training has been provided.</p> <p><b>Current Details:</b></p> <p>Sample testing identified one instance where the customer did not receive any form of communication in regards to the meter test results and the associated undercharged amount that was identified.</p> <p>Further, Synergy self-reported breaches affecting 153 customers in 2013-14 and 28 customers in 2014-15.</p> <p>The 2013-14 breaches included instances where customers who had been undercharged were billed for periods in excess of 12 months, were not billed on a special bill or as a separate line item, and were not offered interest and fee free payment plans. It was identified that these breach was due to a lack of compliant SOP at the time.</p> <p>Management have implemented a new SOP, amendments to bill explanations and a system changes.</p> <p>In the 2014-15 period, self-identified breaches were due to Synergy seeking to recover undercharges for periods greater than 365 days. These breaches were due to CSRs not following the SOP. The CSRs have been provided with coaching with increased quality assurance monitoring. Exception reporting is now generated for bills generated for periods in excess of 365 days.</p>			
202 203	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> If a residential customer informs a retailer that the residential customer is experiencing payment</p>	<p><b>Previous Recommendations:</b></p> <p>1. Synergy reinforces the requirement for its CSRs to adhere to the SOPs.</p>	<p><b>Previous:</b></p> <p>1. June 2014.</p> <p>2. December</p>	<p><b>Previous Action Required:</b></p> <p>1. No</p> <p>2. No</p>

# Electricity Retail Licence Performance Audit Report

## C. Unresolved at end of current Audit Period

Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>problems, a retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship within three (3) business days.</p> <p><b>Previous Details:</b> Synergy has a process that requires any CSR who becomes aware that the customer is experiencing payment difficulties to assess the customer and determine whether they are experiencing financial hardship within the prescribed timeframe. Review of policies and procedures also confirmed that Synergy has mechanisms in place to ensure that any customer experiencing financial hardship or payment difficulties are to be assessed; and the timeframes for assessment activity were observed to align with the Code of Conduct. Sample based testing revealed 2 instances where CSRs did not correctly assess customers for financial hardship due to staff failure to comply with SOPs. Synergy indicated that it has assessed approximately 25,000 customers who indicated that they were experiencing payment difficulties or financial hardship during the review period We also listened to a number of calls taken by Synergy and discovered that the contact centre staff did not identify the customer as experiencing financial hardship even though the customer advised that they were experiencing payment difficulties.</p> <p><b>Current Details:</b> Synergy self-reported breaches affecting 3255 customers in 2014-15 in relation to this obligation. The majority of the breaches were due to an increase in customer's seeking hardship assistance and staff taking unplanned leave and therefore the customer support team were unable to</p>	<p>2. Synergy continues with its operator monitoring program and reports back to the appropriate business representative as to the adequacy and effectiveness of its training program.</p> <p><b>Current Recommendations:</b> It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</p>	<p>2014.</p> <p><b>Current:</b> Outstanding</p>	<p><b>Current Action Required:</b> Yes:</p> <ul style="list-style-type: none"> <li>Continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</li> </ul> <p><b>Current Action Reference:</b> (202/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	complete all assessments within the required 3 business days. Some breaches were due to the CSRs not following the relevant SOP. However, it was noted that all assessments were completed and an additional five staff members were dedicated to performing the assessments and providing assistance to get back up to date.			
229 225	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> Prior to arranging for disconnection of a customer's supply address for failure to pay a bill, a retailer must: give the customer a reminder notice not less than 13 business days from the date of dispatch of the bill, including the information specified in sub clause 7.1(1)(a); use its best endeavours to contact the customer; and give the customer a disconnection warning, in the manner and timeframes specified in sub clause 7.1(1)(c).</p> <p><b>Previous Details:</b> Whilst our sample based testing of disconnections did not detect any exceptions, our review of Synergy's incident register revealed self-reports of failure to adhere with the requirement to provide disconnection warnings prior to a disconnection having been undertaken. Our review of the investigations performed by Synergy revealed that Credit Management Officers did not comply with the SOPs on approximately 15 occasions ensuring that all requirements have been met prior to the issuance of a disconnection service notification. The causes for the non-compliances centred around the CSR not adhering to the established procedures Synergy issued urgent reconnection requests to the Network Operator for those customers affected and customers were provided with a compensation payment.</p>	<p><b>Previous Recommendations:</b> Synergy reinforces to its Credit Management Officers and CSRs the requirement to comply with the SOPs in relation to disconnections.</p> <p><b>Current Recommendations:</b> Review and update the financial hardship procedures to capture further details aligned to the obligations set out in clause 6.10(3) and communicate the updated document to the relevant staff members.</p>	<p><b>Previous:</b> March 2014</p> <p><b>Current:</b> Outstanding</p>	<p><b>Previous Action Required:</b> No</p> <p><b>Current Action Required:</b> Yes:</p> <ul style="list-style-type: none"> <li>Review and update the financial hardship procedures to capture further details aligned to the obligations set out in clause 6.10(3) of the Code of Conduct.</li> <li>Communicate the updated document to the relevant staff members.</li> </ul> <p><b>Current Action Reference:</b> (229/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p><b>Current Details:</b> Through review of the financial hardship procedures, the following gaps were noted:</p> <ul style="list-style-type: none"> <li>Does not provide guidance on how customers experiencing financial hardship are to be treated sensitively and respectfully as provided in sub clause 6.10(3)(c).</li> <li>Does not provide guidance in regards to all the points specified in sub clause 6.10(3)(d).</li> </ul> <p>Does not specify that the credit management staff have a direct telephone number which should be provided to the relevant financial counsellors and consumer representative organisations in accordance with sub clause 6.10(3)(e).</p>			
243 236	<p><b>Rating: 2</b></p> <p><b>Legislative Obligation:</b> A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified.</p> <p><b>Previous Details:</b> Interviews held with the Credit Management Team and our review of policies and procedures, revealed that Synergy has processes and practices in place to communicate reconnection requests to the relevant distributor within the timeframe specified. Sample based testing of reconnections did not reveal any exceptions where the reconnection request was not forwarded to the relevant distributor within the timeframes specified. However, based on the review of Synergy's incident register, we noted several instances where re-connection requests</p>	<p><b>Previous Recommendations:</b></p> <ol style="list-style-type: none"> <li>Synergy reinforces the requirement for its CSRs to adhere to the SOPs and communicates the reconnection request within the specified timeframe.</li> <li>Synergy reviews its quality review process to determine its adequacy and effectiveness.</li> <li>Synergy also continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</li> <li>Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</li> </ol> <p><i>Recommendations apply for both Credit Management and Customer Service.</i></p>	<p><b>Previous:</b></p> <p><u>Credit Management</u></p> <ol style="list-style-type: none"> <li>1. June 2014</li> <li>2. June 2014</li> <li>3. June 2014</li> <li>4. June 2014</li> </ol> <p><u>Customer Service</u></p> <ol style="list-style-type: none"> <li>1. June 2014</li> <li>2. June 2014.</li> <li>3. December 2014.</li> </ol>	<p><b>Previous Action Required:</b></p> <p><u>Credit Management</u></p> <ol style="list-style-type: none"> <li>1. No.</li> <li>2. No.</li> <li>3. No.</li> <li>4. No.</li> </ol> <p><u>Customer Service:</u></p> <ol style="list-style-type: none"> <li>1. No.</li> <li>2. No.</li> <li>3. No</li> <li>4. No</li> </ol>



# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>had not been communicated to the Network Operator within the prescribed timeframes.</p> <p>Our review of investigation notes revealed that the CSRs had not followed the SOPs and communicated the re-connection requests within the timeframes specified. Synergy had identified technological causes however, it has indicated that these have been addressed and monitored to determine effectiveness.</p> <p><b>Current Details:</b></p> <p>Testing of a sample of 20 reconnection requests and service notifications to Western Power resulted in no issues noted. However, Synergy self-reported breaches affecting 219 customers in 2013-14 and 62 customers in 2014-15 in relation to Synergy not forwarding the request for reconnection to the distributor within the required Code of Conduct timeframe. On most occasions it was caused by the CSR failing to correctly follow the SOP and in other cases it was due to a SAP error. All customers were ordered an urgent same day reconnection with regulated service standard payments</p> <p>Management advised that relevant feedback has been provided to the affected staff members and refresher training courses were provided on raising the service notification to check whether it has been raised correctly as well as increased quality assurance. The "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data with Landgate records of street addresses.</p>	<p><b>Current Recommendations:</b></p> <p>Management's plans to automate reconnection service notifications are acknowledged and supported. Further only exceptions should require manual processing by the credit portfolio team.</p>	<p>4. December 2014.</p> <p><b>Current:</b></p> <p>Outstanding</p>	<p><b>Current Action Required:</b></p> <p>Yes:</p> <ul style="list-style-type: none"> <li>Management plans to automate reconnections service notifications are acknowledged and supported.</li> <li>Only exceptions should require manual processing the credit portfolio team</li> </ul> <p><b>Current Action Reference:</b></p> <p>(243/2015)</p>
301 331	<p><b>Rating:</b> 2</p> <p><b>Legislative Obligation:</b> Upon receipt of a written query or complaint by a customer, a retailer must acknowledge the</p>	<p><b>Previous Recommendations:</b></p> <p>Nil.</p> <p><b>Current Recommendations;</b></p> <p>It is recommended that retail management continue to</p>	<p><b>Previous:</b></p> <p>May 2013.</p>	<p><b>Previous Required Actions:</b></p> <p>No.</p> <p><b>Current Required Actions:</b></p> <p>Yes:</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>query or complaint within 10 business days and respond to the query or complaint by addressing the matters raised within 20 business days.</p> <p><b>Previous Details:</b>                      Whilst our sample based testing of complaint responsiveness did not reveal any exceptions. We performed an analysis of the service standard payments made by Synergy and discovered that it had made payments to customers for failing to respond within the prescribed time frames.                      Synergy self-reported that it had encountered a bottle neck situation between receipts of large volume of complaints during a period where they did not have enough staff. Further the topics tabled ranged from services and services not offered by Synergy.                      The number of customers reported to be affected was 3, this number reconciled to the Service Standard Payments that formed part of this query.                      Due to the backlog experienced with customer complaints a number of complaints received by fax were placed in the incorrect processing queue, which attributed to the provision of an untimely response. Except for the failing of Synergy to provide a response within the prescribed timeframe, the complaints were observed to be processed in accordance with the complaint handling policy.                      Synergy has since improved the process for correctly identifying a complaint received by fax and allocating it to the correct queue. We also understand that Synergy has since recruited staff to strengthen its capacity within this area.                      Based on the remedial steps taken which consisted of further training, recruitment and review of the processing queue, Synergy was observed to address the causes appropriately.                      For this reason, we do not have any further</p>	<p>monitor progress against planned initiatives including review of critical SOPs to ensure they reflect regulatory requirements and provide an update to senior management on progress against performance targets at the end of the year.</p>	<p><b>Current:</b> Outstanding</p>	<ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications to 'forced final' customers advising them of account closure.</li> <li>Review of critical SOPs to ensure they reflect regulatory requirements</li> <li>Provide an update to senior management on progress against performance targets at the end of the year.</li> </ul> <p><b>Current Action Reference:</b> (301/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>recommendations.</p> <p><b>Current Details:</b> Synergy self-reported breaches affecting 4 customers in 2013-14 and 28 customers in 2014-15 against this obligation. The breach was due to lack of adequate resources as well as incorrect customer addresses.</p>			
496 517	<p><b>Rating: 3</b> <b>Legislative Obligation:</b> Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.</p> <p><b>Previous Details:</b> Enquiries with the Contact Centre indicated that Synergy issues contracts to customers either as a standard form contract or a non-standard form contract. There are no other options with respect to the issuance of contracts. Further, CSRs within the departments respond to customer calls or requests to supply electricity. These employees receive written instructions to provide the option of a standard form contract upon request. Sample based testing and review of instructions provided revealed that the instructions were followed throughout the audit period. Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register identified an instance where two customers were issued with incorrect bills over a four month period. It is understood that the CSR did not identify the correct customer for the nominated supply address. Synergy staff revealed that they have since corrected the customer accounts and rectified the bills. Further, the responsible CSR has been provided with coaching and further training to strengthen their</p>	<p><b>Previous Recommendations:</b> Nil.</p> <p><b>Current Recommendations;</b> It is recommended that retail management continue to monitor progress against planned initiatives including review of critical SOPs to ensure they reflect regulatory requirements and provide an update to the Business on progress against performance targets at the end of the year.</p>	<p><b>Previous:</b> June 2013.</p> <p><b>Current:</b> Outstanding</p>	<p><b>Previous Required Actions:</b> No.</p> <p><b>Current Required Actions:</b> Yes:</p> <ul style="list-style-type: none"> <li>Review of critical SOPs to ensure they reflect regulatory requirements.</li> <li>Provide an update to the Business on progress against performance targets at the end of the year.</li> </ul> <p><b>Current Action Reference:</b> (496/2015)</p>

# Electricity Retail Licence Performance Audit Report

C. Unresolved at end of current Audit Period				
Reference (no.)	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>understanding of the requirement to comply with established procedures.</p> <p>As this was a single incident, and we note no further exceptions have been identified, we do not have any further recommendations in this regard.</p> <p><b>Current Details:</b></p> <p>Synergy self-reported breaches affecting 21 customers in 2013-14 and 28 customers in 2014-15 in relation to supplying electricity under a standard form contract to a customer who requests it. The breaches were caused by human error as well as issues validating between Western Power and Landgate addresses.</p>			

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 in the tables below shows non-compliance and recommendations where management review and development of post-audit implementation plan is required. Further details on the regulatory obligation, the findings and opportunities for improvements identified during the audit are reported in Section 5.1 Unresolved Observations during the audit period (with recommendations). Section 5.2 further details breaches resolved during the current audit period, section 5.3 further details obligations with no recommendations and section 5.4 relate to obligations rated Not Applicable during the audit.

#### 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
156	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct for the Supply of Electricity to Small Use Customers 2014 (<b>Code of Conduct</b>) clause 4.5(3)</p> <p><b>Details:</b></p> <p>Synergy self-reported, seven breaches for the period 2014-15 where customers were not advised of the amount of historical debt and its basis before, with or on their next bill. On all occasions, the breach was a result of manual error of the CSRs incorrectly inputting the customer's address details.</p>	<p>May 2015</p> <p>Management advised that coaching has been provided with increased quality assurance monitoring for the relevant CSRs.</p> <p>A 'customer information project' has also been undertaken to update the system in order to reduce the risk of manual error. The customer information project has also simplified the standard operating procedures and processes required to update the mailing addresses in the SAP system.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
159	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.8(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 12 customers in 2013-14 in relation to customers receiving incorrect information on the bill stating that the meter reading was based on an estimate when in fact it was an actual reading. The errors were caused by billing officers manually processing replacement actual readings supplied by Western Power as estimated reads in place of the usual automated manner.</p>	<p>May 2014</p> <p>Management advised that the billing officers received one on one coaching and were required to complete an incident response form recording the actions taken to remedy the error. Management consider that the controls in place are adequate given the small number of errors relative to the volume of transactions.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
168	<p><b>Non Compliance</b></p>	<p>June 2015</p>	<p>The breach issue has been</p>

# Electricity Retail Licence Performance Audit Report

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
	<b>Rating:</b> A / 2 (Self-Reported) <b>Legislative Obligation:</b> Code of Conduct clause 4.14(1) <b>Details:</b> Synergy recorded three incidents of breaches against this obligation in the 2014-15 period in relation to final bills being issued to the incorrect address or not arranged due to human error of the CSR not following the SOP.	Management advised that feedback and training was provided to the relevant staff members.	resolved during the current audit period. No further action required.
189	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 5.3 <b>Details:</b> Synergy self-reported 3 breaches caused by one issue against this obligation in relation to direct debit arrangements being established, without the consent of three customer being recorded. The breach occurred during the implementation of the updated call recording system, where one CSR commenced speaking to customers without the call recording capability being activated at their workstation in error. There has been no impact on the customers and no complaints have been received.	Management advised that no remedial action was undertaken as no impact was identified and cause was a known once off occurrence.	The breach issue has been resolved during the current audit period. No further action required.
192	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 5.6(1) <b>Details:</b> Synergy self-reported breaches affecting 892 customers in 2013-14 in relation to being charged late payment fees despite falling under sub clause 5.6(1). These breaches were due to the SAP upgrade, whereby, the default lock was changed.	December 2014 Management advised that any late payment fees incorrectly charged were credited back to the 892 customer by 31 December 2014. A defect item was also raised and a system change request was implemented to revert the default type of lock to dunning.	The breach issue has been resolved during the current audit period. No further action required.
196	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 5.6(2) <b>Details:</b> Synergy self-reported breaches affecting 2 customers in 2014-15 in relation	June 2015 Management advised that the CSOs were provided with coaching on the relevant SOPs. The late payment fees for the customers were subsequently waived.	The breach issue has been resolved during the current audit period. No further action required.



## Electricity Retail Licence Performance Audit Report

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
	to late payment fees not being retrospectively waived for customers who were assessed as experiencing financial hardship. The breaches were due to CSOs not correctly following the SOP.		
201	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.8(2)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 3 customers in 2013-14 and 2 customers in 2014-15 in relation to debt being transferred to their accounts for which they were not liable. This was due to human error as the CSR failed to complete the customer identification procedure resulting in the incorrect customer account being linked to another customer's debt and in other cases the CSR amended the existing customer's name with the new customer's name at the supply address instead of creating a new account and the existing customer had an outstanding debt.</p>	<p>June 2015</p> <p>Management advised that the customers had the debt reversed from their accounts. The CSRs were provided with critical feedback and received coaching regarding on the relevant SOP and additional quality assurance monitoring.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
205	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 3 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.2(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported three incidents in 2014-15 where a temporary suspension of actions was not applied. Three customers were affected by continuation of debt collection activity of which two of the customers were wrongfully disconnected for non-payment and charged late payment fees. Western Power performed urgent same day reconnection. This problem was due to manual error on the part of the CSRs not correctly completing the SOP to add a temporary lock on the accounts.</p>	<p>June 2015</p> <p>Management advised that critical feedback and coaching has since been provided.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
209	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.3(1)(a)</p> <p><b>Details:</b></p> <p>Synergy reported one instance in the 2014-15 period where the</p>	<p>April 2015</p> <p>Management advised that critical feedback and coaching has since been provided.</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
	assessment was not correctly completed within the required timeframes. This was due to the CSO not correctly completing the SOP.		
210	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 6.3(1)(b) <b>Details:</b> Synergy reported 6 instances where a customer was not offered a payment extension or instalment plan in 2013-14. This was due to manual error.	June 2014  Management advised that critical feedback and coaching has since been provided.	The breach issue has been resolved during the current audit period.  No further action required.
211, 212	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 6.4(1)(a) and 6.4(1)(b) <b>Details:</b> Synergy self-reported breaches affecting 2,038 customers in 2013-14 and 424 customers in 2014-2015 in relation to customers who were assessed as experiencing payment difficulties or financial hardship and charged a late payment interest charge in error. It was mistakenly believed the establishment of an instalment plan automatically prevented interest charges from being applied, however this was not the case, and the interest lock was required to be applied manually.	November 2014  Management since implemented a system control which ensures that the manual step to apply a late payment fee lock is automated to prevent interest charges from being applied when an instalment plan is established. This system control was in place at the time of fieldwork.  All interest charges were refunded to the customers in full.	The breach issue has been resolved during the current audit period.  No further action required.
213, 214	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 6.4 (2) and (3) <b>Details:</b> Synergy self-reported 375 instances where the requirements of the Code of Conduct sub clause 6.4(3) were not met due to issues with the letter template and human error from the CSR and CSOs.	June 2015  Management has since amended the template for the automated standard letter, provided critical feedback and coaching to the relevant CSRs, and implemented increased quality assurance monitoring.	The breach issue has been resolved during the current audit period.  No further action required.
235	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 7.7(1)	October 2013  Management advised Synergy provided feedback and counselled the relevant team member, communications were issued and a process change was implemented where all application queues are regularly	The breach issue has been resolved during the current audit period.  No further action required.

## Electricity Retail Licence Performance Audit Report

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
	<b>Details:</b> Synergy self-reported a breach in 2013-14 where a life support registration was removed in error due to the mistaken belief that the medical certification had not been provided. The error was self-identified and no disconnection resulted. The error was due to human error as the application was received via facsimile and stored in the customer resolution team's queue. The customer service officer failed to process the "in progress" item and the life support application was removed.	checked on a daily basis. Since October 2013, life support equipment applications cannot be submitted via facsimile.	
302	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 12.2 <b>Details:</b> Synergy self-reported one breach affecting a customer in 2014-15 in relation to the complaints handling process not being followed correctly and a complaint was not correctly recorded and responded to. This was due to a CSR who did not correctly complete the SOP and did not record the complaint.	June 2015  Management advised that the CSR was provided with coaching on the relevant SOP and increased quality assurance monitoring.	The breach issue has been resolved during the current audit period.  No further action required.
324	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Electricity Industry Metering Code clause 3.3B <b>Details:</b> Synergy self-reported a breach affecting one customer in 2014-15 against this obligation in relation to a customer making an application for REBS in June 2012 which required a change to a bi-directional meter. The request to Western Power was rejected twice, however the rejection was not identified or actioned until June 2015 causing 16 bills to be issued omitting the export value and application of REBS. However the consumption was offset at the full A1 tariff (as opposed to REBS) over the period.	July 2015  Management advised that the meter has since been exchanged and the SOP updated to ensure all rejected service notifications are actioned as appropriately.	The breach issue has been resolved during the current audit period.  No further action required.
407	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Electricity Industry Metering Code clause 5.19(2)	May 2015  Management have advised that the system defect has been corrected and "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of	The breach issue has been resolved during the current audit period.  No further action required.

## Electricity Retail Licence Performance Audit Report

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
	<b>Details:</b> <p>Synergy recorded one incident resulting in 22,255 breaches in the 2014-15 period due to issues with accurately capturing customer addresses in the system. A system error arose where the customer details notification would not issue to Western Power if customers were also authorised contact persons on another customer's account due to a defect that was not identified during testing.</p>	<p>street addresses.</p> <p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Coaching and training was also provided to the relevant staff members.</p>	

Table 18: Current Audit Non Compliance and Recommendations - Resolved During Current Audit Period

# Electricity Retail Licence Performance Audit Report

## 3.2 Unresolved at end of current Audit Period

Manual Ref. / 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
54/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Electricity Industry Customer Transfer Code clause 6.6</p> <p><b>Details:</b></p> <p>In addition to the normal outlook email inbox, the market service manager maintains a Western Power liaison mailbox which is operational 24 hours a day and 7 days a week.</p> <p>The market service manager advised that due to the inefficiency of generating a response for every email received to this inbox, there is no automatic response message set up. Rather, as the inbox is used for exceptions and notices, the market service manager will respond to any emails as they come through.</p>	<p><i>Implement an automatic response message so that communications which come through the Western Power liaison mailbox will be considered as 'received' as per the Customer Transfer Code.</i></p>	<p>The electricity control register referenced an incorrect internal control and referred to the mailbox in error.</p> <p>The internal control will be updated by 30 November 2015.</p> <p>Market Services Manager, RBU</p>
58/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Electricity Industry Customer Transfer Code clause 7.2(4)</p> <p><b>Details:</b></p> <p>An escalation path is included in the model which sets out various working groups and committees where issues can be discussed and escalated. However, the documentation currently does not specify that any disputes which are referred to the Authority must give notice to the Authority of the nature of the dispute and details.</p> <p>It was noted that during the audit period, there was no dispute which was referred to the Authority.</p>	<p><i>Update the relevant policy and procedures (e.g. the Western Power relationship governance model – escalation path) to include further details around notice to the Authority where a dispute is referred to the Authority.</i></p>	<p>Agreed.</p> <p>Market Services Manager, RBU</p>
100/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 38</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as</p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in</p>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
	<p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 7 customers in 2013-14 and 66 customers in 2014-15 in relation to failing to notify customers of the existence and effect of the deemed contract provisions. These were identified as being from incorrect address data recorded within SAP billing system. All crossed meter and reverse move in/move out tasks were completed to rectify the customer's accounts and bills. Each customer account that had been incorrectly moved into a property had all bills reversed and all payments transferred to the newly created account at the correct premises.</p>	<p>soon as it was identified. Coaching and training was also provided to the relevant staff members. Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Retail management's actions and planned initiatives are acknowledged and supported. It is recommended that management continue to monitor progress against planned initiatives and performance targets and provide an update to senior management on progress at the end of the year.</i></p>	<p>SAP and Landgate records. Seventy three customers experienced minor impacts due to the SOP not being followed by CSOs handling the transaction. The CSOs were provided with critical feedback and coaching on the relevant SOPs, and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management will be provided by 31 December 2015.</p> <p>Customer Processing Manager, RBU</p>
130/2015 131/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 2.2(1), 2.2(2); Retail Licence condition 23.1</p> <p><b>Details:</b></p> <p>Synergy self-reported 16 breaches against obligation 130 in 2014-15 due to customers being entered into standard form contracts, in a manner that is not in line with what is set out in the Code of Conduct. These were due to errors by the CSRs.</p> <p>Synergy self-reported 2 breaches against obligation 131 in 2014-15 due to the prescribed information being issued to the wrong address. This was due to a system change implemented to allow customers to select paper-less billing.</p>	<p>Management advised that the CSRs were provided with coaching on the relevant SOPs and subject to additional monitoring and quality assurance.</p> <p>New system changes were also implemented.</p> <p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Retail management to review the SOP in relation to contracting with customers against regulatory requirements. In addition, consideration should be given to reviewing KPIs for contact centre staff that perform contracting tasks.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records, furthermore this change rectified the underlying system issue which contributed to the breaches against this obligation. Eighteen customers experienced minor impacts, the CSRs were provided with critical feedback and coaching on the relevant SOP, and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p>



# Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
			Customer Service Manager
144/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 3.1(2)</p> <p><b>Details:</b></p> <p>Synergy self-reported 9 instances where the obligation has been breached in relation to the request for a new connection not being issued within the required timeframe. This was due to manual error of CSRs during initial customer set up, selecting the incorrect address which resulted in the request not being issued within the required timeframe.</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.</p> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Nine customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction, resulting in the wrong address details being sent to Western Power, the correct customer details were not sent to Western Power within the required timeframe. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management will be provided by 31 December 2015.</p> <p>Credit Portfolio Manager, RBU</p>
145/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.1</p> <p><b>Details:</b></p>	<p>It was noted that Synergy management have taken on proactive actions to address this non-compliance and there has been a decrease in the number of breach incidents over the 2013-14 and 2014-15 period. It was noted that management actively monitor the 90 day unbilled report to investigate root causes and a specialist team is dedicated to corrective actions. A Contestable Billing</p>	<p>Management agree with the corrective action recommendations. A specialist team is in place to take corrective actions for accounts that have not been billed within the regulated timeframes under the Code of Conduct. Synergy continues</p>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
	<p>On a daily basis a 90 day unbilled report is created which reports all customers who have not had a bill issued to them in the last 3 months.</p> <p>Synergy self-identified 10,504 bills between 1 July 2013 and 30 June 2014 (0.16% of bills issued over the year) which were issued to small use customers outside of the regulated timeframes of clause 4.1(b). Between 30 June 2014 and 1 July 2015 there were 8,086 occasions (representing 0.12% of total bills issued) self-reported. These were due to printing issues, self-read meter data not provided, incorrect customer self-meter reads, non-application of electricity account by customers, lack of timely energy data provisions by Western Power and incorrect account establishment by Synergy.</p>	<p>Optimisation project has also been created to deliver additional improvements to the SAP billing system.</p> <p><i>The actions undertaken by Management to address this breach issue are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></p>	<p>to assess and review the billing process and systems to identify areas for improvement. Synergy issues over 6.5 million bills each year. Between 30 June 2014 and 1 July 2015 there were seven thousand seven hundred and thirty three occasions where small use customers were issued their bills outside of clause 4.1 regulated timeframes, these customers experienced a moderate impact. This represents 0.1% of bills issued to all customers. This is historically a very low unbilled amount. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of late billing to senior management, commencing in July 2015. The SOP was reviewed and updated in January 2015 to ensure compliance with the Code of Conduct. An update to senior management will be provided by 31 December 2015.</p> <p>Billing Services Manager, RBU</p>
154/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 32</p> <p><b>Details:</b></p> <p>Synergy self-reported 477 instances where bills were not issued to the postal or electronic address nominated by the customer in 2013-2014. These breaches were due to manual error and resulted in customers being issued overdue notices (since reversed) and two customers being disconnected (paid SSP or good will payments).</p>	<p>The standard methodology for the system change request process, including changes to the billing system, is triggered when a need for change is identified. Then detailed business requirements and impacts are documented and assessed and costs are estimated. If the proposed change is approved, the change request is designed, built, tested and implemented.</p> <p><i>Management actions undertaken to rectify the cause of the breaches are endorsed and supported. However to improve strength of controls going forward, there should be a review of the system change request process to ensure:</i></p> <ol style="list-style-type: none"> <li>1. legal and regulatory requirements are adequately documented during the design phase;</li> <li>2. system building reflects legal and regulatory requirements; and</li> </ol>	<p>Management agree with the corrective action recommendations.</p> <p>Manager ICT Retail (item 1)</p> <p>Manager ICT Applications (items 2 and 3)</p>

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Manual Ref. / 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
	<p>Management have undertaken coaching initiatives, implemented additional monitoring and put in place automated system prompts to address this breach.</p> <p>In 2014-15, 1,435 breaches were self-reported where customers who had nominated electronic email addresses were issued with bills via post. This was due to a system change implemented to allow customers to select paper-less billing. New system changes were implemented to rectify this issue.</p>	<p>3. <i>system testing prior to go live confirms legal and regulatory requirements have been met.</i></p>	
155/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.5(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches in relation to this obligation in 2014-15 due to the following:</p> <ul style="list-style-type: none"> <li>113 bills issued incorrectly displayed credit amount due to lack of understanding of the impact of the cheque cancel process.</li> <li>238,568 bills which did not display accurate metering supply period when different to the account period</li> <li>Bills which did not display the correct graph or bar chart on units of consumption due to new functionality implementation.</li> <li>24 Instances where the value and type of concession applicable to eligible residential customers were not displayed or applied (this also affected 8 customers who did not receive their correct concession entitlements and five customers who did not receive their supply charge rebate resulting in two customers disconnected for non-payment) as the CSR did not follow the SOP (human error)</li> <li>Up to 47,400 bills affecting 7,900 customers may not have displayed the required type and/or value of the concession information in 2014/15. This was due to issues with concessions applied to My Account.</li> <li>A further 16 customers did not receive their correct concession due to human error of CSR.</li> <li>1 instance where the customer received a bill that displayed the incorrect meter reading type due to human error of the billing officer entering incorrect meter reading type into the system.</li> <li>2 instances where incorrect applicable tariffs were displayed due to</li> </ul>	<p>Management have advised that the following actions have been taken/will be taken to address the breaches:</p> <ul style="list-style-type: none"> <li>Accounts payable and IT are now aware of the relationship between the two systems and the system has been updated to resolve cheque cancel process issue.</li> <li>Processes in relation to final reads have been amended and training completed.</li> <li>System software fix has been implemented in relation to graphs and bar charts and GST description.</li> <li>CSRs and relevant billing officers were provided with coaching/feedback and were subject to increase QA monitoring.</li> <li>A concessions project has implemented system changes and increased reporting.</li> <li>Relevant SOP updated to ensure rejected service notifications are actioned appropriately.</li> </ul> <p>1. <i>System issues</i></p> <p><i>There should be a review of the system change request process to ensure:</i></p> <ul style="list-style-type: none"> <li><i>legal and regulatory requirements are adequately documented during the design phase;</i></li> <li><i>system building reflects legal and regulatory requirements; and</i></li> <li><i>system testing prior to go live confirms legal and regulatory requirements have been met.</i></li> </ul> <p>2. <i>Information on the bill</i></p> <p><i>It is recommended that retail management continue to monitor</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The process for actioning a request from a customer to establish or terminate a contract for supply, where the required notice period has not been given, has been amended to obtain the customer's agreement to exclude the metering supply period from the bill. Training has been completed for all CSRs. One hundred and fifty seven customers experienced minor to moderate impacts due to the SOP not been followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of information on bill accuracy.</p> <p>Manager ICT Retail and Manager ICT Applications</p> <p>Customer Processing Manager, RBU</p>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
	<p>human error of the CSRs.</p> <ul style="list-style-type: none"> <li>88,000 customers received invoices stating incorrect GST reference of 0% due to system issues however correct GST of 10% was applied to the bill (eg: no undercharge).</li> <li>One customer was affected due to Western Power's error in rejecting the REBS application and therefore the bill not reflecting REBS information</li> </ul>	<p><i>progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></p>	
157/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.6(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 1,036 customers in 2013-14 and 844 breaches in 2014-15 due to manual error of the CSR during initial customer set up or customer errors in providing an incorrect address, causing the bill not to be based on the customer's correct address.</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Retail management's actions and planned initiatives are acknowledged and supported.</i></p> <ol style="list-style-type: none"> <li><i>It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></li> <li><i>In addition, consideration should be given to reviewing KPIs for relevant staff that perform addressing tasks.</i></li> </ol>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Unfortunately one thousand eight hundred and eighty customers experienced minor to moderate impacts due to the SOP not being followed by the CSOs handling the transaction, resulting in the incorrect supply address being selected when the account was established. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
			Customer Processing Manager, RBU
158/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.7</p> <p><b>Details:</b></p> <p>If a customer receives 5 consecutive bills based on an estimate, SAP will automatically alert Synergy to contact Western Power and the customer to organise an actual read.</p> <p>However, according to the maximum estimate procedure this occurs once a customer receives more than 3 consecutive estimates.</p> <p>It was noted that the information provided in the maximum estimates procedure is out of date and does not align with the system and processes currently in place.</p> <p>It was also identified that there is a monthly report sent from Western Power to Synergy listing all customers who have not had an actual read performed on their meter installation in 12 months. A sample report was reviewed and it was noted that, during one month there were 180 instances of no actual readings being obtained from a customer's meter installation in 12 months.</p>	<p><i>Update the maximum estimates procedure to align with the current systems and process in place at Synergy.</i></p> <p><i>Review processes for generation and actioning of the monthly exception report sent to Western Power for meter reads not conducted within 12 months. Implement exception reporting for a shorter time period e.g. 11 months to allow time to action a meter read before the obligation is breached.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The SOP relating to the maximum estimates procedure will be reviewed and updated to align with the current systems and process in place at Synergy by 31 December 2015. A review of the processes for generation and actioning of the monthly exception report sent to Western Power for meter reads not conducted within twelve months will be conducted by 31 December 2015. Additionally an exception report for a shorter time period to allow time to action a meter read before the obligation is breached will be implemented by 31 December 2015.</p> <p>Billing Services Manager, RBU</p>
161/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.8(3)</p> <p><b>Details:</b></p> <p>Through sample based testing it was revealed that in all cases, a reason for an estimate was provided within SAP. While our sample testing did not reveal any instances of non-compliance, discussions with the senior service representative did identify that in some circumstances the Western Power representative will select the option 'other'. If a customer requests a reason and "other" is the reason provided by Western Power a Synergy CSR will contact Western Power to clarify the reasoning for the 'other' selection. As no narrative is provided for 'Other' selections, in some cases Western Power are not able to provide a reason for estimation and therefore a</p>	<p><i>Discuss with Western Power a solution to ensure all estimates have a reason recorded, this could include deleting the option of "other" or enforcing a mandatory narrative field when "other" is selected.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>Synergy sent a request to Western Power to initiate discussions around finding a solution to ensure all estimates have a reason recorded, this could include deleting the option of "other" or enforcing a mandatory narrative field when "other" is selected. The issue will be discussed at the next Synergy / Western Power business to business meeting in October 2015.</p> <p>Market Services Manager, RBU</p>

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Manual Ref. / 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
	reason for estimate cannot be provided to the customer if requested.		
166/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.12(1)</p> <p><b>Details:</b></p> <p>The product change to a different tariff document describes the process for changing a customer's tariff, however it does not specify the time frame required as per the obligation. The timeliness of the product change may be highly dependent on when information is received from Western Power.</p> <p>Sample based testing revealed that in all instances, the customer's tariff change was processed within 10 business days of the date that the customer demonstrated they met the requirements of the tariff change.</p> <p>Synergy self-reported breaches affecting 4 customers in 2013-14 and 7 customers in 2014-15 in relation to requests to change tariffs to an alternative tariff not being completed within 10 business days. In some instances these were due to the CSRs not completing the SOP correctly and in other cases it was due to a system error.</p> <p>Management have advised that the CSRs were provided with coaching on the relevant SOP and increased quality assurance monitoring. The system issues were addressed and an alert was sent to all billing operators to follow a manual work around process whilst the system issue was being addressed.</p>	<p><i>Update the SOP to reflect the 10 business day requirement as per the obligation and run exception reporting where the request is approaching the 10 day timeframe to ensure follow up with Western Power (where applicable).</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The SOP was updated in September 2015 to reflect the ten business day regulatory requirement. Eleven customers experienced minor impacts due to the SOP not being followed by the CSRs. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.</p> <p>Customer Service Manager, RBU</p>
167/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.13</p> <p><b>Details:</b></p> <p>Through discussions with the Senior Service Representative, it was noted that no written communications are issued to the customer where tariff changes (generally between L1 and A1) occur outside of the annual audit. It was advised that these changes are normally advised over the phone verbally for residential and small business customers.</p>	<p><i>Implement updated processes to ensure written notification is generated and issued to the customer whenever a Customer is no longer eligible for an existing more beneficial tariff and a tariff change occurs (including those identified outside of the annual audit process). Update the Tariff Migration Process accordingly to reflect the written notification required and implement training to relevant staff members.</i></p>	<p>Management agree with the corrective action recommendations. The SOPs will be updated to ensure a written notification is generated and issued to the customer whenever a customer is no longer eligible for an existing more beneficial tariff and a tariff change occurs (including those identified outside of the annual audit process). The tariff migration process will be updated to reflect the written notification required and implement</p>



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	<p>The Tariff Migration Process outlines to the process that needs to be followed within SAP to change a customer to an alternative tariff, however it does not provide information regarding the notification of the tariff change to a customer.</p>		<p>training to relevant staff members. This update will be completed by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>
172/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.16(1)(a)</p> <p><b>Details:</b></p> <p>Through sample testing of 20 bill reviews it was noted that in seven instances where the bill review was conducted and identified that the bill was correct, there was no evidence that the customer was advised of the existence and operation of the complaints management process. In all instances, these reviews consisted of the initial step of review of historical consumption and potential high usage appliances and did not progress to the MDV stage where the letter would be issued.</p> <p>Further through review of the 2013-14 Annual Compliance Report it was noted that Synergy self-reported breaches affecting approximately 4,560 customers due to the letter templates not offering the option of a meter test or details of the complaints handling process.</p> <p>Management had revised the letter template and completed the action in 30 September 2014. However, based on our sample testing, it is noted that these requirements are not in place where the customer has not progressed to the MDV stage and has been informed their bill is correct due to high usage.</p>	<p><i>Review billing procedures against the Code of Conduct requirements, amongst other matters, to ensure the procedures specify the obligation to advise the customer on the option to arrange a meter test in accordance with the 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 where a review has been conducted and the bill appears correct. Further amend email templates to customers advising them of previous consumption history to include the option for meter test and complaints management processes.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>A review of critical SOPs relating to bill reviews will be completed in November 2015; additionally the email templates will also be updated as part of the review process. The letter template was last updated on 30 September 2014.</p> <p>Customer Processing Manager, RBU</p>
174/2015 175/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.16(2) and 4.16(3)</p> <p><b>Details:</b></p> <p>If a review of the bill is undertaken over the phone with the customer the outcome is communicated to the customer immediately.</p>	<p><i>To strengthen controls and support compliance, it is recommended that system prompts be implemented where an assigned bill review task is approaching the 20 day time frame.</i></p>	<p>Management agree with the corrective action recommendations. A daily customer experience dash board is generated, this dashboard monitors all tasks and BPEMs alerting the business when tasks are approaching the regulatory thresholds, enabling the business to prioritise and action those identified</p>



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	<p>Where a customer makes a request for a bill review through the online enquiry service an automatic acknowledgement response is generated. A Synergy operator will be assigned the task and follow up with the customer.</p> <p>Through sample testing of 20 high bill review requests, it was noted that in all instances the bill was reviewed in 20 business days and the customer was advised of the outcome of the review and/or rebilled thereby not requiring Synergy to contact the customer to notify them on the status of the review.</p> <p>However, it was noted no system controls are in place to prompt follow up.</p>		<p>tasks within the regulatory thresholds.</p> <p>Customer Processing Manager, RBU</p>
176/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 2.6</p> <p><b>Details:</b></p> <p>Sample testing identified one instance where the customer did not receive any form of communication in regards to the meter tests results and the associated undercharged amount that was identified. The invoice was cancelled and the customer was billed in accordance with the Code of Conduct.</p> <p>Further, Synergy self-reported breaches affecting 153 customers in 2013-14 and 28 customers in 2014-15.</p> <p>The 2013-14 breaches included instances where customers who had been undercharged were billed for periods in excess of 12 months, were not billed on a special bill or as a separate line item, and were not offered interest and fee free payment plans. It was identified that these breaches were due to a lack of compliant SOP at the time.</p> <p>Management have implemented a new SOP, amendments to bill explanations and a system changes.</p> <p>In the 2014-15 period, self-identified breaches were due to Synergy seeking to recover undercharges for period greater than 365 days. These breaches were due to CSRs not following the SOP. The CSRs have been provided with coaching with increased quality assurance monitoring. Exception reporting is now generated for bills generated for periods in excess of 365 days.</p>	<p><i>The current actions underway to address this breach issue is acknowledged and supported. It is recommended that management continue to progress systems changes to ensure bills cannot be raised for undercharges for a period over 365 days due to error, defect or default by Synergy or Western Power.</i></p> <p><i>Determine the root cause for the instance of non-compliance identified during the audit for not providing the customer with communication in regards to the meter tests results and the associated undercharged amount that was identified. Provide relevant officer with feedback, coaching and increased QA monitoring.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>One hundred and eighty one customers experienced minor impacts due to the SOP not being followed by CSRs; this was determined to be the root cause. The CSRs were provided with coaching on the relevant SOPs and increased quality assurance monitoring for one month. The processes were changed to require bills being generated for periods in excess of three hundred and sixty five days to be reviewed prior to sending to customers to ensure the customer is liable as per the deemed contract notice provisions. The standard letter which accompanies bills for periods in excess of the usual sixty day billing cycle now also includes a statement offering customers an instalment plan for the same period as the bill. In addition, changes were made to the structure of the lost consumption report for electricity and enhancements made to ensure the automated disconnection notifications are sent in the correct circumstances, therefore reducing the risk of greater</p>

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			<p>than three hundred and sixty five days billing. Additionally a system change was made to identify online requests from customers to establish accounts more than twelve months for manual review prior to processing.</p> <p>Customer Service Manager, RBU</p> <p>Customer Processing Manager, RBU</p>
177/2015 181/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.18(2) and 4.18(7)</p> <p><b>Details:</b></p> <p>Through sample testing of 15 overcharges due to defect or error, it was noted that there were 8 instances where the letter advising of the overcharge (and for instructions if they wished to be refunded) was either not available to sight or was issued to the customer more than 10 business days subsequent to becoming aware of the overcharge.</p> <p>However, the overcharged amounts were credited to the customers' accounts as this is an automated process within SAP once the overcharge has been identified. Additionally, we identified that none of the sample customers were charged a fee for meter tests.</p> <p>Synergy self-reported breaches affecting 387 customers in 2014-15 in relation to incorrect customer address issues resulting in repaying overcharges inconsistently with the Code of Conduct requirements and therefore breaches to Obligation #177. These were identified due to CSR manual error during initial customer set up or customer errors in providing an incorrect address. This also resulted in 16 instances of recovering undercharges and 387 instances of repaying overcharges inconsistently with the Code of Conduct requirements as letters were not issued to customers within the required timeframes due to incorrect addresses recorded in the system. Relevant staff members were provided critical feedback and coaching.</p> <p>Management have advised that a "customer information project" was</p>	<p><i>Consider implementing system prompts to ensure that rebill letters are issued once an investigation is completed and an overcharge is identified by a billing officer to complete the process and ensure the obligation is met.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Synergy will investigate the feasibility of implementing system prompts to ensure that rebill letters are issued once an investigation is completed and an overcharge is identified by a billing officer to complete the process and ensure the obligation is met by 30 January 2016.</p> <p>Customer Processing Manager, RBU</p>

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	completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.		
178/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.18(3)</p> <p><b>Details:</b></p> <p>Through sample testing of 20, it was noted that there was one instance where the customer was not refunded an overcharged amount within the timeframes due to manual error.</p>	<i>Implement monthly internal spot-checks to ensure refunds are processed within the timeframes as per the obligations.</i>	<p>Management agree with the corrective action recommendations. A monthly internal spot check will be implemented by 30 November 2015, ensuring refunds are processed within the timeframes as per the Code of Conduct.</p> <p>Manager Customer Processing, RBU</p>
182/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.19(1)</p> <p><b>Details:</b></p> <p>Whilst sample based testing of 5 customer account adjustments did not reveal any non-compliances, Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to the standard rebill letter not being manually included with the bill in error. The customers were subsequently provided with the reason for the adjustment.</p> <p>Management have advised that a system change is being implemented to automate the letter.</p>	<i>The current actions underway to address this breach issue are acknowledged and supported. It is recommended that Management continue to progress system changes to ensure rebill/adjustment letters are automatically included with rebill invoices.</i>	<p>Management agree with the corrective action recommendations. Two customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.</p> <p>A system change will be implemented by 31 December 2015 which will automate the issuing of the rebill letter.</p> <p>Customer Processing Manager, RBU</p>
190/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.4</p> <p><b>Details:</b></p>	<i>Reemphasise with Australia Post the \$20 minimum requirement for payments taken in advance. However it is acknowledged that by accepting payment in advance amounts less than \$20, there is minor impact on customers and third parties.</i>	<p>Management agree with the corrective action recommendations. A communication was sent to Australia Post on 21 September 2015 which reemphasised with Australia Post the \$20 minimum</p>

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	There are various methods that a customer can make an advanced payment. It is noted that most customers will choose to make an advance payment online or over the phone where a minimum of \$20 is required. Centrelink will also ensure on behalf of Synergy that advance payments are a minimum of \$20. However, some customers may choose to pay via a remittance slip at the local Post Office and management has advised that there have been instances where amounts have been taken that are below the minimum amount for an advance payment, (despite the terms and conditions in the contract between Synergy and Australia Post specifying this requirement) due to employees of Australia Post not being aware of this requirement.		requirement for payments taken in advance.  There is no customer impact associated with this observation.  Credit Portfolio Manager, RBU
197/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.7(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting one customer in 2013-14 and seven customers in 2014-15 in relation to receiving a bill for consumption that occurred after they had vacated the supply address. This was due to human error as the CSR noted the request to close the account but did not complete the SOP.</p>	<p>June 2015</p> <p>Management have advised that the CSO were provided with coaching on the relevant SOPs.</p> <p>The customers were provided with a replacement bill to the correct the error.</p> <p>A "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Eight customers experienced minor impacts due to the SOP not being followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in February 2015 to ensure compliance with the Code of Conduct. An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>

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202/2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.1(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 3255 customers in 2014-15 in relation to this obligation. The majority of the breaches were due to an increase in customer's seeking hardship assistance and staff taking unplanned leave and therefore the customer support team were unable to complete all assessments within the required 3 business days. Some breaches were due to the CSRs not following the relevant SOP. However, it was noted that all assessments were completed and an additional five staff members were dedicated to performing the assessments and providing assistance to get back up to date.</p>	<p>Management have advised that the guidelines on knowledge base have been simplified and updated, internal changes have been made to reduce the number of tasks being raised to the customer support team by training the CSRs to achieve first call resolution, the number and progress of customers requiring assessment is now monitored daily to ensure resources are available, service levels are tracked to provide alerts to the business for potential tasks to go beyond the required timeframe and a system change was implemented to align regulatory timeframes with internal due dates. The CSOs and CSRs were also provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring.</p> <p>An initiative has also been implemented to achieve first call resolution and to enhance call quality interactions.</p> <ol style="list-style-type: none"> <li><i>It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></li> <li><i>In addition, consideration should be given to reviewing KPIs for relevant staff that perform hardship tasks.</i></li> </ol>	<p>Management agree with the corrective action recommendations.</p> <p>Unfortunately three thousand three hundred and twenty five customers experienced minor impacts and were affected by an average delay of one day in the determination of their payment difficulty or financial hardship status. Whilst 93.2% of all referrals were completed within the required timeframe, due to an increase in customers seeking hardship assistance as well as staff unplanned leave, the customer support area was not able to complete all assessments within the required 3 business days. To address this a number of key initiatives have been implemented:</p> <ol style="list-style-type: none"> <li>Payment difficulty/financial hardship guidelines have been simplified by updating knowledge base with clearer step by step instructions.</li> <li>Internal changes have been made to reduce the number of tasks being issued to the customer support team.</li> <li>CSRs have been trained to achieve first call resolution by following step by step instructions and using a checklist to ensure accurate identification of hardship customers and appropriate action thereafter (referral for financial assistance to customer support).</li> </ol>

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			<p>d) The number and progress of customers requiring assessment is now monitored daily to ensure necessary resources are available to complete assessments within timeframe.</p> <p>e) The internal controls include a daily dashboard which tracks service levels and provides alerts to the business for any potential for tasks to go beyond the required timeframe.</p> <p>f) Implementation of a system change to align regulatory timeframes with the internal due dates.</p> <p>g) An initiative has been implemented to achieve first call resolution where possible in the contact centre, and enhancing the call quality interactions with hardship customers.</p> <p>h) The telephony system was enhanced to automate the outbound call and deliver it to an available CSR</p> <p>i) Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of hardship assessment. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>

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207/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b></p> <p>Code of Conduct clause 6.2(3)</p> <p><b>Details:</b></p> <p>Sample testing of 20 customers was performed which included reviewing the customer's interaction notes, listening to calls and examining customers' lock history. It was noted that in all instances, the dunning lock was applied when a customer was referred to an independent financial counsellor. However there was one instance where a customer with an existing locked account had called to extend the timeframe. The CSR in error did not place the extension for a long enough period to cover the timeframe required. A Collections Spreadsheet was provided as evidence that no actions were taken during the 3 day period when the lock was not in place.</p> <p>Synergy self-reported 5 customers who were disconnected due to failure to suspend activities for at least 15 business days in the 2013-14 period. The CSRs had failed to follow the SOPs and did not request cancellation of disconnection at the time the temporary suspension of actions was granted.</p> <p>All customers were granted an urgent same day reconnection when the error was identified and paid the relevant SSP. This was due to manual error on the part of the CSRs and critical feedback and coaching has since been provided.</p>	<p><i>Provide constructive feedback to CSR, reemphasis obligation to the relevant CSRs through coaching and increase QA activities for CSR for a period of time.</i></p>	<p>Management agree with the corrective action recommendations. Five customers experienced moderate impacts due to the SOP not being followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. All customers were assessed and relevant assistance provided, if applicable and all late payment fees were waived.</p> <p>Customer Service Manager, RBU</p>
222/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.10(3)</p> <p><b>Details:</b></p> <p>Through review of the financial hardship procedures, the following gaps were noted:</p> <ul style="list-style-type: none"> <li>Does not provide guidance on how customers experiencing financial hardship are to be treated sensitively and respectfully as provided in sub clause 6.10(3)(c).</li> <li>Does not provide guidance in regards to all the points specified in sub</li> </ul>	<p><i>Review and update the financial hardship procedures to capture further details aligned to the obligations set out in clause 6.10(3) and communicate the updated document to the relevant staff members.</i></p>	<p>Management agree with the corrective action recommendations. The financial hardship documented procedures were updated by 6 October 2015 as part of the most recent regulatory review and reflect clause 6.10 (3), 6.10(3) (d), 6.10(3) (e) and 6.10(3) (c). Training and guidance has been provided to the customer support team regarding the changes and recommendations.</p> <p>Customer Service Manager, RBU</p>



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	<p>clause 6.10(3)(d).</p> <ul style="list-style-type: none"> <li>Does not specify that the credit management staff have a direct telephone number which should be provided to the relevant financial counsellors and consumer representative organisations in accordance with sub clause 6.10(3)(e).</li> </ul>		
229/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 4</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 7.1(1)</p> <p><b>Details:</b></p> <p>Through sample testing it was identified that a system issue prevented automatic notifications from being sent out within the required timeframes resulting in nine instances where customers were not issued disconnection warnings in the specified timeframes. Synergy did not identify this system error and disconnection tasks were raised and completed without the required written notification.</p> <p>Management have advised that this system error was addressed in the Collections Strategy update in May 2014 and a test of sample customers after this period did not identify any issues.</p> <p>Further, self-reported breaches affecting 25 customers in 2013-14 and 82 customers in 2014-15 in relation to being wrongfully disconnected for non-payment inconsistent with the Code of Conduct requirements. The errors were caused by CSRs failing to correctly follow the SOPs.</p> <p>Management have advised that the customers were granted an urgent same day reconnection and all customers were credited with the regulated SSP. The CSRs were provided with critical feedback and received coaching on the relevant SOP and additional quality assurance monitoring. A presentation was also provided to the disconnection team on the SOP by the regulatory team in December 2013.</p> <p>Three bulletin communications were issued to all CSRs regarding the process to correctly update mailing addresses. The process for updating mailing addresses was also reviewed and the system updated in November 2013 to require CSRs to confirm the address has been updated correctly.</p> <p>A SOP to manage return to sender mail was introduced in March 2014. The paperless billing terms and conditions have been amended to make it more explicit Synergy will send collection notices electronically to the customers</p>	<p><i>It is acknowledged that the system issue which resulted in the breach was resolved within the audit period. However to strengthen the detective controls in place, it is recommended that management undertake more regular exception reporting around disconnections and from the exception report undertake QA reviews on a spot check basis to ensure system issues are identified in a timely basis.</i></p>	<p>Management agree with the corrective action recommendations. One hundred and seven customers experienced major impact due to the SOP not being followed by the CSRs handling the transaction (or system related issues). The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. All customers were assessed and relevant assistance provided, if applicable and all late payment fees were waived, the impacted customers power was restored on the same day via urgent reconnections.</p> <p>The underlying system issue which prevented the required notifications being sent to customers regarding disconnection, was rectified by the implementation of the collection strategy project in May 2014. The collection strategy project aligned the SAP system generated notifications to the Code of Conduct requirements, ensuring all required notices are sent to the customer before the account progresses to the disconnection stage of the collections processes, furthermore the credit portfolio team has introduced an ongoing monthly</p>

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Manual Ref. / 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
	nominated email address.		(sample) audit of disconnected customers, exception reporting is now conducted on a daily basis (via the NAK report) and an increase in the quality monitoring of the disconnected accounts to ensure compliance and identification of system issues in a timely basis.  Credit Portfolio Manager, RBU
230/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 7.6</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 2 customers in 2013-14 and 45 customers in 2014-15 in relation to being wrongfully disconnected for failure to pay a bill by one day. The errors occurred due to credit management officers failing to correctly follow the relevant SOPs and manual error of CSRs during the initial customer setup including incorrect address set up. The accounts were set up incorrectly resulting in invoices being sent to the wrong address, incorrect customers in the address and the SOP not being followed resulting in a wrongful disconnection.</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Forty seven customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs. The implementation of the collection strategy project in May 2014 provided Synergy with automated email and SMS capability to advise customers as they enter different stages of the collection process. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management will be undertaken by 31 December 2015.</p> <p>Credit Portfolio Manager, RBU</p>
240/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p>	<p><i>It is acknowledged that the system attribute changes have been completed.</i></p> <p><i>However, to further strengthen the control environment, it is recommended that Management implement system reminders for</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>Eleven customers registered for life</p>

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Manual Ref. / 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
	<p><b>Legislative Obligation:</b> Code of Conduct clause 7.7(6)</p> <p><b>Details:</b></p> <p>Testing of 20 samples identified that in 8 instances where the customer was flagged as life support prior to July 2014, the annual renewal process was not followed (these customers were not disconnected and remained on the register).</p> <p>Further Synergy self-reported breaches affecting 11 customers in 2014-15 in relation to life support customers not being contacted after 12 months to confirm whether life support equipment was still in use at the property.</p> <p>This was due to legacy data whereby the customers did not have the required attributes in SAP and therefore the automatic letter was not issued within the 12 months.</p> <p>Management have advised that SAP attributes have been adjusted.</p>	<p><i>Synergy operators to follow up on declaration and recertification letters which have been issued once the automated letters have been generated. For manual letters, ensure that these letters can only be issued once a task is raised within the system (i.e. once the task is raised, the letter is automatically populated and can be manually sent out).</i></p>	<p>support experienced a minor impact due to a problem in the manual renewal process, which occurs on the twelve month anniversary of the medical certification being provided to Synergy to confirm whether life support equipment was still in use at the property. The customers were not contacted due to legacy data. The customers did not have the required attributes in SAP and therefore an automatic letter was not issued within the required twelve months. The impacted customers were contacted and the relevant details obtained in July 2015. Once the updated data was received, non-eligible customers were removed from the life support register. A system change was implemented in July 2015 which automates the annual contact process, eliminating the risk associated with the manual process.</p> <p>Customer Service Manager, RBU</p>
242/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 8.1(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to a request for reconnection being incorrectly stated for a future date resulting in a delay in reconnection of 7 business days. An urgent same day reconnection was completed on the day the error was identified. This was noted as being due to manual error from the relevant CSR.</p>	<p>Management have advised that the CSR was provided with critical feedback and coaching on the relevant SOPs.</p> <p><i>Management's actions and planned initiatives are acknowledged and supported.</i></p>	<p>The delivery of the de-energisation and re-energisation project in September 2015 has automated the re-energisation task, eliminating the "human error" risk associated with the reconnection transaction. SOPs were reviewed and updated in September 2015. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.</p> <p>Credit Portfolio Manager, RBU</p>
243/2015	<p><b>Controls Improvement</b></p>	<p><i>Implement the change request planned to automate reconnection service notifications and ensure only exceptions are required to be</i></p>	<p>Management agree with the corrective action recommendations.</p>

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Manual Ref. / 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
	<p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 8.1(2)</p> <p><b>Details:</b></p> <p>Testing of a sample of 20 reconnection requests and service notifications to Western Power resulted in no issues noted.</p> <p>However, Synergy self-reported breaches affecting 219 customers in 2013-14 and 62 customers in 2014-15 in relation to Synergy not forwarding the request for reconnection to the distributor within the required Code of Conduct timeframe with an average delay of 1.5 days. On most occasions it was caused by the CSR failing to correctly follow the SOP and on one occasion it was due to a SAP error. All customers were ordered an urgent same day reconnection with regulated service standard payments</p> <p>Management have advised that relevant feedback has been provided to the affected staff members and refresher training courses were provided on raising the service notification to check whether it has been raised correctly as well as increased quality assurance.</p>	<p><i>manually addressed by the credit portfolio team.</i></p>	<p>The delivery of the de-energisation and re-energisation project in September 2015 has automated the re-energisation task, eliminating the "human error" risk associated with the reconnection transaction. SOPs were reviewed and updated in September 2015. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. Two hundred and eighty one customers were moderately impacted, all impacted customers had their power restored the same day through urgent reconnections, and all customers received a service standard payment.</p> <p>Credit Portfolio Manager, RBU</p>
249/2015 253/2015 255/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 9.3(1), 9.3(5), 9.4(2)</p> <p><b>Details:</b></p> <p>The SOP does not specify the location and business hours of the recharge facility, how changes will be notified or the 10 business day timeframe in accordance with sub clause 9.3(5).</p> <p>Through discussions, it was noted that there has not been any instances of a request to replace or switch to a standard meter within 3 months of installation or the date the customer agreed to enter into the prepayment contract. Pre-payment contracts were entered into in July 2009 and there have been no further prepayment customers added.</p> <p>Although section 2.4 of the pre-payment meter BAU processes refers to notification of life support, it does not detail the process to be followed in relation to the above obligation specifically in relation to reversion within 3 months.</p>	<p><i>Update the pre-payment meters – BAU processes document to include further details around Clause 9.3 (1) and 9.3 (2)(r), specifically the location and business hours of recharge facility and the requirement to notify of a change to recharge facilities within 10 days</i></p> <p><i>Update the pre-payment meters – BAU processes document to include further details as specified within 9.4(2), specifically the process to be followed in relation to reversion to a standard meter within 3 months of installation of a prepayment meter or the date the customer agreed to enter a pre-payment contract</i></p>	<p>Management agree with the corrective action recommendations. The SOP will be updated to include further details around Clause 9.3 (1) and 9.3 (2)(r) of the Code of Conduct, specifically the location and business hours of recharge facility and the requirement to notify of a change to recharge facilities within 10 days. Additionally the SOP will be updated to include further details as specified within 9.4(2), specifically the process to be followed in relation to reversion to a standard meter within 3 months of installation of prepayment meter or the date the customer agreed to enter pre-payment contract. There was no impact to customers associated with this observation.</p> <p>Customer Processing Manager,</p>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
			RBU
254/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 9.4(1)</p> <p><b>Details:</b></p> <p>Through discussions, it was noted that there has only been one instance where the customer has notified Synergy of a need to replace the meter (due to life support). In this instance, the meter was replaced on the same day.</p> <p>Although section 2.4 of the pre-payment meter BAU processes refers to notification of life support, it does not detail the timeframes in place to send information to the customer and arrange with the distributor replacement of standard meter.</p>	<p><i>Update the pre-payment meters – BAU processes document to include the 1 business day timeframe specified within 9.4(1).</i></p>	<p>Management agree with the corrective action recommendations. The SOP has being updated to include the 1 business day timeframe specified within clause 9.4(1) of the Code of Conduct. There was no impact to customers associated with this observation.</p> <p>Customer Service Manager, RBU</p>
271/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 9.11(1)</p> <p><b>Details:</b></p> <p>Synergy has documented processes – prepayment meters – payment difficulties/financial hardship in place. Whilst this document aligns to the Code of Conduct clause 9.11(2)(a), in regards to the disconnection requirements these do not align with clause 9.11(2)(b) as the Synergy document refers to: <i>a prepayment meter customer has been disconnected 3 or more times in any three month period for longer than 240 minutes (4 hours) on each separate occasion.</i></p> <p>Furthermore, although the document makes reference to payment difficulty/hardship assessment, changing to different meter, and information and referral to financial counselling, it does not refer to clauses 2.3 and 2.4 of the code which relate to entering into standard and non-standard form contracts.</p> <p>Through discussion with the manager regulation &amp; compliance it was noted that disconnection data is not available from the pre-payment meters currently in place. This obligation is not applicable for any pre-payment</p>	<p><i>Revise the prepayment – financial hardship document to:</i></p> <ul style="list-style-type: none"> <li><i>Align with the code with regards to the disconnection requirement not being applicable to existing meters that cannot provide disconnection data however any new prepayment meters are required to be able to extract disconnection data.</i></li> <li><i>Include information requirements as per clauses 2.3 and 2.4.</i></li> </ul>	<p>Management agree with the corrective action recommendations. The SOP has being updated to align with the Code of Conduct with regards to the disconnection requirement not being applicable to existing meters that cannot provide disconnection data however any new prepayment meters installed in the future are required to be able to extract disconnection data, and include information requirements as per clauses 2.3 and 2.4. There was no impact to customers associated with this observation.</p> <p>Customer Service Manager, RBU</p>

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Manual Ref. / 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
	meters installed prior to the amendment date of the Code of Conduct but going forward, any new prepayment meters installed would have the specifications required to extract disconnections data by virtue of the Code of Conduct clause 9.12.		
293/2015 307/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 10.10(3) and 13.3</p> <p><b>Details:</b></p> <p>The regulation compliance team periodically sends building services a reminder notice noting that physical copies of the aforementioned documents are available at reception. Building services are responsible for training the reception staff on providing the documentation on request.</p> <p>However, during our observation, we note that staff at reception were unaware of the physical copies kept behind the counter. This was because staff recently returned to work after a period of leave and was unaware of the reminder notice provided by the regulation and compliance team. But for the Auditor pointing out the documents at reception, the receptionist on duty would have sent the Auditor away without providing any hard copies.</p>	<p>1. Management should re-train reception staff on compliance with the licence condition to make available relevant codes, compendiums and regulations for inspection and continue current awareness raising emails.</p> <p>2. Management should consider developing a "reference sheet" with frequently asked questions to assist reception staff to comply with the licence conditions. The reference sheet should contain information required to meet the customer's request and licence obligations.</p>	<p>Management will 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. 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 will be obtained.</p> <p>Management will also conduct a one on one session with each reception staff member reminding them of the regulatory requirement.</p> <p>Manager Fleet and Property, Finance</p>
294/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 10.11(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported 14 instances of a breach in the 2014-15 period against this obligation due to customer address issues.</p> <p>Due to incorrect address being recorded in the system, the requested information was not able to be delivered to the customer.</p>	<p>Management have advised that the customer information project has been implemented and will strengthen controls around accurate customer addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.</p> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Fourteen customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. Due to the incorrect address being recorded in SAP, the requested information was not able to be delivered to the customer. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four</p>



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Manual Ref. / 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
			<p>weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update will be provided to senior management by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>
299/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 12.1(2)</p> <p><b>Details:</b></p> <p>The complaints handling process is outlined in the Synergy complaints policy. This document was examined and it was noted that the document included a detailed complaints handling guide and aligns to the ISO in terms of the definition of a complaint. The policy also makes reference to the acknowledgement of complaints within the prescribed timeframes, service standard payments, record keeping, reporting and monitoring.</p> <p>However, it was noted that the policy is dated 2011 and requires a review and update.</p> <p>Synergy have one self-reported breach affecting a customer in 2014-15 in relation to the complaints handling process not being followed correctly and consequently the complaint was not correctly recorded and responded to. This was due to a CSR not following the relevant SOP.</p> <p>Management have advised that the CSR was provided with critical feedback and coaching on the relevant SOP and all call centre staff were issued with a reminder on the correct escalation procedures.</p>	<p><i>Review and update the complaints policy to reflect current practice and obligations.</i></p>	<p>Management agree with the corrective action recommendations. One customer experienced minor impacts due to the SOP not being followed by the customer service officer handling the transaction. The CSR was provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The customer had power restored on the same day as the disconnection via an urgent reconnection. A reminder was issued to all contact centre staff highlighting the correct escalation process, furthermore the closing declaration on all calls has been changed to minimise the possibility of further breaches against this obligation. The SOP was reviewed and updated in September 2015 to ensure compliance with the Code of Conduct.</p> <p>Customer Service Manager, RBU</p>
301/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 12.1(4)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 4 customers in 2013-14 and 28</p>	<p>Management have advised that a "customer information project" was completed which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>The general fax number has also been removed all Synergy forms. Separate mailboxes for each business unit have been implemented</p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in</p>



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Manual Ref. / 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
	customers in 2014-15 against this obligation. The breach was due to lack of adequate resources as well as incorrect customer addresses.	<p>to enable the collection and processing of mail by each relevant area.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that Management continue to monitor progress against planned initiatives and provide an update to the Business on progress at the end of the year.</i></p>	<p>SAP and Landgate records. Thirty two customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. Service standard payments were made to all impacted customers. An update on the effectiveness of the customer information project will be provided to senior management by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>
310/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 14.2(1)</p> <p><b>Details:</b></p> <p>Sample based testing was performed on 5 wrongful disconnections, the testing results revealed that of the 5 wrongful disconnections only one wrongful disconnection was listed on the service standard payment report. Therefore the sample based testing revealed 4 instances where a SSP was not made to a customer when it should have been.</p> <p>Five sample SSPs from the service standard payment report were selected and tested. Testing identified that all customers were paid the correct amount that aligned with the compensation requirements, as stated in sub clause 14.2(1).</p>	<p><i>Implement exception reporting of disconnections and based on this report, perform spot checks to identify possible wrongful disconnections. Where a wrongful disconnection has been identified, raise a task in the system to ensure SSPs are generated. Provide coaching and training to reemphasis this requirement and undertake reconciliation against SSP reports to ensure payments are made.</i></p>	<p>Management agree with the corrective action recommendations. A monthly exception report of wrongful disconnections will be generated, spot checks will be performed against the report to ensure that all wrongfully disconnected customers receive a service standard payment, additionally staff will be provided with coaching and training to reemphasis this requirement and undertake reconciliation against SSP reports to ensure payments are made.</p> <p>Customer Service Manager, RBU</p>
408/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry Metering Code clause 5.19(3)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 9,251 customers in 2013-14 and</p>	<p>Management have advised that the system defect has been corrected and "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further phase 2 of a project to automate processing of online</p>	<p>Management agree with the corrective action recommendations.</p> <p>Manager ICT Retail, Manager ICT Applications</p>

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Manual Ref. / 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
	<p>58,759 customers in 2014-15 in relation to not notifying Western Power within one business day of becoming aware of a change in a customer attribute. The breaches were due to various reasons including a system error following a SAP upgrade as well as CSRs not following the correct SOPs.</p> <p>Western Power was not provided with accurate customer details for the metering point within a timely manner (average delay not known).</p> <p>Approximately 3,500 instances were due to a system error that arose if a customer was also an authorised contact person on another customer's account the customer details notification would not issue to Western Power due to a defect that was not identified during testing. Approximately 26,603 instances were due to the same person being listed on all the accounts as a contact person in error.</p>	<p>movement requests is scheduled for completion in December 2015.</p> <p>Additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs.</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that Management continue to monitor progress against planned initiatives and provide an update to the Business on progress at the end of the year.</i></p>	Customer Service Manager, RBU
457/2015 458/2015 459/2015 460/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Electricity Industry Metering Code clause 8.1(1), 8.1(2), 8.1(3), 8.1(4)</p> <p><b>Details:</b></p> <p>The Western Power relationship governance model sets out the relevant business areas responsible for managing the relationship with Western Power.</p> <p>An escalation path is included in the model which sets out various working groups and committees where issues can be discussed and escalated. Communication rules, service level agreements and supporting legislation also support compliance.</p> <p>However the escalation path does not currently include the timeframes for meeting as per the obligations or resolutions in writing.</p> <p>Through discussion, it was noted that there were no disputes arising in respect of any matter under or in connection the subject matter of which is not also an access dispute under the Access Code, a dispute under the Market Rules, a dispute or complaint under the Code of Conduct or a dispute under the Customer Transfer Code.</p>	<p><i>Update the Western Power relationship governance model – escalation Path to include further details around specifics of timeframes for resolution and written and signed record of the resolution.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>Market Services Manager</p>
496/2015	<p><b>Controls Improvement</b></p>	<p>Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error</p>	<p>Management agree with the corrective action recommendations.</p>

## Electricity Retail Licence Performance Audit Report

Manual Ref. / 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
	<p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 40</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 21 customers in 2013-14 and 28 customers in 2014-15 in relation to supplying electricity under a standard form contract to a customer who requests it. Electricity supply was not provided under the contract as the correct supply address was not identified. The breaches were caused by human error as well as issues validating between Western Power and Landgate addresses.</p>	<p>by enhancing the alignment between standing data in place with Landgate records of street addresses. Coaching and training was also provided to the relevant staff members.</p> <p>Additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that Management continue to monitor progress against planned initiatives and provide an update to the Business on progress at the end of the year.</i></p>	<p>The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Forty nine customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. A progress update will be provided to senior management by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>

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

# 4 Compliance summary

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
6	Electricity Industry Customer Transfer Code clause 3.2(2)	4	X					X				
7	Electricity Industry Customer Transfer Code clause 3.4(1)	4	X					X				
8	Electricity Industry Customer Transfer Code clause 3.5(3)	2	X					X				
9	Electricity Industry Customer Transfer Code clause 3.6(2)	4	X									X
16	Electricity Industry Customer Transfer Code clause 3.9(1)	2	X					X				
17	Electricity Industry Customer Transfer Code clause 3.9(2)	5	X					X				
18	Electricity Industry Customer Transfer Code clause 3.9(3)	1	X					X				
19	Electricity Industry Customer Transfer Code clause 3.9(4)	1	X					X				
23	Electricity Industry Customer Transfer Code clause 4.2(2)	5	X					X				
24	Electricity Industry Customer Transfer Code clause 4.3	5	X					X				
25	Electricity Industry Customer Transfer Code clause 4.4(1)	2	X					X				
26	Electricity Industry Customer Transfer Code clause 4.4(2)	3	X					X				
27	Electricity Industry Customer Transfer Code clause 4.5(1)	5	X					X				
28	Electricity Industry Customer Transfer Code clause 4.6(3)	1	X					X				

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
29	Electricity Industry Customer Transfer Code clause 4.7	5	X					X				
30	Electricity Industry Customer Transfer Code clause 4.8(2)	5	X					X				
34	Electricity Industry Customer Transfer Code clause 4.9(6)	5	X					X				
39	Electricity Industry Customer Transfer Code clause 4.11(3)	3	X					X				
40	Electricity Industry Customer Transfer Code clause 4.12(3)	4	X									X
43	Electricity Industry Customer Transfer Code clause 4.15	4	X									X
44	Electricity Industry Customer Transfer Code clause 4.16	1	X					X				
45	Electricity Industry Customer Transfer Code clause 4.17	4	X					X				
48	Electricity Industry Customer Transfer Code clause 5.1(4)	4	X					X				
49	Electricity Industry Customer Transfer Code clause 6.2	5	X					X				
52	Electricity Industry Customer Transfer Code clause 6.4(1)	2	X									X
53	Electricity Industry Customer Transfer Code clause 6.4(2)	2	X									X
54	Electricity Industry Customer Transfer Code clause 6.6	5		X					X			
55	Electricity Industry Customer Transfer Code clause 7.1(1)	4	X					X				
56	Electricity Industry Customer Transfer Code clause 7.1(2)	4	X					X				
57	Electricity Industry Customer Transfer Code clause 7.1(3)	4	X					X				

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
58	Electricity Industry Customer Transfer Code clause 7.2(4)	4		X								X
59	Electricity Industry Customer Transfer Code clause 7.3(2)	5	X					X				
68	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	2	X					X				
69	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	2	X					X				
70	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	2	X					X				
71	Electricity Industry Customer Transfer Code Annex 6 clause A6.7	2	X					X				
78	Electricity Industry Act section 51 Electricity Industry (Customer Contracts) Regulations 2005	5	X					X				
79	Electricity Industry (Customer Contracts) Regulations 2005 regulation 5	4	X					X				
80	Electricity Industry (Customer Contracts) Regulations 2005 regulation 6	2	X					X				
81	Electricity Industry (Customer Contracts) Regulations 2005 regulation 7	5	X					X				
82	Electricity Industry (Customer Contracts) Regulations 2005 regulation 8	2	X					X				
83	Electricity Industry (Customer Contracts) Regulations 2005 regulation 9	4	X					X				
84	Electricity Industry (Customer Contracts) Regulations 2005 regulation 10	4	X					X				

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
85	Electricity Industry (Customer Contracts) Regulations 2005 regulation 11	4	X					X				
86	Electricity Industry (Customer Contracts) Regulations 2005 regulation 12	2	X					X				
87	Electricity Industry (Customer Contracts) Regulations 2005 regulation 13	5	X					X				
88	Electricity Industry (Customer Contracts) Regulations 2005 regulation 14	5	X					X				
89	Electricity Industry (Customer Contracts) Regulations 2005 regulation 15	5	X					X				
90	Electricity Industry (Customer Contracts) Regulations 2005 regulation 16 and 34	5	X					X				
91	Electricity Industry (Customer Contracts) Regulations 2005 regulation 17	5	X					X				
92	Electricity Industry (Customer Contracts) Regulations 2005 regulation 18	5	X					X				
93	Electricity Industry (Customer Contracts) Regulations 2005 regulation 19	5	X					X				
94	Electricity Industry (Customer Contracts) Regulations 2005 regulation 20	4	X					X				
95	Electricity Industry (Customer Contracts) Regulations 2005 regulation 21	4	X					X				
96	Electricity Industry (Customer Contracts) Regulations 2005 regulation 32	4	X					X				
97	Electricity Industry (Customer Contracts) Regulations 2005 regulation 33(2)	5	X					X				



# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
98	Electricity Industry (Customer Contracts) Regulations 2005 regulation 33(3) and (4)	5	X					X				
100	Electricity Industry (Customer Contracts) Regulations 2005 regulation 38	1	X						X			
101	Electricity Industry Act section 13(1)	5	X					X				
105	Electricity Industry Act section 17(1)	5	X					X				
106	Electricity Industry Act section 31(3)	2	X									X
108	Electricity Industry Act section 54(1)	5	X					X				
109	Electricity Industry Act section 54(2)	5	X									X
110	Electricity Industry Act section 76	2	X									X
111	Electricity Industry Act section 101	4	X					X				
113	Electricity Industry Act section 115(2)	4	X					X				
114	Retail Licence condition 23.1	4	X					X				
115	Retail Licence condition 23.2	4	X					X				
116	Retail Licence condition 24.2	5	X									X
117	Retail Licence condition 24.3	5	X									X
118	Retail Licence condition 25.1	5	X					X				
119	Retail Licence condition 12.1	4	X					X				
120	Retail Licence condition 13.4	5	X									X
121	Retail Licence condition 14.2	5	X					X				
123	Retail Licence condition 15.1	4	X									X

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
124	Retail Licence condition 16.1	5	X					X				
125	Retail Licence condition 17.1 and 17.2	5	X									X
126	Retail Licence condition 18.1	5	X					X				
129	Code of Conduct clause 2.1 Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	4	X					X				
130	Code of Conduct clause 2.2(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	5	X						X			
131	Code of Conduct clause 2.2(2) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	2	X						X			
132	Code of Conduct clause 2.3(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	4	X					X				
133	Code of Conduct clause 2.3(2) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	2	X					X				
134	Code of Conduct clause 2.3(4) Integrated Regional Licence condition 23.1 (Regional Power Corporation) Retail Licence condition 23.1 (Electricity Retail Corporation)	4	X					X				

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
135	Code of Conduct clause 2.3(5) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	4	X					X				
136	Code of Conduct clause 2.4(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	1	X					X				
137	Code of Conduct clause 2.4(2) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	2	X					X				
138	Code of Conduct clause 2.5(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	3	X					X				
139	Code of Conduct clause 2.5(2) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	2	X									X
140	Code of Conduct clause 2.6	4	X									X
141	Code of Conduct clause 2.9(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	5	X					X				
142	Code of Conduct clause 2.10 Integrated Regional Licence condition 23.1 Retail Licence condition 23.1	5	X					X				
143	Code of Conduct clause 3.1(1)	2	X					X				
144	Code of Conduct clause 3.1(2)	1	X						X			

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
145	Code of Conduct clause 4.1	1	X							X		
146	Code of Conduct clause 4.2(1)	4	X									X
147	Code of Conduct clause 4.2(2)	4	X									X
148	Code of Conduct clause 4.2(3)	4	X									X
149	Code of Conduct clause 4.2(4)	4	X									X
150	Code of Conduct clause 4.2(5)	4	X									X
151	Code of Conduct clause 4.2(6)	4	X									X
154	Code of Conduct clause 4.4	1		X						X		
155	Code of Conduct clause 4.5(1)	1	X							X		
156	Code of Conduct clause 4.5(3)	2	X						X			
157	Code of Conduct clause 4.6(1)	1		X						X		
158	Code of Conduct clause 4.7	4		X						X		
159	Code of Conduct clause 4.8(1)	1	X						X			
160	Code of Conduct clause 4.8(2)	4	X					X				
161	Code of Conduct clause 4.8(3)	2		X				X				
162	Code of Conduct clause 4.9	4	X					X				
163	Code of Conduct clause 4.10	4	X					X				
164	Code of Conduct clause 4.11(1)	4	X					X				
165	Code of Conduct clause 4.11(2)	4	X					X				
166	Code of Conduct clause 4.12(1)	1		X					X			
167	Code of Conduct clause 4.13	4		X					X			

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
168	Code of Conduct clause 4.14(1)	2	X						X			
169	Code of Conduct clause 4.14(2)	5	X					X				
170	Code of Conduct clause 4.14(3)	5	X					X				
171	Code of Conduct clause 4.15	2	X					X				
172	Code of Conduct clause 4.16(1)(a)	1		X						X		
173	Code of Conduct clause 4.16(1)(b)	4	X					X				
174	Code of Conduct clause 4.16(2)	2		X				X				
175	Code of Conduct clause 4.16(3)	2		X				X				
176	Code of Conduct clause 4.17(2)	1		X					X			
177	Code of Conduct clause 4.18(2)	4		X						X		
178	Code of Conduct clause 4.18(3)	5		X					X			
179	Code of Conduct clause 4.18(4)	4	X					X				
180	Code of Conduct clause 4.18(6)	4	X					X				
181	Code of Conduct clause 4.18(7)	2		X						X		
182	Code of Conduct clause 4.19(1)	4		X					X			
183	Code of Conduct clause 4.19(2)	4	X					X				
184	Code of Conduct clause 4.19(3)	4	X					X				
185	Code of Conduct clause 4.19(4)	4	X					X				
186	Code of Conduct clause 4.19(7)	5	X					X				
187	Code of Conduct clause 5.1	5	X					X				
188	Code of Conduct clause 5.2	4	X					X				

# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
189	Code of Conduct clause 5.3	2	X						X			
190	Code of Conduct clause 5.4	4		X				X				
191	Code of Conduct clause 5.5	2	X					X				
192	Code of Conduct clause 5.6(1)	1	X						X			
193	Code of Conduct clause 5.6(2)	5	X					X				
194	Code of Conduct clause 5.6(3)	4	X					X				
195	Code of Conduct clause 5.6(4)	4	X					X				
196	Code of Conduct clause 5.6(5)	2	X						X			
197	Code of Conduct clause 5.7(1)	1		X					X			
198	Code of Conduct clause 5.7(2)	5	X					X				
199	Code of Conduct clause 5.7(4)	5	X					X				
200	Code of Conduct clause 5.8(1)	1	X					X				
201	Code of Conduct clause 5.8(2)	1	X						X			
202	Code of Conduct clause 6.1(1)	1	X						X			
203	Code of Conduct clause 6.1(3)	4	X					X				
204	Code of Conduct clause 6.1(4)	4	X					X				
205	Code of Conduct clause 6.2(1)	5	X							X		
206	Code of Conduct clause 6.2(2)	4	X					X				
207	Code of Conduct clause 6.2(3)	1	X							X		
208	Code of Conduct clause 6.2(4)	4	X					X				

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
209	Code of Conduct clause 6.3(1)(a)	2	X						X			
210	Code of Conduct clause 6.3(1)(b)	1	X						X			
211	Code of Conduct clause 6.4(1)(a)	1	X						X			
212	Code of Conduct clause 6.4(1)(b)	2	X						X			
213	Code of Conduct clause 6.4(2)	5	X						X			
214	Code of Conduct clause 6.4(3)	5	X						X			
215	Code of Conduct clause 6.6(1)	5	X					X				
216	Code of Conduct clause 6.6(2)	4	X					X				
217	Code of Conduct clause 6.7	4	X					X				
218	Code of Conduct clause 6.8	4	X					X				
219	Code of Conduct clause 6.9(1)	4	X					X				
220	Code of Conduct clause 6.10(1)	5	X					X				
221	Code of Conduct clause 6.10(2)	5	X					X				
222	Code of Conduct clause 6.10(3)	5		X					X			
223	Code of Conduct clause 6.10(4)	5	X					X				



# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
224	Code of Conduct clause 6.10(5)	5	X					X				
225	Code of Conduct clause 6.10(6)	5	X					X				
226	Code of Conduct clause 6.10(7)	5	X					X				
227	Code of Conduct clause 6.10(8)	5	X					X				
228	Code of Conduct clause 6.11	2	X					X				
229	Code of Conduct clause 7.1(1)	1		X							X	
230	Code of Conduct clause 7.6	1	X						X			
231	Code of Conduct clause 7.3	4	X									X
232	Code of Conduct clause 7.4(1)	2	X									X
234	Code of Conduct clause 7.6	1	X					X				
235	Code of Conduct clause 7.7(1)	1	X						X			
236	Code of Conduct clause 7.7(2)	1	X					X				
240	Code of Conduct clause 7.7(6)	1		X					X			
241	Code of Conduct clause 7.7(7)	2	X					X				
242	Code of Conduct clause 8.1(1)	1	X						X			
243	Code of Conduct clause 8.1(2)	1		X						X		

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
245	Code of Conduct clause 9.1(2)	5	X					X				
246	Code of Conduct clause 9.2(1)	4	X									X
247	Code of Conduct clause 9.2(2)	5	X					X				
248	Code of Conduct clause 9.2(3)	4	X					X				
249	Code of Conduct clause 9.3(1)	4		X								X
250	Code of Conduct clause 9.3(2)	5	X									X
252	Code of Conduct clause 9.3(4)	2	X									X
253	Code of Conduct clause 9.3(5)	4		X								X
254	Code of Conduct clause 9.4(1)	2		X				X				
255	Code of Conduct clause 9.4(2)	4		X								X
257	Code of Conduct clause 9.5(1)	2	X									X
259	Code of Conduct clause 9.6	2					X					X
260	Code of Conduct clause 9.6	4	X					X				
261	Code of Conduct clause 9.8	4	X									X
262	Code of Conduct clause 9.9(1)	4	X									X
264	Code of Conduct clause 9.9(4)	2	X									X

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
265	Code of Conduct clause 9.10(1)	2	X									X
266	Code of Conduct clause 9.10(2)	4	X					X				
267	Code of Conduct clause 9.10(3)	4	X					X				
268	Code of Conduct clause 9.10(4)	4	X					X				
269	Code of Conduct clause 9.10(6)	4	X									X
270	Code of Conduct clause 9.11(1)	5	X									X
271	Code of Conduct clauses 9.11(2) and (3)	5		X								X
272	Code of Conduct clause 7.4(1)	4	X					X				
273	Code of Conduct clause 10.1(2)	5	X					X				
274	Code of Conduct clause 10.1(3)	5	X					X				
275	Code of Conduct clause 10.2(1)	5	X					X				
276	Code of Conduct clause 10.2(2)	5	X					X				
277	Code of Conduct clause 10.2(3)	5	X					X				
278	Code of Conduct clause 10.2(4)	4	X					X				
279	Code of Conduct clause 10.3	5	X					X				
280	Code of Conduct clause 10.3A	4	X					X				
281	Code of Conduct clause 10.4	5	X					X				

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
282	Code of Conduct clause 10.5	5	X					X				
290	Code of Conduct clause 10.9	5	X					X				
291	Code of Conduct clause 10.10(1)	5	X					X				
292	Code of Conduct clause 10.10(2)	5	X					X				
293	Code of Conduct clause 10.10(3)	5		X				X				
294	Code of Conduct clause 10.11(1)	4	X						X			
295	Code of Conduct clause 10.11(2)	4	X					X				
297	Code of Conduct clause 10.12(2)	5	X					X				
298	Code of Conduct clause 12.1(1)	2	X					X				
299	Code of Conduct clause 12.1(2)	5		X					X			
300	Code of Conduct clause 12.1(3)	5	X					X				
301	Code of Conduct clause 12.1(4)	5	X						X			
302	Code of Conduct clause 12.2	5	X						X			
303	Code of Conduct clause 12.3	5	X					X				
304	Code of Conduct clause 12.4	5	X					X				

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
305	Code of Conduct clause 13.1	2	X					X				
306	Code of Conduct clause 13.2	2	X					X				
307	Code of Conduct clause 13.3	5		X				X				
308	Code of Conduct clause 14.1(1)	4	X					X				
310	Code of Conduct clause 14.2(1)	4		X					X			
312	Code of Conduct clause 14.3(1)	1	X					X				
315	Code of Conduct clause 14.7(1)	5	X					X				
324	Electricity Industry Metering Code clause 3.3B	4	X						X			
339	Electricity Industry Metering Code clause 3.11(3)	2	X					X				
354	Electricity Industry Metering Code clause 3.18(1)	2	X					X				
364	Electricity Industry Metering Code clause 3.27	5	X					X				
371	Electricity Industry Metering Code clause 4.4(1)	2	X					X				
372	Electricity Industry Metering Code clause 4.5(1)	4	X					X				
373	Electricity Industry Metering Code clause 4.5(2)	2	X					X				

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
388	Electricity Industry Metering Code clause 5.4(2)	4	X					X				
401	Electricity Industry Metering Code clause 5.16	5					X					X
402	Electricity Industry Metering Code clause 5.17(1)	1					X					X
405	Electricity Industry Metering Code clause 5.18	4	X					X				
406	Electricity Industry Metering Code clause 5.19(1)	4	X					X				
407	Electricity Industry Metering Code clause 5.19(2)	4	X							X		
408	Electricity Industry Metering Code clause 5.19(3)	1		X					X			
410	Electricity Industry Metering Code clause 5.19(6)	4	X					X				
416	Electricity Industry Metering Code clause 5.21(5)	5	X					X				
417	Electricity Industry Metering Code clause 5.21(6)	5	X					X				
435	Electricity Industry Metering Code clause 5.27	4	X					X				
448	Electricity Industry Metering Code clause 6.1(2)	2	X					X				
451	Electricity Industry Metering Code clause 7.2(1)	5	X					X				
453	Electricity Industry Metering Code clause 7.2(4)	5	X									X

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Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
454	Electricity Industry Metering Code clause 7.2(5)	5	X									X
455	Electricity Industry Metering Code clause 7.5	2	X					X				
456	Electricity Industry Metering Code clause 7.6(1)	2	X					X				
457	Electricity Industry Metering Code clause 8.1(1)	4		X								X
458	Electricity Industry Metering Code clause 8.1(2)	4		X								X
459	Electricity Industry Metering Code clause 8.1(3)	4		X								X
460	Electricity Industry Metering Code clause 8.1(4)	4		X								X
461	Electricity Industry Metering Code clause 8.3(2)	5	X									X
486	Electricity Industry (Licence Conditions) Regulations regulation 8	5	X					X				
487	Electricity Industry (Licence Conditions) Regulations regulation 8	5	X					X				
488	Electricity Industry (Licence Conditions) Regulations regulation 6	5	X					X				
489	Electricity Industry (Licence Conditions) Regulations regulation 7	5	X					X				



# Electricity Retail Licence Performance Audit Report

Compliance Obligation Re No. (Refer Electricity Compliance Reporting Manual)	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)					Compliance Rating (Refer to the 5 point rating scale on page 9 for details)				
			A	B	C	D	NA	1	2	3	4	NR
496	Electricity Industry (Customer Contracts) Regulations 2005 regulation 40	1	X						X			
236 A	Code of Conduct clause 7.7(2)	2	X					X				
251 (current)	Code of Conduct clause 9.5(3)	4	X									X
251 (prior)	Code of Conduct clause 9.5(2)	2	X					X				

Table 20: Compliance Summary

## Electricity Retail Licence Performance Audit Report

# 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 Electricity Compliance Reporting Manual September 2014.

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: 54		Controls / Compliance Rating B / 2
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 6.6		Reporting Type 2
Obligation Description		
54	A network operator or a Retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	
Observations		
<p>The Transfer Code, Annex 6 sets out specific requirements around communication addresses and automated response messages. The Code also specifies requirements around location, attribution of communications, signatures, and information format.</p> <p>Through discussion with the business liaison partner and a walkthrough of the process, it was noted that all BAU communications with Western Power are made through the Western power portal and SAP. Communications are sent in batches, and each communication is required to have a digital signature used to identify the Synergy operator under the 'Reported by' field.</p> <p>In addition to the normal outlook email inbox, the market services manager maintains a Western Power Liaison mailbox which is operational 24 hours a day and 7 days a week. An email signature is in place for any correspondence from the liaison mailbox which identifies the originator.</p> <p>The market services manager advised that as the Western Power liaison inbox is used for exceptions and notices, they will manually respond to any emails as they come through and as such there is no automatic response message set up.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliance – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Implement an automatic response message so that communications which come through the Western Power liaison mailbox will be considered 'received' as per the Transfer Code.		
Management Response and Actions Required		
The electricity control register referenced an incorrect internal control and referred to the mailbox in error. The electricity control register will be updated.		
Due Date		
30 November 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Market Services Manager. RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 58		Controls / Compliance Rating B / NR
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 7.2(4)		Reporting Type NR
Obligation Description		
58	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details	
Observations		
<p>The Western Power relationship governance model sets out the relevant business areas responsible for managing the relationship with Western Power. One of the responsibilities of the market services group is to manage the operational relationship with Western Power including contract negotiations.</p> <p>An escalation path is included in the model which sets out various working groups and committees where issues can be discussed and escalated. Communication rules, SLA and supporting legislation also support compliance. However, the documentation currently does not specify that any disputes which are referred to the Authority must give notice to the Authority of the nature of the dispute and details.</p> <p>It was noted that during the audit period, there was no dispute which was referred to the Authority.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed however due to no events in the audit period, we were unable to test for compliance.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Update the relevant policy and procedures (e.g. the Western Power relationship governance model – escalation path) to include further details around notice to the Authority where a dispute is referred to the Authority.		
Management Response and Actions Required		
Agreed		
Due Date		
15 October 2015		
Responsible/Accountable Business Unit or Stakeholder		
Market Services Manager, RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 100		Controls / Compliance Rating A / 2
Licence Clause: Retail Licence condition 28.1 Integrated Regional Licence condition 28.1		
Licence Obligation: Electricity Industry (Customer Contracts) Regulations 2005 regulation 38		Reporting Type 2
Obligation Description		
100	Where the licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must, within 5 days after becoming aware notify the customer of the specified information.	
<p>Through discussions with the business liaison partner, SSR, customer support team leader and business system analyst, and review of key SOP it was noted that all customers who are supplied electricity are required to have a contract with Synergy. Two forms of contracts are offered to small use customers, standard form contract and non-standard form contracts. Synergy's electricity customer service charter, also specifies the two types of contracts.</p> <p>The disconnection for non-application SOP outlines processes in place to monitor situations where customers are using electricity without establishing an account with Synergy but are deemed to be taking a supply of electricity under a standard form contract. Disconnection for non-application is an automated process. SAP is configured to monitor readings received from Western Power that do not have an associated contract in place.</p> <p>The "vacant site letter" advises the customer that electricity is being used but no electricity contract has been entered into for the supply address. The letter requests the customer to contact Synergy and establish an electricity account within a specified timeframe to avoid disconnection. If no response is received after the specified timeframe, a trigger for a disconnection letter is raised and the disconnection process takes effect.</p> <p>Through review of the annual compliance reports 2013-14 and 2014-15 we note that Synergy self-reported breaches affecting 7 customers in 2013-14 and 66 customers in 2014-15 in relation to failing to notify customers of the existence and effect of the deemed contract provisions. These were identified as being from incorrect addressing data recorded within SAP billing system. All crossed meter and reverse move in/move out tasks were completed to rectify the customer's accounts and bills. Each customer account that had been incorrectly moved into a property had all bills reversed and all payments transferred to the newly created account at the correct premises.</p> <p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Coaching and training was also provided to the relevant staff members. Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"><li>Investigating the feasibility of email or SMS notifications</li><li>Review of critical SOPs</li></ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Retail management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Seventy three customers experienced minor impacts due to the SOP not being followed by CSOs handling the transaction. The CSOs were provided with critical feedback and coaching on the relevant SOPs, and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct.		
Due Date		
The customer information project was implemented in May 2015.		
The SOP was reviewed and updated in May 2015.		
Critical feedback was provided to the officers as soon as the issue was identified with all feedback completed by June 2015.		
Update to senior management to the effectiveness of the customer information project by 31 December 2015		
Responsible/Accountable Business Unit or Stakeholder		
Customer Processing Manager, RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 130, 131		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 2.2(1), 2.2(2) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
130	A retailer or electricity marketing agent must ensure that standard form contracts, that are not unsolicited consumer agreements, are entered into in the manner set out, and the contract is provided as specified in clause 2.2(1).	
131	Subject to sub clause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in sub clause 2.2(2) no later than on, or with, the customer's first bill.	
<p>Through discussions with the SSR, it was noted that when a customer that is not unsolicited enters into a standard form contract with Synergy, they do so in a manner that meets the requirements of clause 2.2(1).</p> <p>The movement declarations SOP outlines that the declaration includes the date the customer is entering into the contract. All CSRs must repeat the declaration in the procedure verbatim to the customer over the phone (Synergy does not do door to door sales). Additionally, the CSR will refer the customer to Synergy's website to obtain a copy of the standard form contract during the move in process. Phone call recordings were reviewed to validate this.</p> <p>Through discussion with the business liaison partner and the SSR, it was noted that all the information specified under clause 2.2(2) is contained within Synergy's electricity customer service charter. It was identified through discussion, walkthrough and consideration of call recordings that to establish a customer account the 'move in' process is followed. Once the account is established, a welcome letter and a copy of the charter are automatically triggered to be sent to the customer. The customer's bill also provides information on where the charter can be found.</p> <p>The standard template for the customer's bill provides the 24-hour emergency telephone number for faults and emergencies, and a telephone number to contact in cases of financial hardship/payment difficulties.</p> <p>Through review of the annual compliance reports 2014-15 we noted that Synergy self-reported 16 breaches against obligation 130 due to the customers being entered into standard form contracts, in a manner not in compliance with the code. These were identified as due to errors by the CSRs. Management have advised that the CSRs have been provided with coaching on the relevant SOP and subject to additional monitoring and quality assurance.</p> <p>Further, in the annual compliance report 2014-15 Synergy self-reported 2 breaches against obligation 131 due to the prescribed information being issued to the wrong address. This was due to a system change implemented to allow customers to select paper-less billing.</p> <p>Management advised that the CSRs were provided with coaching on the relevant SOPs and subject to additional monitoring and quality assurance.</p> <p>New system changes were also implemented.</p> <p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"><li>Investigating the feasibility of email or SMS notifications</li><li>Review of critical SOPs</li></ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Retail management to review the SOP in relation to contracting with customers against regulatory requirements. In addition, consideration should be given to reviewing KPIs for contact centre staff that perform contracting tasks		
Management Response and Actions Required		
Management agree with the corrective action recommendations.		
The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records, furthermore this change rectified the underlying system issue which contributed to the breaches against this obligation. Eighteen customers experienced minor impacts, the CSRs were provided with critical feedback and coaching on the relevant SOP, and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.		

# Electricity Retail Licence Performance Audit Report

## Due Date

The customer information project was implemented in May 2015.

The SOP was reviewed and updated in May 2015.

Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.

KPI review to be completed by 31 December 2015.

## Responsible/Accountable Business Unit or Stakeholder

Customer Service Manager, RBU

<b>Compliance Manual Reference:</b> 144	<b>Controls / Compliance Rating</b> A / 2
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 3.1(2)	<b>Reporting Type</b> 2

## Obligation Description

<b>144</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.
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## Observations

Through discussions with key personnel, it was identified that Synergy has a process in place to ensure that requests for connection are forwarded to Western Power within the timeframe requirements of clause 3.1(1). When a customer informs Synergy of their request to be connected or supplied and forms an agreement with Synergy, a new connection or move in will be raised by the CSR in SAP. Once this has been raised, a service notification is automatically generated and sent to Western Power.

Testing was performed on a sample of 15 new connections and move-ins and no exceptions were noted. In all instances the request for new connection was forwarded to Western Power within the obligated timeframes.

Through review of the annual compliance reports 2014-15, Synergy self-reported 9 instances where the obligation was breached in relation to the request for a new connection not being issued within the required timeframe. This was due to manual error of CSRs during initial customer set up, selecting the incorrect address which resulted in the request not being issued within the required timeframe.

Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.

Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with minor impact on customers or third parties, during the audit period.

<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

## Corrective Action/Opportunity for Improvement

*Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.*

## Management Response and Actions Required

Management agree with the corrective action recommendations.

The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Nine customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction, resulting in the wrong address details being sent to Western Power, the correct customer details were not sent to Western Power within the required timeframe. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management will be provided by 31 December 2015.

## Due Date

The customer information project was implemented in May 2015.

# Electricity Retail Licence Performance Audit Report

The SOP was reviewed and updated in May 2015.

Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.

An update to senior management will be provided by 31 December 2015.

## Responsible/Accountable Business Unit or Stakeholder

Customer Service Manager, RBU

<b>Compliance Manual Reference:</b> 145	<b>Controls / Compliance Rating</b> A / 3
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 4.1	<b>Reporting Type</b> 2

## Obligation Description

<b>145 *</b>	A retailer must issue a bill no more than once a month and at least once every 3 months, unless under the circumstances specified in sub clause 4.1.
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## Observations

Through discussions with key personnel, it was noted that there is an automated system in place to ensure bills are not issued more than once within one month and at least once every three months. All customer bills are based estimated or actual reads and are issued to customer on a bi-monthly or monthly cycle. In certain instances billing may be prevented in alignment with circumstances of sub clause 4.1, for example due a meter read issue or meter set up issue. In these instances a customer may not receive a bill within the 3 month requirement.

On a daily basis a 90 day unbilled report is created which reports all customers who have not had a bill issued to them in the last 3 months. The billing services officer will use this report to investigate each instance of non-compliance with the timeframe requirements.

Copies of the annual compliance reports 2013-14 and 2014-15, were reviewed and it was noted that Synergy self-identified 10,504 bills between 1 July 2013 and 30 June 2014 (0.16% of bills issued over the year) which were issued to small use customers outside of the regulated timeframes of clause 4.1(b). These were due to printing issues, self-read meter data not provided, incorrect customer self-meter reads, non-application of electricity account by customers, lack of timely energy data provisions by Western Power and incorrect account establishment by Synergy.

Between 30 June 2014 and 1 July 2015 there were 8,086 occasions (representing 0.12% of bills issued to customers) self-reported due to billing exceptions, printing issues, self-read meter data not provided, inconsistent meter reading types and service representatives not following relevant SOP.

It was noted that Synergy management have taken on proactive actions to address this non-compliance and there has been a decrease in the number of breach incidents over the 2013-14 and 2014-15 period. It was noted that management actively monitor the 90 day unbilled report to investigate root causes and a specialist team is dedicated to corrective actions. A Contestable Billing Optimisation project has also been created to deliver additional improvements to the SAP billing system.

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with the licence condition, with moderate impact on customers and third parties during the audit period.

\* Note: This obligation is #148 in the 2013-14 period.

<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

## Corrective Action/Opportunity for Improvement

*The actions undertaken by Management to address this breach issue are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.*

## Management Response and Actions Required

Management agree with the corrective action recommendations. A specialist team is in place to take corrective actions for accounts that have not been billed within the regulated timeframes under the Code of Conduct. Synergy continues to assess and review the billing process and systems to identify areas for improvement. Synergy issues over 6.5 million bills each year. Between 30 June 2014 and 1 July 2015 there were seven thousand seven hundred and thirty three occasions where small use customers were issued their bills outside of clause 4.1 regulated timeframes, these customers experienced a moderate impact. This represents 0.1% of bills issued to all customers. This is historically a very low unbilled amount. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of late billing to senior management, commencing in July 2015. The SOP was reviewed and updated in January 2015 to ensure compliance with the Code of Conduct. An update to senior management will be provided by 31 December 2015.



# Electricity Retail Licence Performance Audit Report

<b>Due Date</b> Assess and review billing process and systems (continuous) Compliance improvement plan (commencing July 2015) The SOP was reviewed and updated in January 2015. An update to senior management will be provided by 31 December 2015.
<b>Responsible/Accountable Business Unit or Stakeholder</b> Customer Processing Manager, RBU

<b>Compliance Manual Reference:</b> 154 <b>Licence Clause:</b> Electricity Industry Act section 82 <b>Licence Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 32	<b>Controls / Compliance Rating</b> B / 3 <b>Reporting Type</b> 2
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Obligation Description	
154	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.

## Observation

Through discussion with the system analyst and business system analysts, it was noted that SAP automatically issues bills to a customer based on a default supply address when the mailing address is not specifically defined. However, customers do have the option to nominate a different mailing address in the system. When a customer updates their details over a telephone call with a CSR or in My Account, it will be updated in the CRM within SAP which is automatically replicated into the ISU (Billing System). Through review of the mailing address SOP, it was noted that there are processes in place, which the CSRs are required to follow, to update a customer's mailing address ensuring a customer's bill is sent to the correct address.

Salesforce is a system used by Synergy to manage contestable customers. There is no automatic interface between Salesforce and SAP. Salesforce is manually updated with customer information. Sample testing was undertaken to consider the consistency of data captured between Salesforce and SAP. Based on our sample testing of 20 customers, we noted two instances where there was a discrepancy between the addresses specified on the contract and the details in SAP and Salesforce. These were investigated and it was noted that the addresses within the SAP system are correct and therefore bills which are issued out of SAP have been issued to the correct address. Management advised that they in the process of amending the contracts to include the correct addresses.

Synergy in the 2013-14 annual compliance report self-reported 477 instances where bills were not issued to the postal or electronic address nominated by the customer. These breaches were due to manual error and resulted in customers being issued overdue notices (since reversed) and two customers being disconnected (since paid SSP or good will payments).

Management has undertaken coaching initiatives, implemented additional monitoring and put in place system prompts to address this breach.

In the annual compliance report 2014-15 Synergy self-reported 1,435 occasions where customers who had nominated electronic email addresses were issued with bills via post. This was due to a system change implemented to allow customers to select paper-less billing. New system changes were implemented to rectify this issue.

Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed and Synergy has been non-compliant with moderate impact on customers and third parties during the audit period.

<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed
<b>Compliance Rating</b>	3 – Non-compliant – moderate impact on customers or third parties

## Corrective Action/Opportunity for Improvement

The standard methodology for the system change request process, including changes to the billing system, is triggered when a need for change is identified. Then detailed business requirements and impacts are documented and assessed and costs are estimated. If the proposed change is approved, the change request is designed, built, tested and implemented.

*Management actions undertaken to rectify the cause of the breaches are endorsed and supported. However to improve strength of controls going forward, there should be a review of the system change request process to ensure:*

1. legal and regulatory requirements are adequately documented during the design phase;
2. system building reflects legal and regulatory requirements; and
3. system testing prior to go live confirms legal and regulatory requirements have been met.

## Management Response and Actions Required

Management agree with the corrective action recommendations.

# Electricity Retail Licence Performance Audit Report

<b>Due Date</b>
31 December 2015
<b>Responsible/Accountable Business Unit or Stakeholder</b>
Manager ICT Retail (item 1)
Manager ICT Applications (items 2 and 3)

# Electricity Retail Licence Performance Audit Report

<b>Compliance Manual Reference:</b> 155	<b>Controls / Compliance Rating</b> A / 3
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 4.5(1)	<b>Reporting Type</b> 2

Obligation Description	
<b>155</b>	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in sub clause 4.5(1) on the customer's bill.

## Observations

Bills are automatically generated via the SAP system and follow a standard set of bill templates. Through review of a sample of bills it was noted the prescribed information was included on the bills as per the Code of Conduct 4.5(1) requirements. However through review of the annual compliance report 2014-15, it was noted that Synergy self-reported breaches in relation to this obligation due to the following:

- 113 bills issued incorrectly displayed credit amount due to lack of understanding of the impact of the cheque cancel process.
- 238,568 bills which did not display accurate metering supply period due to SAP not distinguishing between final meter read date and contract end date where a customer has not provided five days' notice.
- Bills which did not display the correct graph or bar chart on units of consumption due to new functionality implementation.
- 24 Instances where the value and type of concession applicable to eligible residential customers were not displayed or applied (this also affected 8 customers who did not receive their correct concession entitlements and five customers who did not receive their supply charge rebate resulting in two customers disconnected for non-payment) as the CSR did not follow the SOP (human error). Up to 47,400 bills affecting 7,900 customers may not have displayed the required type and/or value of the concession information in 2014/15. This was due to issues with concessions applied to My Account. A further 16 customers did not receive their correct concession due to human error of CSRs.
- 1 instance where the customer received a bill that displayed the incorrect meter reading type due to human error of the Billing Officer entering incorrect meter reading type into the system.
- 2 instances where incorrect applicable tariffs were displayed due to human error of the CSRs.
- 88,000 customers received an invoice stating incorrect GST reference of 0% due to system issues, however correct GST of 10% was applied to the bill (eg: no undercharge).
- One customer was affected due to Western Power's error in rejecting the REBS application and therefore the bill not reflecting REBS information.

Management have advised that the following actions have been taken to address the breaches:

- Accounts payable and IT are now aware of the relationship between the two systems and the system has been updated to resolve cheque cancel process issue
- Processes in relation to final reads have been amended and training completed
- System software fix has been implemented in relation to graphs and bar charts and GST description
- CSRs and relevant billing officers were provided with coaching/feedback and were subject to increase QA monitoring
- A concessions project has implemented system changes and increased reporting
- Relevant SOP updated to ensure rejected service notifications are actioned appropriately

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with moderate impact on customers and third parties during the audit period.

<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

## Corrective Action/Opportunity for Improvement

### 1. System issues

There should be a review of the system change request process to ensure:

- legal and regulatory requirements are adequately documented during the design phase;
- system building reflects legal and regulatory requirements; and
- system testing prior to go live confirms legal and regulatory requirements have been met.

### 2. Information on the bill

# Electricity Retail Licence Performance Audit Report

*It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.*

## Management Response and Actions Required

Management agree with the corrective action recommendations.

The process for actioning a request from a customer to establish or terminate a contract for supply, where the required notice period has not been given, has been amended to obtain the customer's agreement to exclude the metering supply period from the bill. Training has been completed for all CSRs. One hundred and fifty seven customers experienced minor to moderate impacts due to the SOP not been followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of information on bill accuracy.

## Due Date

1. 31 December 2015.
  2. Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.
- Compliance improvement plan reporting commenced in July 2015 and occurs on a monthly basis.

## Responsible/Accountable Business Unit or Stakeholder

1. Manager ICT Retail and Manager ICT Applications
2. Customer Processing Manager, RBU

Compliance Manual Reference: 157		Controls / Compliance Rating B / 3
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.6(1)		Reporting Type 2
Obligation Description		
157	A retailer must base a customer's bill on the following:  - the distributor's or metering agent's reading of the meter at the customer's supply address;  - the customer's reading of the meter in the circumstances specified in sub clause 4.6(1)(b); or  - where the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code.	
Observations		
<p>Through discussion with the system Analyst and a walkthrough of the billing process it was noted that bills are only generated based on actual or estimated meter readings provided by Western Power through the SAP system interface using batch processing. Bill generation is an automated process within SAP and meter readings that are unable to be processed will be flagged automatically. Exception reporting is performed in the form of the unbilled reports.</p> <p>Bills are generated automatically and based on meter reads, self reads (which come through from Western Power) and type 7 connections (which are based on the tariff code multiplied by the quantity and the days). Type 7 connection calculations are completed by Western Power and will come to Synergy for billing as per any other type of meter read bill. However the calculations on supply charges will vary depending on the type of account (i.e. streetlights, traffic lights, payphone etc.). A SOP is in place which guides invoicing for unmetered/type 7 connections.</p> <p>Through review of the annual compliance report 2013-14 we note that Synergy self-reported breaches affecting to 1,036 customers and in 2014-15, breaches due to manual error of the CSR during initial customer set up or customer errors in providing an incorrect address, causing the bill not to be based on the customer's correct address.</p> <p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"><li>• Investigating the feasibility of email or SMS notifications</li><li>• Review of critical SOPs</li></ul> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed however Synergy has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	

# Electricity Retail Licence Performance Audit Report

<b>Compliance Rating</b>	<b>3 – Non-compliant – moderate impact on customers or third parties</b>
<b>Corrective Action/Opportunity for Improvement</b> <i>Retail management's actions and planned initiatives are acknowledged and supported.</i> <ol style="list-style-type: none"> <li>It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</li> <li>In addition, consideration should be given to reviewing KPIs for relevant staff that perform addressing tasks.</li> </ol>	
<b>Management Response and Actions Required</b> <p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Unfortunately one thousand eight hundred and eighty customers experienced minor to moderate impacts due to the SOP not being followed by the CSOs handling the transaction, resulting in the incorrect supply address being selected when the account was established. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p>	
<b>Due Date</b> <p>The customer information project was implemented in May 2015.</p> <p>The SOP was reviewed and updated in May 2015.</p> <p>Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.</p> <p>Reporting commenced in July 2015 and occurs on a monthly basis.</p> <p>KPI review to be completed by 31 December 2015.</p>	
<b>Responsible/Accountable Business Unit or Stakeholder</b> <p>Customer Processing Manager, RBU</p>	

Compliance Manual Reference: 158		Controls / Compliance Rating B / 3
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.7		Reporting Type NR
Obligation Description		
158	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that meter reading data is obtained as frequently as is required to prepare its bills; and, in any event, at least once every 12 months.	
Observations		
<p>Synergy's aim is to bill all customers on meter reads, however if a meter read cannot be obtained the bill is based on an estimated read. Through discussions with the customer processing manager it was noted that, as required by the Code of Conduct, Synergy will perform an actual meter read at least once every 12 months. All meter reads are performed by Western Power and provided to Synergy. The Metering Code, clause 5.4, also reinforces this requirement, stating that the network operator must obtain a meter reading that provides actual value at least once every 12 months.</p> <p>Through further discussions it was revealed that, a customer's 5<sup>th</sup> consecutive estimated bill within 12 months will include a notice on the bill to instruct the customer to contact Synergy to set up arrangements for an actual read.</p> <p>Discussions with the system analyst noted that if a customer receives 5 consecutive bills based on an estimate, SAP will automatically alert Synergy to contact Western Power and the customer to get an actual read within the 12 month period. It is also an obligation for Western Power to annually provide Synergy with an actual read.</p> <p>According to the maximum estimate procedure if a customer receives more than 3 consecutive estimates they should receive a message on their bill stating "Please note this is your xx consecutive estimate and we will require access to read your meter before the next scheduled read date. Please contact us on 13 13 53 to discuss alternative arrangements." It was noted during the audit</p>		

# Electricity Retail Licence Performance Audit Report

<p>period that the information provided in the maximum estimates procedure is out of date and does not align with the system and processes currently in place.</p> <p>It was also identified that there is a monthly report sent from Western Power to Synergy listing all customers who have not had an actual read performed on their meter installation in 12 months. A sample report was reviewed and it was noted that, during one month there were 180 instances of no actual read being obtained from a customer's meter installation in 12 months.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed and Synergy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>	
<b>Adequacy of Controls Rating</b>	<b>B – Generally adequate controls –some improvement needed</b>
<b>Compliance Rating</b>	<b>3 – Non-compliant – moderate impact on customers or third parties</b>
<p><b>Corrective Action/Opportunity for Improvement</b></p> <p><i>Update the maximum estimates procedure to align with the current systems and process in place at Synergy.</i></p> <p><i>Review processes for generation and actioning of the monthly exception report sent to Western Power for meter reads not conducted within 12 months. Implement exception reporting for a shorter time period e.g. 11 months to allow time to action a meter read before the obligation is breached.</i></p>	
<p><b>Management Response and Actions Required</b></p> <p>Management agree with the corrective action recommendations.</p> <p>The SOP relating to the maximum estimates procedure will be reviewed and updated to align with the current systems and process in place at Synergy by 31 December 2015. A review of the processes for generation and actioning of the monthly exception report sent to Western Power for meter reads not conducted within twelve months will be conducted by 31 December 2015, additionally an exception report for a shorter time period to allow time to action a meter read before the obligation is breached will be implemented by 31 December 2015.</p>	
<p><b>Due Date</b></p> <p>The SOP will be reviewed and updated by 31 December 2015.</p> <p>The review of the monthly exception report sent to Western Power will be completed by 31 December 2015.</p> <p>The exception report with a reduced time frame (e.g. 11 months) will be implemented by 31 December 2015.</p>	
<p><b>Responsible/Accountable Business Unit or Stakeholder</b></p> <p>Customer Processing Manager, RBU</p>	

Compliance Manual Reference: 161		Controls / Compliance Rating B / 1
Licence Clause: Retail Licence condition 5.1 Integrated Regional Licence condition 5.1		
Licence Obligation: Code of Conduct clause 4.8(3)		Reporting Type 2
Obligation Description		
161	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	
Observations		
<p>Through discussions with SSRs and CSRs and walkthrough of processes, it was noted that Synergy has systems and processes in place to ensure that CSRs are able to provide the customer with a reason for estimation upon request. A Western Power representative must provide a reason for the estimation from a series of listed options when an estimated reading is recorded. When the customer requests an explanation for the estimated reading, the CSR can recall the recorded reason for the estimation from the customer's account in SAP.</p> <p>Sample testing of 15 estimated readings revealed that in all cases, a reason for the estimate reading was provided within SAP. While our sample testing did not reveal any instances of non-compliance, discussions with the SSR did identify that in some circumstances the Western Power representative will select the option 'other'. No narrative is provided for 'other' selections. If a customer requests an explanation for an estimated reading and the reason is recorded as 'other' the Synergy CSR will contact Western Power to clarify the reasoning for the 'other' selection. In most cases Western Power are not able to provide a reason for estimation and therefore a reason for estimate cannot be provided to the customer.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls with some improvement needed and Synergy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	

# Electricity Retail Licence Performance Audit Report

<b>Compliance Rating</b>	<b>1 – Compliant</b>
<b>Corrective Action/Opportunity for Improvement</b> <i>Discuss with Western Power a solution to ensure all estimates have a reason recorded, this could include deleting the option of "other" or enforcing a mandatory narrative field when "other" is selected.</i>	
<b>Management Response and Actions Required</b> <p>Management agree with the corrective action recommendations.</p> <p>Synergy sent a request to Western Power to initiate discussions regarding a solution to ensure all estimates have a reason recorded, this could include deleting the option of "other" or enforcing a mandatory narrative field when "other" is selected. The issue will be discussed at the next Synergy / Western Power business to business meeting in October 2015.</p>	
<b>Due Date</b> <p>Request sent to Western Power on the 24 September 2015.</p> <p>The issue will be discussed at the next Synergy / Western Power business to business meeting in October 2015.</p>	
<b>Responsible/Accountable Business Unit or Stakeholder</b> <p>Customer Service Manager, RBU</p>	



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 166		Controls / Compliance Rating B / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.12(1)		Reporting Type 2
Obligation Description		
166	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	
Observations		
<p>Through discussion with the business system analyst, it was noted that when a customer requests a change in tariffs, the change request is be entered into the system immediately.</p> <p>If all requirements are satisfied in SAP, the product change will commence from the date the last meter reading was received. If SAP does not have all the information required, the product change will occur when the information is received from Western Power or the date of the meter change. A task is created by the system once the product change process is complete in order to update the billing system. The timeliness of the product change is highly dependent on when information is received from Western Power. The product change to a different tariff SOP describes the process for changing a customer's tariff, however it does not specify the time frame required as per the obligation.</p> <p>Synergy's website was reviewed and it was noted that Information on tariff conditions including prices and fees for residential and business customers is available (<a href="http://www.synergy.net.au/at_home/prices.xhtml">http://www.synergy.net.au/at_home/prices.xhtml</a>).</p> <p>Sample based testing was performed on 20 customers who had their tariffs changed during the audit period. Testing revealed that in all instances, the customer's tariff change was processed within 10 business days of the date that the customer demonstrated they met the requirements of the tariff change.</p> <p>Through review of the annual compliance reports 2013-14 and 2014-15 we note that Synergy self-reported breaches affecting 4 customers in 2013-14 and 7 customers in 2014-15 in relation to requests to change tariffs to an alternative tariff not being completed within 10 business days. In some instances these were due to the CSRs not completing the SOP correctly and in other cases it was due to a system error.</p> <p>Management advised that the CSRs were provided with coaching on the relevant SOP and increased quality assurance monitoring. The system issues were addressed and an alert was sent to all billing operators to follow a manual work around process whilst the system issue was being addressed.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed and Synergy has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Update the SOP to reflect the 10 business day requirement as per the Code of Conduct obligation and run exception reporting where the request is approaching the 10 day timeframe to ensure follow up with Western Power (where applicable).		
Management Response and Actions Required		
Management agree with the corrective action recommendations.		
The SOP was updated in September 2015 to reflect the ten business day regulatory requirement. Eleven customers experienced minor impacts due to the SOP not being followed by the CSRs. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.		
Due Date		
The SOP was updated in September 2015 to reflect the ten business day regulatory requirement. Critical feedback was provided to the officers as soon as the issue was identified with all feedback completed by June 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager, RBU		

Compliance Manual Reference: 167		Controls / Compliance Rating B / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation:		Reporting Type

# Electricity Retail Licence Performance Audit Report

Code of Conduct clause 4.13		2
Obligation Description		
167	If a customer's electricity use changes and the customer are 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>  On an annual basis an audit is undertaken to analyse customer consumption history and determine whether they may be on an incorrect tariff. Where this takes place and the customer moves up/down to another tariff, a tariff migration letter is issued to the customer. This letter outlines the reason for the change and offers contact details for further information.  However, through discussions with the SSR, it was noted that no written communications are issued to the customer where tariff changes (generally between L1 and A1) occur outside of the annual audit. It was advised that these changes are normally advised over the phone verbally for residential and small business customers.  The tariff migration process outlines the process that needs to be followed within SAP to change a customer to an alternative tariff, however it does not provide information regarding the notification of the tariff change to a customer.  Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed and Synergy has been non-compliant with minor impact on customers and third parties during the audit period.		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>  <i>Implement updated processes to ensure written notification is generated and issued to the customer whenever a customer is no longer eligible for an existing more beneficial tariff and a tariff change occurs (including those identified outside of the annual audit process). Update the tariff migration process accordingly to reflect the written notification required and implement training to relevant staff members.</i>		
<b>Management Response and Actions Required</b>  Management agree with the corrective action recommendations. The SOPs will be updated to ensure a written notification is generated and issued to the customer whenever a customer is no longer eligible for an existing more beneficial tariff and a tariff change occurs (including those identified outside of the annual audit process). The tariff migration process will be updated to reflect the written notification required and implement training to relevant staff members. This update will be completed by 31 December 2015.		
<b>Due Date</b>  The SOPs will be updated and staff training delivered by 31 December 2015.		
<b>Responsible/Accountable Business Unit or Stakeholder</b>  Customer Service Manager, RBU  Brand Engagement Manager, RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 172		Controls / Compliance Rating B / 3
Licence Clause: Electricity Industry Act section 82		Reporting Type 2
Licence Obligation: Code of Conduct clause 4.16(1)(a)		
Obligation Description		
172	If a review of a bill has been conducted and the retailer is satisfied 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 the 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.	
Observations		
<p>Review of bill review – estimate read process (not self-read) and bill review – actual reads identified that if a customer calls to request a bill review, Synergy must first follow the high accounts process to see if the customers concern can be resolved. The high accounts reference sheet provides guidance to the operator to assist the customer in understanding their energy usage and bill.</p> <p>If the customer is still not satisfied, they may choose to have their bill reviewed via an MDV or an on-site check reading. It is noted that customer will have a choice as to which service they require to handle their enquiry; having a MDV at no charge or, an on-site check reading at a cost, unless the meter reading is found to be incorrect in which case the fee for the check read is waived. If the customer is still not satisfied, a meter test can be undertaken.</p> <p>The check read and MDV Letter template informs the customer (in compliance with the obligation) that they have been billed correctly and states that "if you would like further investigations to be made, we can arrange for an on-site meter test" and provides details of where the pricing information can be found. The letter also includes that "You can find further information on our products and services, available concessions and our complaints policy including the Energy and Water Ombudsman's details on our website at synergy.net.au."</p> <p>Further, the general fax and correspondence SOP provides the detailed process regarding a customer requesting a meter test. It is noted that a service notification should not be sent unless there are notes indicating that the customer is aware of the fee for a meter test. The SOP also demonstrates how a meter test service notification is created for Western Power and what the process is once the results are received and a manual sales order is required to be created.</p> <p>However, through sample testing of 20 bill reviews it was noted that in seven instances where the bill review was conducted and identified that the bill was correct, there was no evidence that the customer was advised of the existence and operation of the complaints management process. In all instances, these reviews consisted of the initial step of review of historical consumption and potential high usage appliances and did not progress to the MDV stage where the letter would be issued.</p> <p>Through review of the annual compliance report 2013-14 it was noted Synergy self-reported breaches affecting approximately 4,560 customers due to the letter templates not offering the option of a meter test or details of the complaints handling process. Management had revised the letter template and completed the action in 30 September 2014. However, based on our sample testing, it is noted that these requirements are not in place where the customer has not progressed to the MDV stage and has been informed their bill is correct due to high usage.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls in place with some improvement needed and Synergy has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	3 – Non-compliant – moderate impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
<p>Review billing procedures against the Code of Conduct requirements, amongst other matters, to ensure the procedures specify the obligation to advise the customer on the option to arrange a meter test in accordance with the 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 where a review has been conducted and the bill appears correct. Further amend email templates to customers advising them of previous consumption history to include the option for meter test and complaints management processes.</p>		
Management Response and Actions Required		
<p>Management agree with the corrective action recommendations.</p> <p>A review of critical SOPs relating to bill reviews will be completed in November 2015, additionally the email templates will also be updated as part of the review process. The letter template was last updated on 30 September 2014.</p>		
Due Date		
<p>Review of the critical SOPs will be completed by 30 November 2015.</p> <p>The email template will be reviewed and updated by 30 November 2015.</p>		

# Electricity Retail Licence Performance Audit Report

<b>Responsible/Accountable Business Unit or Stakeholder</b>
Customer Processing Manager, RBU

<b>Compliance Manual Reference:</b> 174, 175	<b>Controls / Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 4.16(2) Code of Conduct clause 4.16(3)	<b>Reporting Type</b> 2

<b>Obligation Description</b>	
<b>174</b>	The retailer must inform a customer of the outcome of the review of a bill as soon as practicable.
<b>175</b>	If the retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.

<b>Observations</b>
<p>Review of bill review – actual reads and estimated read (not self-read) SOP identified that the retailer must inform a customer of the outcome of the review as soon as practicable. It is noted if Synergy has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request Synergy must provide the customer with notification of the status of the review as soon as practicable.</p> <p>Review of SSP guidelines identified that if a customer's written complaint or query is not acknowledged within 10 business days and the matters reviewed within 20 business days, a customer can claim a one off \$20 payment from Synergy for each written complaint or query. It is noted that an SSP is only applicable if Synergy/Western Power have failed to meet their obligations as outlined in the Code of Conduct.</p> <p>If a review of the bill is undertaken over the phone with the customer via high bills review process and the customer is satisfied with the over the phone review the outcome is communicated to the customer immediately.</p> <p>Where a customer makes a request for a bill review through the online enquiry service an automatic acknowledgement response is generated with a reference number included. A Synergy operator trained in the requirement will be assigned the task and follow up with the customer. Through discussions, it was noted that in practice, the review would be completed within 20 days.</p> <p>Through sample testing of 20 high bill review request, it was noted that in all instances the bill was reviewed in 20 business days and the customer was advised of the outcome of the review and/or rebilled thereby not requiring Synergy to contact the customer to notify them on the status of the review.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls in place with some 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>
<i>Implement system control in the form of automatic reminders and/or exception reporting where an assigned bill review task is approaching 20 days.</i>

<b>Management Response and Actions Required</b>
Management agree with the corrective action recommendations. A daily customer experience dash board is generated, this dashboard monitors all tasks and BPEMs alerting the business when tasks are approaching the regulatory thresholds, enabling the business to prioritise and action those identified tasks within the regulatory thresholds.

<b>Due Date</b>
The Customer Experience dashboard was implemented in January 2015. Management to reiterate the use of the dashboard to relevant staff members by September 2015.

<b>Responsible/Accountable Business Unit or Stakeholder</b>
Customer Processing Manager, RBU

<b>Compliance Manual Reference:</b> 176	<b>Controls / Compliance Rating</b> B / 2
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 2.6	<b>Reporting Type</b> 2

# Electricity Retail Licence Performance Audit Report

Obligation Description	
176	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), a retailer must do so in the manner specified in sub clause 4.17(2).
<b>Observations</b> <p>Through discussion with the billing services officer and system analyst, review of key policies and the relevant SOP and a walkthrough of processes it was noted:</p> <ul style="list-style-type: none"> <li>Any undercharged adjustment made, will be communicated to the customer in their rebill invoice, stating the previous bill amount, the adjustment and the current charge, as well as the account's overall balance.</li> <li>Where a meter test has been arranged Western Power will communicate the test results to Synergy, whereby Synergy will issue a meter test results letter (fail or pass). Additionally, an adjusting letter and rebill invoice is issued by a billing services officer. Both the adjusting letter and meter test results provide the customer with contact details to make payment arrangements (i.e. payment plan or more time to pay).</li> <li>Synergy does not charge the customer late payment fees with respect to undercharged amounts.</li> <li>The Synergy standard form contract details that the customer may be required to pay for an amount undercharged for a period of up to 12 months prior to being advised unless the undercharge is directly attributable to an act by the customer. Billing services' business rules also clearly states that no billing adjustment can be made for a period longer than 12 months prior. It is noted that a system change is underway to prevent back dated move in charges greater than 365 days. Currently, exception reporting is generated to identify bills generated for periods in excess of 365 days.</li> </ul> <p>During the audit period 9 instances of damaged, faulty and defective meter installations were identified through meter tests that resulted in undercharging being identified. Testing identified one instance where no evidence was provided to demonstrate that the customer received any form of communication in regards to the meter tests results and the associated undercharged amount that was identified. The invoice was cancelled and the customer was billed in accordance with the Code of Conduct.</p> <p>Through review of the annual compliance reports 2013-14 and 2014-15, it was noted that Synergy self-reported breaches affecting 153 customers in 2013-14 and 28 customers in 2014-15.</p> <p>The 2013-14 breaches included instances where customers who had been undercharged were billed for periods in excess of 12 months, were not billed on a special bill or as a separate line item, and were not offered interest and fee free payment plans. It was identified that these breaches were due to a lack of compliant SOP at the time. Management have implemented a new SOP, amendments to bill explanations and system changes.</p> <p>In the 2014-15 period, self-identified breaches were due to Synergy seeking to recover undercharges for period greater than 365 days. As system controls are not yet in place, these breaches were due to CSRs not following the SOP. The CSRs have been provided with coaching with increased quality assurance monitoring. Exception reporting is now generated for bills generated for periods in excess of 365 days.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed place however there has been non-compliance with minor impact on customers or third parties during the audit period.</p>	
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties
<b>Corrective Action/Opportunity for Improvement</b> <p><i>The current actions underway to address this breach issue is acknowledged and supported. It is recommended that management continue to progress systems changes to ensure bills cannot be raised for undercharges for a period over 365 days due to error, defect or default by Synergy or Western Power.</i></p> <p><i>Determine the root cause for the instance of non-compliance identified during the audit for not providing the customer with communication in regards to the meter tests results and the associated undercharged amount that was identified. Provide relevant officer with feedback, coaching and increased QA monitoring.</i></p>	
<b>Management Response and Actions Required</b> <p>Management agree with the corrective action recommendations.</p> <p>One hundred and eighty one customers experienced minor impacts due to the SOP not being followed by CSRs; this was determined to be the root cause. The CSRs were provided with coaching on the relevant SOPs and increased quality assurance monitoring for one month. The processes were changed to require bills being generated for periods in excess of three hundred and sixty five days to be reviewed prior to sending to customers to ensure the customer is liable as per the deemed contract notice provisions. The standard letter which accompanies bills for periods in excess of the usual sixty day billing cycle now also includes a statement offering customers an instalment plan for the same period as the bill. In addition, changes were made to the structure of the lost consumption report for electricity and enhancements made to ensure the automated disconnection notifications are sent in the correct circumstances, therefore reducing the risk of greater than three hundred and sixty five days billing. Additionally a system change was made to identify online requests from customers to establish accounts more than twelve months for manual review prior to processing.</p>	

# Electricity Retail Licence Performance Audit Report

## Due Date

The SOP was reviewed and updated in June 2015.

Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by 30 June 2015.

The system change will be implemented on 30 September 2015.

## Responsible/Accountable Business Unit or Stakeholder

Customer Service Manager, RBU

Customer Processing Manager, RBU

Compliance Manual Reference: 177, 181		Compliance Rating B / 3
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.18(2) Code of Conduct clause 4.18(7)		Reporting Type NR
Obligation Description		
177	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), a retailer must use its best endeavours to inform the customer within 10 business days of a retailer becoming aware of the error, defect, or default, and, subject to sub clauses 4.18(6) and 4.18(7), ask the customer for instructions as to whether the amount should be credited to the customer's account or repaid to the customer.	
181	The retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer provided that the customer is not a residential customer experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. If, after the set off, an amount less than \$75 remains, the retailer must deal with that amount in accordance with sub clause 4.18(6). If the amount is \$75 or more, the retailer must deal with it in accordance with sub clause 4.18(2).	
Observations		
<p>The transferring credits between accounts SOP outlines requirements in relation to credit transfers and refunds. Refunds will be raised as tasks immediately after receiving the request.</p> <p>Where bill estimates result in the overcharge and the next meter read comes through from Western Power, the system will recognise the adjustment required and generate an automatic rebill letter in compliance with clause 4.18(2) of the Code of Conduct for notification to occur within 10 days. The rebill letter notifies the customer that they will have their balance automatically adjusted unless they contact Synergy to request a refund. The adjusting letter and bill also provides a breakdown of the adjusted credit and states the total account value. Where a meter installation has been identified as being damaged, malfunctioned or faulty, through a meter test, and the customer has been overcharged, a customer will be issued with a meter test results letter as well as an updated adjusting letter and rebill invoice to reflect the overcharge identified.</p> <p>Where a meter read comes through that is more complex and requires investigation, it will be flagged and a billing officer will manually investigate the BPEM. If an overcharge is identified, the officer will initiate the rebill letter to be issued once investigation is completed. Our walkthrough of an example bill identified that an overcharged amount paid for in a previous estimated bill is automatically passed on as a credit in the customer's account and displayed in the next bill.</p> <p>Through discussion, review of the process and procedures, it was noted that there are system control in place to detect and prevent a refund if the customer has another account with debt. It is noted that once the credit counters a debt on another account any remaining credit will follow the same rebill process. However, where a customer has been flagged as experiencing payment difficulties or financial hardship, the customer will be flagged and the account will be removed from any debt collection processes.</p> <p>Through sample testing of 15 overcharges due to defect or error, it was noted that there were 8 instances where the letter advising of the overcharge (and for instructions if they wished to be refunded) was either not available to sight or was issued to the customer more than 10 business days subsequent to becoming aware of the overcharge thereby resulting in non-compliance with Code of Conduct clauses 4.18(2) and 4.18(6). However, the overcharged amounts were credited to the customers' accounts as this is an automated process within SAP once the overcharge has been identified. Additionally, we identified that none of the sample customers were charged a fee for meter tests.</p> <p>Through review of the annual compliance report 2014-15 we note Synergy self-reported breaches affecting 387 customers in 2014-15 in relation to incorrect customer address issues resulting in repaying overcharges inconsistently with the Code of Conduct requirements and therefore breaches to Obligation #177. These were identified as due to manual error of CSR during initial customer set up or customer errors in providing an incorrect address. This also resulted in 16 instances of recovering undercharges and 387 instances of repaying overcharges inconsistently with the Code of Conduct requirements as letters were not issued to the customer within the required timeframes due to incorrect addresses recorded in the system. Relevant staff</p>		



# Electricity Retail Licence Performance Audit Report

members were provided critical feedback and coaching.	
Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.	
Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls in place with some improvement needed and there has been non-compliance with moderate impact on customers and third parties during the audit period.	
<b>Adequacy of Controls Rating</b>	<b>B – Generally adequate controls – improvement needed</b>
<b>Compliance Rating</b>	<b>3 – Non-compliant – moderate impact on customers or third parties</b>
<b>Corrective Action/Opportunity for Improvement</b>	
<i>Consider implementing system prompts to ensure that rebill letters are issued once an investigation is completed and an overcharge is identified by a billing officer to complete the process and ensure the obligation is met.</i>	
<b>Management Response and Actions Required</b>	
Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Synergy will investigate the feasibility of implementing system prompts to ensure that rebill letters are issued once an investigation is completed and an overcharge is identified by a billing officer to complete the process and ensure the obligation is met by 30 January 2016.	
<b>Due Date</b>	
The customer information project was implemented in May 2015.	
The feasibility investigation for system prompts will be completed by 30 January 2016.	
<b>Responsible/Accountable Business Unit or Stakeholder</b>	
Customer Processing Manager, RBU	



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 178		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 2
Licence Obligation: Code of Conduct clause 4.18(3)		Reporting Type 2
Obligation Description		
178	A retailer must pay the amount overcharged in accordance with the customer’s instructions within 12 business days of receiving the instructions.	
Observations		
<p>Review of the payment types and business rules (refunds) identified that there is a list of business rules that must be followed when issuing a refund. Electronic refunds can take up to 5 business days to land in a bank account and cheque refunds take up to 10 business days to be received in the post. Synergy has made available a range of options for refunds including bank transfer, credit card, cheque, BPay, REBS automated payment, Centrepay, salary sacrifice, and payroll deduction.</p> <p>In the walkthrough with the collections officer it was identified that when a customer calls the contact centre a CSR will raise a refund task immediately. The task will then be processed by credit portfolio who apply the refund as requested by the customer within 5 business days.</p> <p>Through sample testing of 20 refunds it was noted that there was one instance where the customer was not refunded an overcharged amount within the timeframes due to manual error.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls in place with some improvement needed and there has been non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Implement monthly internal spot-checks to ensure refunds are processed within the timeframes as per the obligations.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. A monthly internal spot check will be implemented by 30 November 2015, ensuring refunds are processed within the timeframes as per the Code of Conduct.		
Due Date		
A monthly internal spot check will be implemented by 30 November 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Manager Customer Processing, RBU		

Compliance Manual Reference: 182		Controls / Compliance Rating  B / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.19(1)		Reporting Type  NR
Obligation Description		
182	If a retailer proposes to recover from a customer an amount of an adjustment which does not arise due to any act or omission of the customer, a retailer must comply with sub clause 4.19(1).	

# Electricity Retail Licence Performance Audit Report

## Observations

Through discussion with billing services officer and system analyst, review of key policies and relevant SOP, and walkthrough of processes it was noted:

- Any adjustment made, will always be communicated to the customer in their adjusting letter and rebill invoice. The rebill invoice states the previous bill amount, the adjustment and the current charge, as well as the account's overall balance. Additionally, the adjusting letter provides the customer with contact details to make payment arrangements (i.e. payment plan or more time to pay). Where the adjustment is straightforward the adjustment is automated within SAP and an adjusting letter and rebill invoice to be issued to the customer. Where the adjustment is more complicated a BPPEM will be raised, and a billing services officer will verify and process the adjustment and issue the adjusting letter and rebill invoice.
- Where a meter test has been arranged Western Power will communicate the test results to Synergy, whereby Synergy will issue a meter test results letter (fail or pass). Additionally, an adjusting letter and rebill invoice is issued by a billing services officer. Both the adjusting letter and meter test results provide the customer with contact details to make payment arrangements (i.e. payment plan or more time to pay).
- Synergy does not charge the customer late payment fees with respect to adjustments which do not arise due to any act or omission of the customer.
- The billing services business rules also clearly states that no billing adjustment can be made for a period longer than 12 months prior. It was also noted that a system change is underway to prevent back dated move in charges greater than 365 days. Currently, exception reporting is generated to identify bills generated for periods in excess of 365 days.

Sample based testing of 5 customer account adjustments (not the fault of the customer) did not reveal any non-compliance.

Through review of the annual compliance report 2014-15 we note that Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to the standard rebill letter not being manually included with the bill in error. The customers were subsequently provided with the reason for the adjustment.

Management advised that a system change is being implemented to automate the letter.

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there has been non-compliance with minor impact on customers or third parties during the audit period.

<b>Adequacy of Controls Rating</b>	<b>B – Generally adequate controls – improvement needed</b>
<b>Compliance Rating</b>	<b>2 – Non-compliant – minor impact on customers or third parties</b>

## Corrective Action/Opportunity for Improvement

*The current actions underway to address this breach issue are acknowledged and supported. It is recommended that Management continue to progress system changes to ensure rebill/adjustment letters are automatically included with rebill invoices.*

## Management Response and Actions Required

Management agree with the corrective action recommendations. Two customers experienced minor impacts due to the SOP not been followed by the CSRs handling the transaction. The CSRs were being provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.

A system change will be implemented by 31 December 2015 which will automate the issuing of the rebill letter.

## Due Date

Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by 30 June 2015. The system change is due for implementation by 31 December 2015

## Responsible/Accountable Business Unit or Stakeholder

Customer Processing Manager, RBU

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 190		Controls / Compliance Rating  B / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.4		Reporting Type  2
Obligation Description		
190	Upon request, a retailer must accept payment in advance from a customer. 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.	
Observations		
<p>Discussions with the collections manager and collections officer and review of customer prepayment SOP identified that to assist customers in managing their accounts Synergy gives customers the option of pre paying their accounts. A minimum payment of \$20.00 is required and various payment options are available (e.g. online, over the phone, Centrelink).</p> <p>Some customers may choose to pay via a remittance slip at the local post office and management has advised that there have been instances where amounts have been taken that are below the \$20 minimum amount for an advance payment, (despite the terms and conditions in the contract between Synergy and Australia Post specifying this requirement) due to employees of Australia Post not being aware of this requirement. Through discussions with the billing team it was noted that any advance payments will be recorded on the account as a credit and Synergy does not distinguish the credit as an advance payment (i.e. other credits would be due to estimated meter reads) and therefore no reporting is possible.</p> <p>Synergy does not require advance payments from customers identified as experiencing financial hardship.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls in place with some improvement needed and Synergy has complied with the licence condition during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance	1 – Compliant	
Corrective Action/Opportunity for Improvement		
Reemphasise with Australia Post the \$20 minimum requirement for payments taken in advance. However it is acknowledged that by accepting payment in advance amounts less than \$20, there is minor impact on customers and third parties		
Management Response and Actions Required		
<p>Management agree with the corrective action recommendations. A communication was sent to Australia Post on 21 September 2015 which reemphasised with Australia Post the \$20 minimum requirement for payments taken in advance.</p> <p>There is no customer impact associated with this observation.</p>		
Due Date		
21 September 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Credit Portfolio Manager, RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 197		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 2
Licence Obligation: Code of Conduct clause 5.7(1)		Reporting Type 2
Obligation Description		
197	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified in sub clause 5.7(1).	
Observations		
<p>Review of the vacating a service address process, discussion with the collections officer and walkthrough of processes identified that Synergy has processes in place to ensure they do not require a customer to pay for electricity consumed at the customer's supply address from the date the customer vacated the supply address, if the customer gave at least 3 business days' notice; or 5 days after the customer gave notice (in alignment with sub clause 5.7(1)), in any other case.</p> <p>Once a CSR finalises an account on the advice of a customer, a final read service notification to Western Power is generated. The customer is taken through a move out process where Synergy obtains a forwarding address as well as any other relevant details from the customer. When the service notification is raised for a final meter read, the required start date and completed date as well as priority is populated to ensure the read is undertaken prior to the move out date instructed by the customer. If Synergy is not given at least 5 days' notice, the priority in the system can be changed to instruct Western Power to perform the final read as soon as possible. Once Western Power reads the meter at the property and supply Synergy with the reading, a final bill is issued and the customer's contract is terminated. The system will prevent the customer to be billed any further once this takes place. Sample testing of 20 customer movements did not note any issues and final bills were issued upon request.</p> <p>However, through review of the annual compliance reports 2013-14 and 2014-15 it was noted that Synergy self-reported breaches affecting one customer in 2013-14 and seven customers in 2014-15 in relation to receiving a bill for consumption that occurred after they had vacated the supply address. This was due to human error as the CSR noted the request to close the account but did not complete the SOP. The customers were provided with a replacement bill to the correct the error. Management have advised the CSR was provided with critical feedback, coaching regarding the relevant SOP and additional quality assurance monitoring. A record of the error was placed on the CSRs personnel file.</p> <p>Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"><li>Investigating the feasibility of email or SMS notifications.</li><li>Review of critical SOPs.</li></ul> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls in place with some improvement needed however there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Eight customers experienced minor impacts due to the SOP not being followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in February 2015 to ensure compliance with the Code of Conduct.		
Due Date		
The SOP was reviewed and updated in February 2015.		
The customer information project was implemented in May 2015.		
Critical feedback was provided to the officers as soon as the issue was identified with all feedback completed.		
An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.		

# Electricity Retail Licence Performance Audit Report

## Responsible/Accountable Business Unit or Stakeholder

Customer Service Manager, RBU

Compliance Manual Reference: 202		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		A / 2
Licence Obligation: Code of Conduct clause 6.1(1)		Reporting Type 2
Obligation Description		
202	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship within 3 business days, or the retailer must refer the residential customer to an independent financial counsellor or relevant consumer representative organisation to make the assessment.	
Observations		
<p>Through discussion with the customer support team leader and the collections officer and review of the relevant SOP, it was noted that there is a process in place for assessing a customer within 3 business days for payment difficulties or financial hardship or referral to a financial counsellor.</p> <p>The CSR performs an initial assessment of a customer experiencing payment problems over the phone based the credit management assessment guidelines. Based on the assessment, the CSR determines whether the customer is classified under payment difficulties, financial hardship or severe financial hardship. If a customer is assessed as experiencing payment difficulties, the CSR will address the matter with the customer (e.g. alternative payment arrangements, additional time to pay, and instalment plan). Where a customer is assessed as experiencing financial hardship or severe financial hardship, the CSR will set up a task within SAP for the matter to be transferred to the customer support team. The CSO will then get in contact with the customer and make an assessment or refer the customer to an independent financial counsellor or relevant consumer representative organisation. The task is generally attended to by the customer support team within 24 hours. This process is documented in the financial hardship SOP and the timeframes for the assessment activity align with the obligation.</p> <p>When tasks are sent to the customer support team, SAP has been configured to assign the task priority levels depending on the length of time the task has been in the system. Tasks coming close to the 3 day deadline are flagged as red and are of highest priority. Checks of the tasks are performed daily to ensure the high priority tasks are being addressed. Cross training has been undertaken to ensure sufficient resources are available should a backlog occur. Refresher training courses are provided to relevant staff on a bi-annual basis for financial hardship. The team leaders are also responsible for QA of all the customer support staff and are required to review at least 5 calls every month and provide feedback and actions necessary.</p> <p>Testing was performed for a sample of 20 customer experiencing payment problems which included reviewing customer's interaction notes and listening to calls. It was noted that there were no instances where a customer was not assessed for financial hardship or referred to an independent financial counsellor within 3 days.</p> <p>Through review of the annual compliance reports 2014-15 we note that Synergy self-reported breaches affecting 3,255 customers in 2014-15 in relation to this obligation. The majority of the breaches were due to an increase in customer's seeking hardship assistance and staff taking unplanned leave, therefore the customer support team were unable to complete all assessments within the required 3 business days. Some breaches were due to the CSRs not following the relevant SOP. However, it was noted that all assessments were completed following an average delay of 1 day as an additional 5 staff members were dedicated to performing the assessments and providing assistance to manage the extra workload.</p> <p>Management have advised that the guidelines on Synergy's knowledge base have been simplified and updated and CSRs have been trained to optimise first call resolution to reduce the number of tasks being raised to the customer support team. A system change was implemented to align regulatory timeframes with internal due dates. The customers requiring assessment (volume and status) is now monitored daily to ensure resources are available, service levels are monitored and alerts generated for tasks at risk of not meeting required timeframes. The CSOs and CSRs were also provided with critical feedback and coaching on the relevant SOP and increased quality assurance monitoring.</p> <p>An initiative has also been implemented to achieve first call resolution and to enhance call quality interactions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place; however, Synergy has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	

# Electricity Retail Licence Performance Audit Report

## Corrective Action/Opportunity for Improvement

1. *It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.*
2. *In addition, consideration should be given to reviewing KPIs for relevant staff that perform hardship tasks.*

## Management Response and Actions Required

Management agree with the corrective action recommendations.

Unfortunately three thousand three hundred and twenty five customers experienced minor impacts and were affected by an average delay of one day in the determination of their payment difficulty or financial hardship status. Whilst 93.2% of all referrals were completed within the required timeframe, due to an increase in customers seeking hardship assistance as well as staff unplanned leave, the customer support area was not able to complete all assessments within the required 3 business days. To address this a number of key initiatives have been implemented:

- a) Payment difficulty/financial hardship guidelines have been simplified by updating knowledge base with clearer step by step instructions.
- b) Internal changes have been made to reduce the number of tasks being issued to the customer support team.
- c) CSRs have been trained to achieve first call resolution by following step by step instructions and using a checklist to ensure accurate identification of hardship customers and appropriate action thereafter (referral for financial assistance to customer support).
- d) The number and progress of customers requiring assessment is now monitored daily to ensure necessary resources are available to complete assessments within timeframe.
- e) The internal controls include a daily dashboard which tracks service levels and provides alerts to the business for any potential for tasks to go beyond the required timeframe.
- f) Implementation of a system change to align regulatory timeframes with the internal due dates.
- g) An initiative has been implemented to achieve first call resolution where possible in the contact centre, and enhancing the call quality interactions with hardship customers.
- h) The telephony system was enhanced to automate the outbound call and deliver it to an available CSR
- i) Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of hardship assessment. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.

## Due Date

Actions a-h were implemented on 19 December 2014 to ensure compliance with the obligations.

Required critical feedback was provided to the officers as soon as the issue was identified, with all feedback completed by June 2015.

Compliance improvement plan reporting commenced in July 2015 and occurs on a monthly basis.

KPI review to be completed by 31 December 2015.

## Responsible/Accountable Business Unit or Stakeholder

Customer Service Manager, RBU

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 207		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		A / 3
Licence Obligation: Code of Conduct clause 6.2(3)		Reporting Type 2
Obligation Description		
207	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	
Observations		
<p>Through discussion with the customer support team leader and collections manager and review of financial hardship procedures, it was identified that after an assessment has been undertaken and the customer needs further financial assistance, they are referred to an independent financial counsellor. If the customer has been referred to a financial counsellor for assessment, the customer is given 15 business days to obtain the appointment and a 'dunning' lock is placed on the customer's account. The 'dunning' lock suspends debtor actions on the customer's account. Should the customer obtain an appointment outside of this timeframe they are required to contact Synergy and advise of the appointment date and a second moratorium and a further suspension can be placed on the account. It was also noted that consideration is given to all requests by a customer for temporary suspension of actions, not only in the case of being referred to a financial counsellor.</p> <p>Sample testing of 20 customers experiencing financial hardship/payment difficulties was performed which included reviewing customers interaction notes, listening to calls and examining customers' lock history. It was noted that in all instances, the 'dunning' lock was applied when a customer was referred to an independent financial counsellor. However, there was one instance where a customer with an existing locked account had called to extend the timeframe and advised of the date of their appointment with a financial counsellor. The CSR in error did not place the extension for a long enough period to cover the timeframe required. A collections spreadsheet was provided as evidence that no actions were taken during the 3 day period when the lock was not in place.</p> <p>Further, through review of the annual compliance report 2013-14 it was noted that Synergy self-reported breaches for 5 customers who were disconnected due to failure to suspend activities for at least 15 business days. The CSRs had failed to follow the SOP and did not request cancellation of disconnection at the time the temporary suspension of actions was granted. All customers were granted an urgent same day reconnection when the error was identified and paid the relevant SSP. This was due to manual error on the part of the CSRs and critical feedback and coaching has since been provided.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place; however, Synergy has been non-compliant with moderate impact on customers or third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	3 – Non-compliant – moderate impact of customers or third parties	
Corrective Action/Opportunity for Improvement		
For the exception noted in the sample testing, provide constructive feedback to CSR, reemphasise obligation to the relevant CSRs through coaching and increase QA activities for CSR for a period of time.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. Five customers experienced moderate impacts due to the SOP not being followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. All customers were assessed and relevant assistance provided, if applicable and all late payment fees were waived.		
Due Date		
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by September2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager, RBU		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 222		Controls/ Compliance Rating B / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.10(3)		Reporting Type 2
Obligation Description		
222	A retailer must ensure that its hardship procedures comply with the criteria specified in sub clause 6.10(3).	
Observations		
<p>Through discussion with the customer support team leader and review of the relevant documentation it was noted that the financial hardship policy can be obtained from Synergy's website and is available to all customers at no charge. The policy is reviewed upon request by Authority, in consultation with the relevant stakeholders.</p> <p>Further, it was noted that Synergy has developed financial hardship procedures that can be obtained from its knowledge base, however the document does not detail each requirement of 6.10(3). Specifically it does not:</p> <ul style="list-style-type: none"><li>• Provide guidance on how customers experiencing financial hardship are to be treated sensitively and respectfully as provided in sub clause 6.10(3)(c).</li><li>• Provide guidance in regards to all the points specified in sub clause 6.10(3)(d).</li><li>• Specify that the credit management staff have a direct telephone number which should be provided to the relevant financial counsellors and consumer representative organisations in accordance with sub clause 6.10(3)(e).</li></ul> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed and non-compliance with minor impact on customers and third parties</p>		
Adequacy of Controls Rating	B – Generally adequate controls – some improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Review and update the financial hardship procedures to capture further details aligned to the obligations set out in clause 6.10(3) and communicate the updated document to the relevant staff members.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The financial hardship documented procedures were updated by 6 October 2015 as part of the most recent regulatory review and reflect clause 6.10 (3), 6.10(3) (d), 6.10(3) (e) and 6.10(3) (c). Training and guidance has been provided to the customer support team regarding the changes and recommendations.		
Due Date		
6 October 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager. RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 229		Controls / Compliance Rating  B / 4
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 7.1(1)		Reporting Type  2
Obligation Description		
229	Prior to arranging for disconnection of a customer's supply address for failure to pay a bill, a retailer must: give the customer a reminder notice not less than 13 business days from the date of dispatch of the bill, including the information specified in sub clause 7.1(1) (a); use its best endeavours to contact the customer; and give the customer a disconnection warning, in the manner and timeframes specified in sub clause 7.1(1) (c).	
Observations		
<p>Synergy may disconnect customers due to non-payment or history of late payments however it was noted that Synergy will use best endeavours not to disconnect and only use this option as a last resort.</p> <p>Our walkthrough of the disconnection process identified that overdue customers go through an automated collection process. Customers are required to pay a bill within 12 business days from the dispatch of an invoice and are also given an additional 3 business day grace period before a reminder notice is issued after 15 business days. SAP is configured to send a series of automated letters, emails and SMS to warn customers of disconnection in alignment with the obligation. An automated message is also left on the telephone if voice mail is activated. Synergy will attempt to get make contact with a customer to obtain payment or assess the customer for financial hardship. The dunning history on SAP is able to show the communication that is sent out and includes a time stamp.</p> <p>However, through audit sample testing of 20 disconnections it was identified that a system issue prevented automatic notifications from being sent out within the required timeframes resulting in nine instances where customers were not issued disconnection warnings in the specified timeframes. The system error was not identified and disconnection tasks were raised and completed without the required written notification.</p> <p>Screenshots provided show the automatic work tasks (work list residential multi) raised to Synergy's outbound call centre, to communicate the disconnection to the customer via a phone call, were not being processed and therefore the contact centre was not receiving these notifications. As Synergy's best endeavour to contact the customers were not recorded, the system did not send any subsequent obligated written notifications to the customer until after the disconnection task was raised and completed.</p> <p>The exception report generated for the moratorium over Christmas 2013 alerted Synergy to this error and a hand-written notification was provided to the customers in January 2014. Management have advised that this system error was addressed in the Collections Strategy update in May 2014 and a test of sample customers after this period did not identify any issues.</p> <p>Further, through review of the annual compliance reports 2013-14 and 2014-15 it was noted that Synergy self-reported breaches affecting 25 customers in 2013-14 and 82 customers in 2014-15 in relation to being wrongfully disconnected for non-payment inconsistent with the Code of Conduct requirements. The errors were caused by CSRs failing to correctly follow the SOP. On some occasions the request for disconnection had already been issued to Western Power but was not cancelled when the customer entered into a payment arrangement.</p> <p>Management have advised that the customers were granted an urgent same day reconnection and all customers were credited with the regulated SSP. The CSRs were provided with critical feedback and received coaching on the relevant SOP and additional quality assurance monitoring. A presentation was also provided to the disconnection team on the SOP by the regulatory team in December 2013. Three bulletin communications were issued to all CSRs regarding the process to correctly update mailing addresses. The process for updating mailing addresses was also reviewed and the system updated in November 2013 to require CSRs to confirm the address has been updated correctly. A SOP to manage return to sender mail was introduced in March 2014. The paperless billing terms and conditions have also been amended to make it more explicit Synergy will send collection notices electronically to the customers nominated email address.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls with some improvement needed and there was non-compliance with major impact on customers or third parties within the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	4 – Non-compliant – major impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
It is acknowledged that the system issue which resulted in the breach was resolved within the audit period. However to strengthen the detective controls in place, it is recommended that management undertake more regular exception reporting around disconnections and from the exception report undertake QA reviews on a spot check basis to ensure system issues are identified in a timely basis.		

# Electricity Retail Licence Performance Audit Report

## Management Response and Actions Required

Management agree with the corrective action recommendations. One hundred and seven customers experienced major impact due to the SOP not being followed by the CSOs handling the transaction (or system related issues). The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. All customers were assessed and relevant assistance provided, if applicable and all late payment fees were waived, the impacted customers power was restored on the same day via urgent reconnections.

The underlying system issue which prevented the required notifications been sent to customers regarding disconnection, was rectified by the implementation of the collection strategy project in May 2014. The collection strategy project aligned the SAP system generated notifications to the Code of Conduct requirements, ensuring all required notices are sent to the customer before the account progresses to the disconnection stage of the collections processes, furthermore the credit portfolio team has introduced an ongoing monthly (sample) audit of disconnected customers, exception reporting is now conducted on a daily basis (via the NAK report) and an increase in the quality monitoring of the disconnected accounts to ensure compliance and identification of system issues in a timely basis.

## Due Date

The Collection Strategy project went live in May 2014.

Daily exception reporting commenced on the 27 January 2015.

Required critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.

The monthly (sample) audit and increased quality assurance monitoring commenced on 5 October 2015.

## Responsible/Accountable Business Unit or Stakeholder

Credit Portfolio Manager, RBU

Compliance Manual Reference: 230		Controls / Compliance Rating  A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 7.6		Reporting Type  1
Obligation Description		
230	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).	
Observations		
<p>As described in the business requirements – collections strategy document, the collections strategy is the pathway used in SAP to manage the payment retrieval process. The collections strategy and SAP provides for regulatory requirements in regards to disconnection.</p> <p>Collections work items will be blocked for accounts in the following scenarios: payment made by the customer, P2P created on the customers' account, complaints, billing disputes, when referred to counsellor for financial hardship, and customer classified as life support.</p> <p>When a customer is referred to a financial counsellor, the customer will be put on a dunning lock for at least 15 days. The dunning lock prevents all activity on the account, including progression to disconnection. According to the collections strategy business requirements, once the customer is assessed for financial hardship and is put on a payment plan, the customer account is locked and removed from the residential collection path.</p> <p>Through sample testing of 20 disconnections, it was noted that in all instances the customers were not eligible for a block on disconnection as per clause 7.2(1) requirements. Further, through sample testing of 20 customers on financial hardship it was noted that the appropriate lock was applied to the sample customers' accounts preventing collection action.</p> <p>However, through review of the annual compliance reports 2013-14 and 2014-15 we note that Synergy self-reported breaches affecting 2 customers in 2013-14 and 45 customers in 2014-15 in relation to being wrongfully disconnected for failure to pay a bill by one day. The errors occurred due to credit management officers failing to correctly follow the relevant SOP and manual error of CSRs during the initial customer setup including incorrect address set up. The accounts were set up incorrectly resulting in invoices being sent to the wrong address, incorrect customers in the address and the SOP not being followed resulting in a wrongful disconnection.</p> <p>Relevant staff members were provided critical feedback and coaching as well as additional quality assurance.</p> <p>Management advised that a “customer information project” was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system</p>		

# Electricity Retail Licence Performance Audit Report

<p>and process changes. This alignment allows online “real time” address validation. Incorrectly captured information was updated as soon as it was identified.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications.</li> <li>Review of critical SOPs.</li> </ul> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however there has been non-compliance with minor impact on customers and third parties during the audit period.</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
<p><b>Corrective Action/Opportunity for Improvement</b></p> <p><i>Management’s actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	
<p><b>Management Response and Actions Required</b></p> <p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy’s standing data in SAP and Landgate records. Forty seven customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs. The implementation of the collection strategy project in May 2014 provided Synergy with automated email and SMS capability to advise customers as they enter different stages of the collection process. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.</p>	
<p><b>Due Date</b></p> <p>The Collection Strategy Project was implemented in May 2014 (this provided SMS and email capability).</p> <p>The customer information project was implemented in May 2015.</p> <p>The SOP was reviewed and updated in May 2015.</p> <p>Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.</p>	
<p><b>Responsible/Accountable Business Unit or Stakeholder</b></p> <p>Credit Portfolio Manager, RBU</p>	

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 240		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 2
Licence Obligation: Code of Conduct clause 7.7(6)		Reporting Type 2
Obligation Description		
240	A retailer must contact the customer to ascertain whether life support equipment is required or to request recertification in the manner and circumstances specified in sub clause 7.7(6).	
Observations		
<p>Through discussions with the service quality team leader and review of relevant documentation, it was noted that Synergy has policies and processes in place to satisfy the timeframe requirements stipulated in sub clause 7.7(6) of the Code of Conduct. Note the clause 7.7(6) only came in effect from July 2014.</p> <p>When a customer's account is flagged as being a life support customer a task is automatically created in the customer's account 6 weeks before the due date for confirmation (annual) and recertification (3 yearly).</p> <p>Through discussion with the life support officer and business system analyst it was noted that SAP is configured to automatically send out the annual declaration letter to all customers flagged for life support to confirm whether life support details are still correct. Once the declaration letter has been returned, the information is processed by the customer service team.</p> <p>The life support officer will receive a task notification to contact the customer to reconfirm that the customer's supply address still requires life support equipment and obtain re-certification from an appropriately qualified medical practitioner, every 3 years.</p> <p>Testing of 20 samples of life support customers, identified that in 8 instances where the customer was flagged as life support prior to July 2014, the annual declaration renewal process was not followed (these customers were not disconnected and remained on the register).</p> <p>Further through review of the annual compliance report 2014-15 we note that Synergy self-reported breaches affecting 11 customers in 2014-15 in relation to life support customers not being contacted for the annual declaration (i.e. after 12 months to confirm whether life support equipment was still in use at the property and therefore was required to be registered). This was due to legacy data whereby the customers did not have the required attributes in SAP and therefore the automatic letter was not issued within the 12 months.</p> <p>Management have advised that marketing attributes have been updated on the affected customer accounts and will now be captured by the automated annual contact process.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed and Synergy been non-compliant with moderate impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	of	B – Generally adequate controls – improvement needed
Compliance		2 – Non-compliant – minor impact on customers or third parties
Corrective Action/Opportunity for Improvement		
<p><i>It is acknowledged that the system attribute changes have been completed.</i></p> <p><i>However, to further strengthen the control environment, it is recommended that customer experience implement system reminders for Synergy operators to follow up on declaration and recertification letters which have been issued once the automated letters have been generated. For manual letters, ensure that these letters can only be issued once a task is raised within the system (i.e. once the task is raised, the letter is automatically populated and can be manually sent out) to ensure evidence and audit trail is retained in the system.</i></p>		
Management Response and Actions Required		
<p>Management agree with the corrective action recommendations.</p> <p>Eleven customers registered for life support experienced a minor impact due to a problem in the manual renewal process, which occurs on the twelve month anniversary of the medical certification being provided to Synergy to confirm whether life support equipment was still in use at the property. The customers were not contacted due to legacy data. The customers did not have the required attributes in SAP and therefore an automatic letter was not issued within the required twelve months. The impacted customers were contacted and the relevant details obtained in July 2015. Once the updated data was received, non-eligible customers were removed from the life support register. A system change was implemented in July 2015 which automates the annual contact process, eliminating the risk associated with the manual process.</p>		
Due Date		
<p>The system change was implemented in July 2015.</p>		

# Electricity Retail Licence Performance Audit Report

<b>Responsible/Accountable Business Unit or Stakeholder</b>	
Customer Service Manager, RBU	
<b>Compliance Manual Reference: 242</b>	<b>Controls / Compliance Rating</b>
<b>Licence Clause:</b> Electricity Industry Act section 82	<b>A / 2</b>
<b>Licence Obligation:</b> Code of Conduct clause 8.1(1)	<b>Reporting Type</b>
	<b>2</b>
<b>Obligation Description</b>	
<b>242</b>	A retailer must arrange for reconnection of the customer's supply address if the customer remedies their breach, makes a request for reconnection, and pays the retailer's reasonable charges (if any) for reconnection, or accepts an offer of an instalment plan for the retailer's reasonable charges.
<b>Observations</b> <p>The reconnection guidelines specifies that if the customer remedies their breach, makes a request for reconnection, and pays Synergy's reasonable charges (if any) for reconnection, or accepts an offer of an instalment plan for the retailer's reasonable charges then the customer will be reconnected.</p> <p>Through discussion with the system analyst, it was noted that when a customer is in the process of disconnection, SAP will automatically generate a re-energisation task when a customer enters into a payment arrangement (and this is flagged in the system) which covers 100% of the total amount outstanding or pays greater than 90% of the debt due. A walkthrough with the collections officer identified that a CSR will raise the service notification (from the task) to reconnect a customer which sends Western Power a reconnection task.</p> <p>Testing of a sample of 20 reconnection requests and service notifications to Western Power resulted in no issues noted.</p> <p>However, through review of the annual compliance report 2014-15 it was noted that Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to a request for reconnection being incorrectly stated for a future date resulting in a delay in reconnection of 7 business days. An urgent same day reconnection was completed on the day the error was identified. This was noted as being due to manual error from the relevant CSR. Management have advised that the CSR was provided with critical feedback and coaching on the relevant SOPs.</p> <p>Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications.</li> <li>Review of critical SOPs.</li> </ul> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place however there has been non-compliance with minor impact on customers and third parties during the audit period.</p>	
<b>Adequacy of Controls Rating</b>	<b>A – Adequate controls – no improvement needed</b>
<b>Compliance Rating</b>	<b>2 – Non-compliant – minor impact on customers or third parties</b>
<b>Corrective Action/Opportunity for Improvement</b>	
<i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i>	
<b>Management Response and Actions Required</b>	
Management agree with the corrective action recommendations. The delivery of the de-energisation and re-energisation project in September 2015 has automated the re-energisation task, eliminating the "human error" risk associated with the reconnection transaction. SOPs were reviewed and updated in September 2015. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.	
<b>Due Date</b>	
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.	
The de-energisation and re-energisation project was implemented in September 2015.	
The SOP was reviewed and updated in September 2015.	
<b>Responsible/Accountable Business Unit or Stakeholder</b>	
Credit Portfolio Manager, RBU	



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 243		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 3
Licence Obligation: Code of Conduct clause 8.1(2)		Reporting Type 2
Obligation Description		
243	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in sub clause 8.1(2).	
Observations		
<p>The reconnection guidelines specify that if a distributor has disconnected supply to a customers' supply address on request by Synergy then Western Power must reconnect supply address within the prescribed timeframes.</p> <p>A walkthrough with the collections officer noted that any urgent reconnection tasks are raised by the CSR to the Credit Portfolio team who will action the task before midnight of that day. Through discussions, it was noted that a change request has been made to automate this process.</p> <p>Testing of a sample of 20 reconnection requests and service notifications to Western Power resulted in no issues noted.</p> <p>However, through review of the annual compliance reports 2013-14 and 2014-15 we note that Synergy self-reported breaches affecting 219 customers in 2013-14 and 62 customers in 2014-15 in relation to Synergy not forwarding the request for reconnection to the distributor within the required Code of Conduct timeframe with an average delay of 1.5 days. On most occasions it was caused by the CSR failing to correctly follow the SOP and in on one occasion it was due to a SAP error. All customers were ordered an urgent same day reconnection with regulated SSP being made.</p> <p>Management have advised that relevant feedback has been provided to the affected staff members and refresher training courses were provided on raising the service notification and to check whether it has been raised correctly as well as increased quality assurance. The "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data with Landgate records of street addresses.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are generally adequate controls with some improvement needed and there has been non-compliance with moderate impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance	3 – Non-compliant – moderate impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Implement the change request planned to automate reconnection service notifications and ensure only exceptions are required to be manually addressed by the credit portfolio team.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The delivery of the de-energisation and re-energisation project in September 2015 has automated the re-energisation task, eliminating the "human error" risk associated with the reconnection transaction. SOPs were reviewed and updated in September 2015. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. Two hundred and eighty one customers were moderately impacted, all impacted customers had their power restored the same day through urgent reconnections, and all customers received a service standard payment.		
Due Date		
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.		
The de-energisation and re-energisation project was implemented in September 2015.		
The SOP was reviewed and updated in September 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Credit Portfolio Manager, RBU		

<b>Compliance Manual Reference:</b> 249, 253, 255	<b>Controls / Compliance Rating</b>
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# Electricity Retail Licence Performance Audit Report

Licence Clause: Electricity Industry Act section 82		B / NR
Licence Obligation: Code of Conduct clause 9.3(1), 9.3(5), 9.4(2)		Reporting Type 2
Obligation Description		
249	A retailer must advise a residential customer who requests information on the use of a pre-payment meter, at no charge, and in clear, simple and concise language, the information specified in sub clause 9.3(1).	
253	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in sub clause 9.3(2)(r), the retailer must notify the pre-payment meter customer, in writing or by electronic means, of the change within 10 business days.	
255	A retailer must not require payment of a charge for reversion to a standard meter if the pre-payment customer is a residential customer and that customer, or their nominated representative, requests reversion of a pre-payment meter within 3 months of its installation or the date the customer agreed to enter into the prepayment contract, whichever is the latter.	
Observations		
<p>A SOP for prepayment meters is in place which sets out details of prepayment meter processes in compliance with the above obligations however it does not include the following:</p> <ul style="list-style-type: none"><li>• The location and business hours of the recharge facility and no posters have been left at Ninga Mia (the one community with prepayment meters) or the meter card outlet during the audit period. <i>It was noted that there have been no instances where a pre-payment customer had requested information in accordance with clause 9.3(1)</i></li><li>• Detail how changes will be notified of the prepayment card vendor or the 10 business day notification of change timeframe in accordance with sub clause 9.3(5). <i>We note the current the contract lasts for two years and there has been no change to the vendor in the audit period.</i></li><li>• Although section 2.4 of the pre-payment meter BAU processes refers to notification of life support, it does not detail the process to be followed in relation to the above obligation specifically in relation to reversion within 3 months.</li></ul> <p><i>Through discussions, it was noted that there has not been any instances of a request to replace or switch to standard meter within 3 months of installation or the date the customer agreed to enter into the prepayment contract. Pre-payment contracts were entered into in July 2009 and there have been no further prepayment customers added.</i></p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed however due to no events during the audit period, we were unable to test for compliance.</p>		
Adequacy of Controls Rating	of	B – Generally adequate controls – improvement needed
Compliance Rating		NR – Not Rated
Corrective Action/Opportunity for Improvement		
<p>Update the pre-payment meters – BAU processes SOP to include further details around clause 9.3 (1) and 9.3 (2)(r), specifically the location and business hours of recharge facility and the requirement to notify of a change to recharge facilities within 10 days.</p> <p>Update the SOP to include further details as specified within 9.4(2), specifically the process to be followed in relation to reversion to a standard meter within 3 months of installation of a prepayment meter or the date the customer agreed to enter pre-payment contract.</p>		
Management Response and Actions Required		
<p>Management agree with the corrective action recommendations. The SOP will be updated to include further details around Clause 9.3 (1) and 9.3 (2)(r) of the Code of Conduct, specifically the location and business hours of recharge facility and the requirement to notify of a change to recharge facilities within 10 days. Additionally the SOP will be updated to include further details as specified within 9.4(2), specifically the process to be followed in relation to reversion to a standard meter within 3 months of installation of prepayment meter or the date the customer agreed to enter pre-payment contract. There was no impact to customers associated with this observation.</p>		
Due Date		
<p>The SOP will be updated will be updated by the 16 November 2015.</p>		
Responsible/Accountable Business Unit or Stakeholder		
<p>Customer Processing Manager, RBU</p>		

# Electricity Retail Licence Performance Audit Report

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 254		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 1
Licence Obligation: Code of Conduct clause 9.4(1)		Reporting Type 2
Obligation Description		
254	If a pre-payment meter customer notifies a retailer that it wants to replace or switch the pre-payment meter to a standard meter, within 1 business day of the request the retailer must send the specified information to the customer and arrange with the relevant distributor to remove or render non-operational the pre-payment meter, and replace or switch the pre-payment meter to a standard meter.	
Observations		
It was noted that there has only been one instance where the customer has notified Synergy of a need to replace the meter (due to life support) during the audit period. In this instance, the meter was replaced on the same day.		
Although section 2.4 of the pre-payment meter BAU processes refers to notification of life support, it does not detail the timeframes in place to send information to the customer and arrange with the distributor replacement of standard meter.		
Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed however Synergy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
Update the pre-payment meters – BAU SOP to include the 1 business day timeframe specified within clause 9.4(1) of the Code of Conduct.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The SOP has being updated to include the 1 business day timeframe specified within clause 9.4(1) of the Code of Conduct. There was no impact to customers associated with this observation.		
Due Date		
The SOP was updated in September 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager. RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 271		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / NR
Licence Obligation: Code of Conduct clause 9.11(1)		Reporting Type NR
Obligation Description		
271	Where a retailer is informed by a pre-payment meter customer that the customer is experiencing payment difficulties or financial hardship, or the retailer identifies the customer as having been disconnected in the manner specified in sub clause 9.11(2) (b), the retailer must use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in sub clause 9.11(2)(c)-(g) and in the manner stated in sub clause 9.12(3).	
Observations		
<p>Synergy has documented processes – prepayment meters – payment difficulties/financial hardship in place. Whilst this document aligns to the Code of Conduct clause 9.11(2)(a), in regards to the disconnection requirements these do not align with clause 9.11(2)(b) as the Synergy document refers to: a prepayment meter customer has been disconnected 3 or more times in any three month period for longer than 240 minutes (4 hours) on each separate occasion.</p> <p>Through discussion with the Manager, Regulation and Compliance it was noted that this obligation is not applicable to existing pre-payment meters by virtue of clause 9.12 of the Code of Conduct.</p> <p>Furthermore, although the document makes reference to payment difficulty/hardship assessment, changing to different meter, and information and referral to financial counselling, it does not refer to clauses 2.3 and 2.4 of the code which relate to entering into standard and non-standard form contracts.</p> <p>Through discussions it was noted that there have been no request for financial hardship assistance from a pre-payment meter customer.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvement needed however due to there being no events in the audit period, we were unable to test for compliance.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>Revise the prepayment – financial hardship document to:</p> <ul style="list-style-type: none"><li>align with the code with regards to the disconnection requirement not being applicable to existing meters that cannot provide disconnection data however any new prepayment meters installed in the future are required to be able to extract disconnection data.</li><li>include information requirements as per clauses 2.3 and 2.4.</li></ul>		
Management Response and Actions Required		
<p>Management agree with the corrective action recommendations. The SOP has being updated to align with the Code of Conduct with regards to the disconnection requirement not being applicable to existing meters that cannot provide disconnection data however any new prepayment meters installed in the future are required to be able to extract disconnection data, and include information requirements as per clauses 2.3 and 2.4. There was no impact to customers associated with this observation</p>		
Due Date		
<p>The SOP was updated in September 2015.</p>		
Responsible/Accountable Business Unit or Stakeholder		
<p>Customer Service Manager, RBU</p>		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 293, 307		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 1
Licence Obligation: Code of Conduct clause 10.10(3) Code of Conduct clause 13.3		Reporting Type 2
Obligation Description		
293	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.	
307	The report specified in clause 13.1 must be published by the date specified by the Authority. In accordance with clause 13.3(2), a report is published 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 the retailer or distributor's website.	
Observations		
<p>Through observation, we noted that a copy of the Code of Conduct was available for inspection at Synergy's offices. The report specified in 13.1 can be found on the Synergy website under regulatory reports and archived reports. Synergy staff have access to the Synergy knowledge base which details where the annual reports can be located.</p> <p>The regulation and compliance team periodically sends building services a reminder notice noting that physical copies of the aforementioned documents are available at reception. Building services are responsible for training the reception staff on providing the documentation on request.</p> <p>However, during our observation, we note that staff at reception were unaware of the physical copies of the relevant documents kept behind the counter. This was because staff recently returned to work after a period of leave and was unaware of the reminder notice provided by the regulation and compliance team. But for the Auditor pointing out the documents at Reception, the receptionist on duty would have sent the Auditor away without providing any hard copies.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvements needed however Synergy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<ul style="list-style-type: none"><li>Management should re-train reception staff on compliance with the licence condition to make available relevant codes, compendiums and regulations for inspection and continue current awareness raising emails.</li><li>Management should consider developing a “reference sheet” with frequently asked questions to assist reception staff to comply with the licence conditions. The reference sheet should contain information required to meet the customer's request and licence obligations.</li></ul>		
Management Response and Actions Required		
<p>Management will 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. 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 will be obtained. Management will also conduct a one on one session with each reception staff member reminding them of the regulatory requirement.</p>		
Due Date		
18 September 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Manager Fleet and Property, Finance		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 294		Controls and Compliance Rating
Licence Clause: Electricity Industry Act section 82		A / 2
Licence Obligation: Code of Conduct clause 10.11(1)		Reporting Type 2
Obligation Description		
294	Upon request and at no charge, a retailer and a distributor must make available to a residential customer services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	
Observations		
<p>Through discussions with customer processing manager, billing services officer and CSR, review of policy, SOPs, brochures and sample bills/notices it was noted that:</p> <ul style="list-style-type: none"><li>• Synergy has a disability access and inclusion plan in place to demonstrate how people with disability will have equal access to services and facilities. One of the strategies includes "ensure key information (such as how to arrange an interpreter or translator and convert information into an alternative format) is readily available to customer service staff on the intranet and contact centre knowledge base". The plan is available upon request in large print.</li><li>• Billing services officer or CSR will refer the residential customer to the relevant TTY and interpreter service upon request and at no charge.</li><li>• Synergy's electricity customer service charter provides the contact details of TTY services, the contact telephone number and website for the national interpreter services, and the appropriate symbol.</li><li>• All bills, payment reminders and disconnection notices follow the same letter template which contain contact details of TTY services, telephone number and website for the National Interpreter Services, as well as the appropriate symbol.</li></ul> <p>However, based on review of the 2014-15 annual compliance report, Synergy self-reported 14 instances of a breach against this obligation due to the incorrect customer address being recorded in the system, the requested information was not able to be delivered to the customer. Management have advised that the customer information project has been implemented and will strengthen controls around accurate customer addresses. Management have advised that the customer information project has been implemented and will strengthen controls around accurate customer addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place however there has been non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Fourteen customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. Due to the incorrect address being recorded in SAP the requested information was not able to be delivered to the customer. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.		
Due Date		
The customer information project was implemented in May 2015. The SOP was reviewed and updated in May 2015.		
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.		
Update to senior management will be provided by the 31 December 2015		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager, RBU		

# Electricity Retail Licence Performance Audit Report



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 299		Controls / Compliance Rating B / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 12.1(2)		Reporting Type 2
Obligation Description		
299	The complaints handling process under sub clause 12.1(1) must comply with Australian Standard AS ISO 10002-2006 the requirements specified in sub clauses 12.1(2)(a), (b) and (c) and be made available at no cost.	
Observations		
<p>Discussions with Synergy's service quality team leader indicated 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 Australian Standards make reference to the following guiding principles: Visibility, Accessibility, Responsiveness, Objectivity, Charges, Confidentiality, Customer Focus, Accountability, and Continual Improvement.</p> <p>The complaints handling process is outlined in the Synergy complaints policy. This document was examined and it was noted that the document included a detailed complaints handling guide and aligns to the ISO in terms of the definition of a complaint. The policy also makes reference to the acknowledgement of complaints within the prescribed timeframes, service standard payments, record keeping, reporting and monitoring. However, it was noted that the policy is dated 2011 and requires review and update.</p> <p>The Synergy's complaint resolution policy is available to customers at no cost on the company's website and the complaints line number is provided on all bills. This policy outlines the overall complaints handling procedure and provides guidance on how to lodge a complaint and how the retailer will respond to complaints.</p> <p>An internal QA process has been implemented to ensure complaints are correctly managed and resolved. Senior officers will conduct a QA review of 5 complaints processed by each complaint officer every month. If any issues arise during the QA review the senior officer will provide the complaints officer with feedback and coaching.</p> <p>Through review of the annual compliance report 2014-15 we note that Synergy self-reported one breach affecting a customer in 2014-15 in relation to the complaints handling process not being followed correctly and consequently the complaint was not correctly recorded and addressed. This was due to a CSR not following the relevant SOP.</p> <p>Management have advised that the CSR was provided with critical feedback and coaching on the relevant SOP and all call centre staff were issued with a reminder on the correct escalation procedures.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed and Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Review and update the complaints policy to reflect current practice and obligations.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. One customer experienced minor impacts due to the SOP not being followed by the CSR handling the transaction. The CSR was provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The customer had power restored on the same day as the disconnection via an urgent reconnection. A reminder was issued to all contact centre staff highlighting the correct escalation process, furthermore the closing declaration on all calls has been changed to minimise the possibility of further breaches against this obligation The SOP was reviewed and updated in September 2015 to ensure compliance with the Code of Conduct.		
Due Date		
The SOP was reviewed and updated in September 2015.		
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.		
The reminder to all staff was issued on 30 June 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager, RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 301		Controls / Compliance Rating
Licence Clause: 301 Electricity Industry Act section 82		A / 2
Licence Obligation: Code of Conduct clause 12.1(4)		Reporting Type 2
Obligation Description		
301	Upon receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	
Observations		
<p>The Code of Conduct requires a complaint acknowledgement within 10 days of the complaint being received, however the service quality team leader noted that Synergy has set internal requirements of acknowledging all complaints within 2 business days. If the service quality team does not acknowledge due to heavy work load, an automated email will be generated and sent to the customer notifying them that their complaint has been acknowledged and a response will be provided shortly.</p> <p>Synergy's guideline for responding to written complaints within 20 business days aligns to the requirements of 12.1(4) and outlines what is considered a 'response'. A walkthrough of the complaints handling process was performed and it was noted that complaints are added to a 'queue' in SAP and assigned a response due date of within 6 business days. A responsible service quality officer is assigned to each individual complaint. Queued items coming close to the due date of 6 days are flagged red to prompt attention from service quality team. Instances of non-compliance with this obligation's timeframes were identified through self-reporting (i.e. when a customer complaints or the non-compliance is identified by a CSR or through QA). When this occurs, a SSP is made to the customer and the non-compliance is noted in the service standard payment report.</p> <p>Through review of the annual compliance reports 2013-14 and 2014-15, we note that Synergy self-reported breaches affecting 4 customers in 2013-14 and 28 customers in 2014-15 against this obligation. The breach was due to lack of adequate resources as well as incorrect customer addresses. Management advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data with Landgate records of street addresses. The general fax number has also been removed all Synergy forms. Separate mailboxes for each business unit have been implemented to enable the collection and processing of mail by each relevant area. Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	of	A – Adequate controls – no improvement needed
Compliance Rating		2 – Non-compliant – minor impact on customers or third parties
Corrective Action/Opportunity for Improvement		
Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Thirty two customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. Service standard payments were made to all impacted customers. An update on the effectiveness of the customer information project will be provided to senior management by 31 December 2015.		
Due Date		
The customer information project was implemented in May 2015.		
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.		
An update on the effectiveness of the customer information project will be provided to senior management by 31 December 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager, RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 310		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		B / 2
Licence Obligation: Code of Conduct clause 14.2(1)		Reporting Type 2
Obligation Description		
310	Subject to clause 14.6, if a retailer fails to comply with any of the procedures specified in Part 6 and Part 7 prior to arranging for disconnection or disconnecting a customer for failure to pay a bill, or arranges for disconnection or disconnects a customer in contravention of clauses 7.2, 7.3, 7.6 or 7.7 for failure to pay a bill, the retailer must pay the specified compensation to the customer.	
Observations		
<p>Through discussion with the service quality team leader, it was noted that Synergy has policies and procedures in place to ensure compensation is made in circumstances where a customer is wrongfully disconnected. The SSP guidelines outlines requirements of Part 8 of the Code of Conduct and defines the customer payment process, and specifies what compensation must be made for wrongful disconnections.</p> <p>Sample based testing was performed on 5 wrongful disconnections, the testing results revealed that of the five wrongful disconnections only one wrongful disconnection was listed on the service standard payment report. Therefore the sample based testing revealed 4 instances where a SSP was not made to a customer when it should have been.</p> <p>Five sample service standard payments from the service standard payment report were selected and tested. Testing identified that all customers were paid the correct amount that aligned with the compensation requirements, as stated in sub clause 14.2(1).</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed and Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Implement exception reporting of disconnections and based on this report, perform spot checks to identify possible wrongful disconnections. Where a wrongful disconnection has been identified, raise a task in the system to ensure SSPs are generated. Provide coaching and training to reemphasis this requirement and undertake reconciliation against SSP reports to ensure payments are made.		
Management Response and Actions Required		
Management agree with the corrective action recommendations. A monthly exception report of wrongful disconnections will be generated, spot checks will be performed against the report to ensure that all wrongfully disconnected customers receive a service standard payment, additionally staff will be provided with coaching and training to reemphasis this requirement and undertake reconciliation against SSP reports to ensure payments are made.		
Due Date		
The monthly report and spot checks will commence in December 2015.		
Responsible/Accountable Business Unit or Stakeholder		
Customer Service Manager. RBU		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 408		Controls / Compliance Rating
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		B / 2
Licence Obligation: Electricity Industry Metering Code clause 5.19(3)		Reporting Type 2
Obligation Description		
408	Subject to sub clauses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in sub clause 5.19(2), notify the network operator of the change.	
Observations		
<p>Through discussions with the business partner liaison and the SSR, it was noted that Synergy provide the information stated in sub clause 5.19(2) within 1 business day. All information that is reported to CSRs is updated in the customer's SAP account as the information is received. Any changes to a customer's address, site or customer attributes that are updated in SAP are added to the list of updates that is sent in batch to Western Power every business day at a specified time via the MDH system. It was noted that this is a fully automated process and any updates in SAP are automatically sent to Western Power without further need for manual input by Synergy. Data reconciliations are also performed between Synergy and Western Power records. Where any discrepancies are noted, a report is generated by Western Power and sent to Synergy to investigate and follow up.</p> <p>Discussions with the collections officer and a walkthrough of the process identified that if a customer calls Synergy and advises that their power is connected where Synergy records indicate otherwise (disconnected), or vice versa, Western Power will be notified via an illegal meter tamper service notification. This raises a task for Western Power to inspect the customer's meter status and manually update Synergy's database to reflect the correct status. Management advised that Synergy has planned to automate the process from September 2015 onwards.</p> <p>Through review of the annual compliance reports 2013-14 and 2014-15 we note that Synergy self-reported breaches affecting 9,251 customers in 2013-14 and 58,759 customers in 2014-15 in relation to not notifying Western Power within one business day of becoming aware of a change in a customer attribute. The breaches were due to various reasons including a system error following a SAP upgrade as well as CSRs not following the correct SOP.</p> <p>Western Power was not provided with accurate customer details for the metering point within a timely manner (average delay not known).</p> <p>Approximately 3,500 instances were due to a system error that arose if a customer was also an authorised contact person on another customer's account the customer details notification would not issue to Western Power due to a defect that was not identified during testing. Approximately 26,603 instances were due to one person being listed on all the accounts as a contact person.</p> <p>Management advised that the system defect has been corrected and "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"><li>Investigating the feasibility of email or SMS notifications.</li><li>Review of critical SOPs.</li></ul> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls in place with some improvement needed however there has been non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
1. System issues		
There should be a review of the change request process to ensure:		
<ul style="list-style-type: none"><li>legal and regulatory requirements are adequately documented during the design phase.</li><li>system building reflects legal and regulatory requirements; and</li><li>system testing prior to go live confirms legal and regulatory requirements have been met.</li></ul>		
Retail management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management		

## Electricity Retail Licence Performance Audit Report

*continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.*

### 2. Operating procedures

*Critical SOPs relating to recording of customer information are reviewed against regulatory requirements.*

### Management Response and Actions Required

Management agree with the corrective action recommendations.

### Due Date

1. 31 December 2015.
2. The SOPs were updated in April 2015.

### Responsible/Accountable Business Unit or Stakeholder

1. Manager ICT Retail, Manager ICT Applications
2. Customer Service Manager, RBU

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 457, 458, 459, 460		Controls / Compliance Rating	
Licence Clause:  Distribution Licence condition 5.1  Generation Licence condition 5.1  Integrated Regional Licence condition 5.1  Retail Licence condition 5.1  Transmission Licence condition 5.1		B / NR	
Licence Obligation:  Electricity Industry Metering Code clause 8.1(1), 8.1(2), 8.1(3), 8.1(4)		Reporting Type  NR (457, 458, 459)  2 (460)	
Obligation Description			
457	If any dispute arises between any Code participants then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.		
458	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.		
459	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.		
460	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.		
Observations			
<p>The Western Power relationship governance model sets out the relevant business areas responsible for managing the relationship with Western Power. One of the responsibilities of the market services group is to manage the operational relationship with Western Power including dispute resolution.</p> <p>An escalation path is included in the model which sets out various working groups and committees where issues can be discussed and escalated. Communication rules, service level agreements and supporting legislation also support compliance.</p> <p>However the escalation path does not currently include the timeframes for meeting as per the obligations or resolutions in writing</p> <p>Through discussion, it was noted that there were no disputes arising in respect of any matter under or in connection the subject matter of which is not also an access dispute under the Access Code, a dispute under the market rules, a dispute or complaint under the Code of Conduct or a dispute under the Customer Transfer Code.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are generally adequate controls with some improvements needed however due to no events in the audit period we were unable to test for compliance.</p>			
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed		
Compliance Rating	NR – Not Rated		
Corrective Action/Opportunity for Improvement			
Update the relevant policy and/or SOP (e.g. Western Power relationship governance model – escalation path) to include further details around specifics of timeframes for resolution and written and signed record of the resolution.			
Management Response and Actions Required			
Management agree with the corrective action recommendations			
Due Date			
15 October 2015			
Responsible/Accountable Business Unit or Stakeholder			
Manager Market Services. RBU			

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 496		Controls / Compliance Rating
Licence Clause: Distribution Licence condition 5.1 Integrated Regional Licence condition 5.1 Transmission Licence condition 5.1		A / 2
Licence Obligation: Electricity Industry (Customer Contracts) Regulations 2005 regulation 40		Reporting Type 2
Obligation Description		
496	Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.	
Observations		
<p>Synergy has an obligation to provide the supply of electricity to all customers under a standard form contract. Through consideration of phone recordings it was noted that where a customer requests for supply (either temporary or permanent), the CSR followed a standard procedure to open the account.</p> <p>Further, it was noted that all contestable customers are informed that the customer is able to choose the standard form contract and before arranging for a non-standard contract, the customer is informed of the difference between the non-standard and standard form contracts.</p> <p>Sample testing of 20 new connections, move ins and non-standard form contracts issued revealed no exceptions.</p> <p>However, through review of the annual compliance reports 2013-14 and 2014-15 we note that Synergy self-reported breaches affecting 21 customers in 2013-14 and 28 customers in 2014-15 in relation to supplying electricity under a standard form contract to a customer who requests it. Electricity supply was not provided under the contract as the correct supply address was not identified. The breaches were caused by human error as well as issues validating between Western Power and Landgate addresses.</p> <p>Management have advised that a “customer information project” was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses. Coaching and training was also provided to the relevant staff members.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there has been non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Retail management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.		
Management Response and Actions Required		
Management agree with the corrective action recommendations.		
The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Forty nine customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. A progress update will be provided to senior management by 31 December 2015		
Due Date		
The customer information project was implemented in May 2015.		
Critical feedback was provided to the officers as soon as the issue was identified, all feedback completed by June 2015.		
A progress update will be provided to senior management by 31 December 2015.		
Responsible/Accountable Business Unit or Stakeholder		



# Electricity Retail Licence Performance Audit Report

Customer Service Manager, RBU

## 5.2 Resolved Observations during the audit period

Compliance Manual Reference: 156		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.5(3)		Reporting Type 2
Obligation Description		
156	If a retailer identifies and wishes to bill a customer for a 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.	
Observations		
Discussions with the collections manager and collections officer, review of the relevant SOP, walkthrough of the process and review of relevant documentation identified a letter is issued when a customer moves premises and a previous debt is added to the new bill - the amount in arrears is also shown. Notifications are automated and sent via SAP and the interaction history is retained on the account. A debt on an inactive account or write-off account can be transferred provided it is under six years old (from final due date). A copy of the account and debt transfer letters must be sent to the customer.		
Review of the annual compliance report 2014-15, noted Synergy self-reported seven breaches where customers were not advised of the amount of historical debt and its basis before, with or on their next bill. On all occasions, the breach was a result of manual error of the CSRs incorrectly inputting the customer's address details. Incorrect customer details therefore impacts compliance to this obligation. Coaching has been provided with increased quality assurance monitoring for the relevant CSRs. A customer information project was also undertaken to update the system to reduce the risk of manual error, completed in May 2015.		
Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place however, there has been non-compliance with minor impact on customers and third parties during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further action required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 159		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.8(1)		Reporting Type 2
Obligation Description		
159	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	
Observations It was noted through discussion and a walkthrough of the process that meter readings are automatically updated in the customer's SAP account from Western Power data, whether it be an actual or estimated read. Western Power is obliged to provide a meter read estimate where an actual read cannot be obtained. Where an estimate has been received instead of an actual read, this will automatically be noted in SAP based on the corresponding meter read data code with the reason why it could not be read. All estimated bills follow the same template and cannot be edited. SAP is configured to automatically include a message on the bill where a reading has been estimated.  A sample estimated bill was reviewed and it was identified that the information provided in estimated bills meets the requirements of sub clause 4.8(2) of the Code of Conduct in a visible and legible manner.  Through review of the annual compliance report for 2013-14 we note that Synergy self-reported breaches affecting 12 customers in 2013-14 in relation to customers receiving incorrect information on the bill stating that the meter reading was based on an estimate when in fact it was an actual reading. The errors were caused by billing officers manually processing replacement actual readings supplied by Western Power as estimated reads in place of the usual automated manner.  Management advised the billing officers received one on one coaching and were required to complete an incident response form recording the actions taken to remedy the error. Management consider that the controls in place are adequate given the small number of errors relative to the volume of transactions.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with minor impact on customers and third parties.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement No further actions required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 189		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.3		Reporting Type 2
Obligation Description		
189	A retailer must, prior to commencing a direct debit facility, obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits.	
Observations Through discussion with the business partner liaison and CSRs, it was noted that CSRs will state the direct debit declaration to the customer prior to commencing any direct debit transactions. In order for Synergy to gain verifiable consent the customer must agree with the declaration and indicate the date the direct debit will commence. It was noted that the CSR must read the declaration verbatim to the customer as set out in the direct debit declarations procedure. Through review of the annual compliance reports 2014-15 we note Synergy self-reported an incident resulting in three breaches against this obligation in relation to direct debit arrangements being established, without the consent of the three customer being recorded. The breach occurred during the implementation of the updated call recording system, where one CSR commenced speaking to customers without the call recording capability being activated at their workstation in error. There has been no impact on the customers and no complaints have been received. Management have advised that no remedial action was undertaken as no impact was identified. A walkthrough of a phone call was conducted where the customer had chosen direct debit as their form of payment. During the walkthrough, it was noted that the CSR read out the appropriate direct debit declaration, including details of the direct debit commencement date and advised that the first direct debit bill may be outside of the regular billing cycle. Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there has been non-compliance with minor impact on customers and third parties during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement No further actions required.		

Compliance Manual Reference: 168		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.14(1)		Reporting Type NR
Obligation Description		
168	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.	
Observations		
<p>Through discussions with key personnel, it was identified that Synergy has processes and procedures in place, which are required to be followed by CSRs, to guide the move out process. Where a customer requests a retailer to issue a final bill, the CSR selects the "end contracts" option within SAP and enters the move out date. SAP will generate an automatic error message if the move out date entered is prior to the last bill issued. The move out date and the new address/contact details (if applicable) is also entered, including the date from which the new address is applicable. SAP will show a green status when all the required fields have been populated. The move out request will then be submitted and the final read service notification sent to Western Power via MDH. Also, any tasks which are required following the process are triggered (i.e. to notify the account manager or process life support). Once the final bill is issued, the system will automatically remove the customer from the billing cycle and no further bills will be generated to that customer.</p> <p>Sample testing of 20 move in/move outs was undertaken, there were no issues noted and in all instances where a customer has requested a move out, a final bill was generated.</p> <p>However, it was noted that Synergy has recorded three incidents of breaches against this obligation in the 2014-15 period in relation to final bills being issued to the incorrect address or not arranged due to human error of the CSR not following the operating SOP. Management advised that feedback and training was provided to the relevant staff members.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there has been non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further actions required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 192		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.6(1)		Reporting Type 2
Obligation Description		
192	A retailer must not charge a residential customer a late payment fee in the circumstances specified in sub clause 5.6(1).	
Observations		
<p>Through discussion with the system analyst it was noted that SAP will flag all bills with debt owing and attach a late payment fee. However, to ensure compliance with clause 5.6(1), immediately after, SAP is configured to reverse the fees for all customers listed in sub clause 5.6(1).</p> <p>The business requirements – collections strategy document also aligns to requirements of 5.6(1) of the Code of Conduct and outlines that collections work items will be blocked for accounts in the following scenarios: payment made by the customer, P2P created on the customer's account, complaint, billing disputes, when referred to a financial counsellor for financial hardship, and customer classified as life support or sensitive load customers.</p> <p>When a customer is referred to a financial counsellor, the customer will be put on a 'dunning' lock for at least 15 days. The dunning lock prevents all activity on the account, including charging late payment fees. According to the collections strategy business requirements, once the customer is assessed for financial hardship and is put on a payment plan, the customer account is locked and removed from the residential collection path including future overdue notices.</p> <p>Further, for concession card holders, two charges in a rolling 12 month period will be waived, all subsequent collection notices will attract charges.</p> <p>It was also noted that SAP system restricts any notification for non-payment to be raised and an automatic dunning lock is applied on any account where a complaint has been raised. CSOs can also consider a debt waiver on a case by case basis.</p> <p>Testing of 20 customers under financial hardship or where a complaint was logged during the audit period was undertaken. Through system walkthroughs with the collections officer, review of interactive notes and call recordings, it was identified that customers flagged as being under financial hardship, or under complaint investigations have had a dunning lock applied and are removed from the collection strategy list so that no late fees will be applied. No exceptions were noted.</p> <p>However, through review of the annual compliance report 2013-14 it was noted Synergy self-reported breaches affecting 892 customers in 2013-14 in relation to being charged late payment fees despite falling under sub clause 5.6(1). These breaches were due to the SAP upgrade, whereby, the default lock was changed.</p> <p>Management advised that any late payment fees incorrectly charged were credited back to the 892 customer by 31 December 2014. A defect item was also raised and a system change request was implemented to revert the default type of lock to dunning.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place however there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further action required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 196		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.6(2)		Reporting Type 2
Obligation Description		
196	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer's last bill prior to the assessment being made.	
Observations		
Through discussions with the business partner liaison, it was noted Synergy will retrospectively waive any late payment fees charged to a residential customer's last bill prior to an assessment for financial hardship being made. This is also reflected in the vacating a service address SOP which states that once a customer is considered to be undergoing financial hardship, Synergy must retrospectively waive any late payment fees charged pursuant to the residential customer's last bill.		
Sample testing of 20 customers on financial hardship noted no late fees were applied to their account.		
Through review of the annual compliance report 2014-15 we note Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to late payment fees not being retrospectively waived for customers who were assessed as experiencing financial hardship. The breaches were due to CSOs not correctly completing the SOP. The late payment fees for the customers were subsequently waived. Management advised that the CSOs were provided with coaching on the relevant SOP.		
Based on our enquiries and documentation review, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further actions required.		

Compliance Manual Reference: 201		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.8(2)		Reporting Type 2
Obligation Description		
201	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 electricity to that supply address.	
Observations		
<p>The debt collection SOP states Synergy 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 electricity to that customer's supply address.</p> <p>During discussion with business system analysts it was indicated that debt can only be claimed from the primary account holder that is recorded in SAP. Listed co-tenants or a nominated third party contact cannot be held liable for any debt incurred. Sample testing of 20 customers under previous collection proceedings identified that they are listed as the account holder on SAP and no exceptions were noted.</p> <p>However, through review of the annual compliance reports 2013-14 and 2014-15 it was noted Synergy self-reported breaches affecting 3 customers in 2013-14 and 2 customers in 2014-15 in relation to debt being transferred to their accounts for which they were not liable. This was due to human error as the CSR failed to complete the customer identification procedure resulting in the incorrect customer account being linked to another customer's debt and in other cases the CSR amended the existing customer's name with the new customer's name at the supply address instead of creating a new account.</p> <p>Management advised that the customers had the debt reversed from their accounts. The CSRs were provided with critical feedback and received coaching regarding on the relevant SOP and additional quality assurance monitoring.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place however there has been non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further action required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 205		Controls / Compliance Rating A / 3
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.2(1)		Reporting Type 2
Obligation Description		
205	A retailer must grant a residential customer a temporary suspension of actions if the residential customer is referred to an independent financial counsellor or relevant consumer representative organisation under sub clause 6.1(1)(b).	
Observations		
<p>It was noted during discussion with the customer support team leader and review of the financial hardship procedures, HUGS guidelines and the financial hardship policy that when a customer is referred to an independent financial counsellor, this is noted and a 'dunning lock' within SAP is applied to the customer's account for 15 days. The dunning lock stops all collections activity pertaining to the customer account until it is removed or the lock expires. The customer needs to inform Synergy if they cannot see a financial counsellor by the end date of the dunning lock so that it can be extended.</p> <p>Sample testing of 20 customers experiencing financial difficulties was performed which included reviewing the customer interaction notes, listening to calls and examining customer lock history. It was noted that in all instances, the dunning lock was applied when a customer was referred to an independent financial counsellor.</p> <p>However, through review of the annual compliance report 2014-15 it was noted Synergy self-reported three incidents where a temporary suspension of actions was not applied. Three customers were affected by continuation of debt collection activity of which two of the customers were wrongfully disconnected for non-payment and charged late payment fees. Western Power performed urgent same day reconnection at Synergy's request. This was due to manual error on the part of the CSRs not correctly completing the SOP to add a temporary lock on the accounts. Management advised that critical feedback and coaching has since been provided.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with moderate impact on customers and third parties.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	3 – Non-compliant – moderate impact of customers or third parties	
Corrective Action/Opportunity for Improvement		
No further actions required.		

Compliance Manual Reference: 209		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.3(1)(a)		Reporting Type 2
Obligation Description		
209	In circumstances where a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1) and advise the residential customer that additional assistance may be available if, due to financial hardship, the residential customer would be unable to meet its obligations under an agreed alternative payment arrangement.	
Observations		
<p>Through discussion with the customer support team leader, it was noted that when a customer is assessed as experiencing payment difficulties, the CSRs will offer alternative payment arrangements as described in clause 6.4(1) of the Code of Conduct over the phone and advise the customer to get in contact with Synergy if additional assistance is required. The agent also provides the customer with information regarding their average consumption and suggests ways of reducing their consumption. Synergy allows late payment charges and interest fees to be waived as far back as 12 months.</p> <p>Synergy's financial hardship policy available to all customers on its website contains information regarding the alternative payment arrangements referred to in sub clause 6.4(1) of the Code of Conduct. Further, review of the policy revealed Synergy can offer an extensive list of assistance options to customers experiencing financial hardship.</p> <p>Testing of 15 customers experiencing payment difficulties was performed which included reviewing the customers' interaction notes and listening to calls. It was noted that when a customer calls regarding payment difficulties, the CSR will offer the customer additional time to pay the bill or an interest free, fee free instalment plan. The CSR also informs the customer that they can contact Synergy should they require further assistance and if they are assessed as financial hardship, a task is raised and the customer is escalated to the customer support team.</p> <p>However through review of the annual compliance report 2014-15 it was noted Synergy reported one instance where the assessment was not correctly completed within the required timeframes. This was due to the CSO not correctly completing the SOP. Critical feedback and coaching was provided.</p>		

# Electricity Retail Licence Performance Audit Report

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with minor impact on customers and third parties.	
<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 actions required.	

<b>Compliance Manual Reference:</b> 210		<b>Controls / Compliance Rating</b> A / 2
<b>Licence Clause:</b> Electricity Industry Act section 82		
<b>Licence Obligation:</b> Code of Conduct clause 6.3(1)(b)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>210</b>	In circumstances where a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1) and assistance in accordance with clauses 6.6 to 6.9	
<b>Observations</b>  In relation to a customer experiencing financial hardship, the relevant payment arrangements specified in 6.4(1) of the Code of Conduct are offered to the customer as discussed in obligation 212. Assistance in accordance with clauses 6.6 to 6.9 are offered and Synergy is compliant as referred to in obligations 215, 216, 217, 218 and 219.  However, through review of the annual compliance report 2013-14 it was noted that there were 6 instances where a customer was not offered a payment extension or instalment plan. This was due to manual error and the relevant staff were provided with critical feedback and training.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with minor impact on customers and third parties.		
<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 actions required.		

Compliance Manual Reference: 211, 212		Controls/ Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.4(1)(a) Code of Conduct clause 6.4(1)(b)		Reporting Type 2
Obligation Description		
211	If the residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements: - additional time to pay a bill; and - if requested by the residential customer, an interest free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.	
212	If the residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements: - additional time to pay a bill; and - if requested by the residential customer, an interest free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.	
Observations Through discussion with the customer support team leader and review of Synergy's financial hardship policy, it was noted that when a customer is assessed as experiencing payment difficulties or financial hardship as per the credit management assessment guidelines, there is script in place where the relevant payment arrangements are offered including additional time to pay a bill and an interest-free and fee-free instalment plan along with other arrangement if a customer requests. The payment arrangements are generally offered by the CSRs where the customer is experiencing payment difficulties and CSOs when escalated to financial hardship. The payment arrangement and instalment plans are based on the customer's usage and capacity to pay. When an instalment plan is set up within SAP, a lock is applied to prevent any late payment fees or interest charges from being added to the customer's account.  Sample testing of 20 customers was performed which included reviewing the customers' interaction notes and listening to calls. It was noted that in all instances when a customer called regarding payment difficulties or financial hardship, the customer was offered the relevant payment arrangements.		



# Electricity Retail Licence Performance Audit Report

However, through review of the annual compliance reports 2013-14 and 2014-15 it was noted Synergy self-reported breaches affecting 2,038 customers in 2013-14 and 424 customers in 2014-2015 in relation to customers who were assessed as experiencing payment difficulties or financial hardship and charged a late payment interest charge in error. It was mistakenly believed the establishment of an instalment plan automatically prevented interest charges from being applied, however this was not the case, and the interest lock was required to be applied manually. All interest charges were refunded to the customers in full.

Management has since implemented a system control which ensures that the manual step to apply a late payment fee lock is automated to prevent interest charges from being applied when an instalment plan is established. This system control was in place at the time of fieldwork.

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with minor impact on customers or third parties, during the audit period.

<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 actions required.	

Compliance Manual Reference: 213, 214		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		A / 2
Licence Obligation: Code of Conduct clause 6.4(2) Code of Conduct clause 6.4(3)		Reporting Type 2
Obligation Description		
213	When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with sub clause 6.4(2).	
214	If a residential customer accepts an instalment plan offered by the retailer, the retailer must, within 5 business days, provide the residential customer with the information specified in sub clause 6.4(3)(a), and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.	

## Observations

Through discussion with the business sales consultant and the customer support team leader, review of SOP and a walkthrough of the process, it was noted that instalment plans are fair and reasonable and the CSR or CSO will take into account the customer's capacity to pay as well as their consumption history.

When an instalment plan has been entered into CRM within SAP, a P2P letter is automatically generated and sent to the customer in the batch job immediately following the creation of the plan. However if the instalment plan has been entered into the billing system (ISU) within SAP, the letter confirming the arrangement needs to be sent manually.

The current P2P letter template contains the following information, satisfying 6.4(3)(a)(i),(ii) and (iii) of the Code of Conduct:

- Information regarding the instalment amounts and relevant dates, specifying the terms of the instalment plan.
- Consequences of the customer not adhering to the instalment plan including cancellation of the payment arrangement, future payment arrangements being declined, referral to a credit reporting body, additional charges and risk of disconnection.
- A notice of importance that the customer should get in contact with Synergy if the customer cannot meet the due dates of the payment arrangement or future bills as well as the relevant contact number.

It is also noted that if there are any changes to the customer's payment arrangement (other than cancellations), Synergy will contact the customer 5 days before the adjustments take place to provide an explanation in accordance with clause 6.4(3)(b). My Account is another way in which customers can manage their accounts and instalments plans online. Information with regards to this is provided to customers on the P2P letter.

Further, a sample of 20 tests of customers on payment plans revealed no exceptions and in all instances the P2P letter was sent within 5 days of the payment arrangement being set up.

We note that in the annual compliance report 2014-15 Synergy self-reported 375 instances where the requirements of the sub clause 6.4(3) of the Code of Conduct were not met due to issues with the letter template and human error from the CSR and CSOs. Management has since amended the template for the automated standard letter, provided critical feedback and coaching to the relevant CSRs and CSOs, and implemented increased QA monitoring.

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.

<b>Adequacy of Controls Rating</b>	A – Adequate controls
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties
<b>Corrective Action/Opportunity for Improvement</b>	

# Electricity Retail Licence Performance Audit Report

No further actions required.
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Compliance Manual Reference: 235		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 7.7(1)		Reporting Type 1
Obligation Description		
235	Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with sub clause 7.7(1).	
<b>Observations</b> It was noted that Synergy has policies and procedures in place to support controls and processes relevant to the requirements stipulated in sub clause 7.7(1). Staff working on life support matters must complete the life support training at commencement and every six months thereafter.  Upon receiving a completed life support equipment registration form and the required signature of the medical practitioner, Synergy's life support officer will follow the relevant steps within SAP in [7.7(1)(a)-(b)]. When all requirements are satisfied, the system will flag the customer's account and the customer's details will be added to the life support spreadsheet. Once a customer's account has been flagged as being a life support customer, the system will "lock" the account to prevent disconnection due to non-payment [7.7(1)(d)].  A CDN service notification is automatically sent to Western Power every business day [7.7(1)(c)] as well as a separate email attachment of the list of all life support customer transactions, e.g. new life support customers, removal of life support customers, changes in life support customers' details. A periodic data reconciliation is also performed between Synergy and Western Power systems to ensure that the records align.  Through sample testing of 20 life support customers, no issues were noted.  However, through review of the annual compliance report 2013-14 , it was noted that Synergy self-reported a breach where a life support registration was removed in error due to the mistaken belief that the medical certification had not been provided. The error was self-identified and no disconnection resulted. The cause was due to human error as the application was received via facsimile and stored in the customer resolution team's queue. The CSO failed to process the "in progress" item and the life support application was removed. Synergy has provided feedback and counselled the relevant team member, communications were issued and a process change has been implemented where all application queues are regularly checked on a daily basis. Since October 2013, life support equipment applications cannot be submitted via facsimile.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however Synergy has been non-compliant with the licence condition with minor impact on customers and third parties, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further actions required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 302		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 12.2		Reporting Type 2
Obligation Description		
302	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	
Observations		
<p>Through discussion with the service quality team leader, it was noted that there is a process in place to distinguish between customer complaints and customer queries. Synergy uses the Authority's definition of a complaint (as set out in Ombudsman Western Australia guidelines on complaint handling) to distinguish complaints from queries. A review of Synergy's complaints policy indicated that the policy clearly outlines the characteristics for customer complaints and customer queries in accordance with the Authority's customer complaints guideline.</p> <p>Through review of the annual compliance report 2014-15, it was noted that Synergy self-reported one breach affecting a customer in relation to the complaints handling process not being followed correctly and a complaint was not correctly recorded and responded to. This was due to a CSR who did not correctly complete the SOP and did not record the complaint.</p> <p>Management have advised that the CSR was provided with coaching on the relevant SOP and increased quality assurance monitoring.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further actions required.		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 324		Controls / Compliance Rating A / 2
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Electricity Industry Metering Code clause 3.3B		Reporting Type 2
Obligation Description		
324	A user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the network operator within 2 business days.	
Observations		
<p>Where a customer wishes to apply for REBS, an application form is completed and submitted to Synergy who will assess the application for eligibility. If approved, the customer is provided a reference number which the customer uses to contact Western Power. Bi-directional meters are required to be installed by a qualified electrician and the installation needs to be certified by Western Power. Once the meter is installed, Western Power notifies Synergy.</p> <p>Through discussion with the senior applications and requests officer it was noted that instances where Synergy becomes aware of a bi-directional flow and Western Power was not already aware would be very rare and would only take place if a customer did not follow the appropriate process to initiate a REBS and bi-directional meter installation. It was noted that there have been no instances where Synergy has identified bi-directional flow before Western Power. As Synergy operators are in constant communication with Western Power, if this was identified, Western Power would be notified immediately via a MDH service notification.</p> <p>In some instances, Western Power would identify non-compliant meters during the course of meter readings (i.e. where the customer has installed a solar system but has not installed a bi-directional meter) as these readings would be ticking backwards. In such cases, Western Power would notify Synergy and Synergy would send out a letter advising the customer that an application for REBS and meter change is required.</p> <p>Through review of the annual compliance reports 2014-15, we note Synergy self-reported a breach affecting one customer in 2014-15 against this obligation in relation to a customer making an application for REBS in June 2012 which required a change to a bi-directional meter.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has been non-compliant with minor impact on customers and third parties, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
No further actions required.		

Compliance Manual Reference: 407		Controls / Compliance Rating A / 3
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 5.19(2)		Reporting Type NR
Obligation Description		
407	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	
Observations		
A Metering Code Model SLA is in place between Western Power and Synergy setting out agreed metering services, service standards, and charges applicable in relation to the provision of services between the network distributor and retailer. The MDH system acts as the retail market gateway, managing the transactions between internal Synergy and Western Power.		
A walkthrough with the collections officer identified that if a customer calls Synergy and advises that their power is connected where Synergy records indicate otherwise (disconnected), or vice versa, Western Power would get notified via an illegal meter tamper service notification. This raises a task for Western Power to inspect the customers meter status and manually update Synergy's database to reflect the correct status. Management advised that Synergy has planned to automate the process from September 2015 onwards.		
Review of the update account status to correctly display disconnected document identified that there are procedures in place for updating an account status to correctly display disconnected status. It is noted that the operator will not raise a de-energisation service notification without a disconnection order.		
Through discussions with the business partner liaison and the SSR, it was noted that Synergy provides the information stated in sub clause 5.19(2) of the Code of Conduct within 1 business day. All information that is reported to the CSR is updated in the customer's SAP account as the information is received. Any changes to a customer's address, site or customer attributes that are updated in SAP		

## Electricity Retail Licence Performance Audit Report

are added to the list of updates that is sent in batch to Western Power every business day at 3pm via the MDH system. It was noted that this is a fully automated process and any updates in SAP are automatically sent to Western Power without further need for manual input by Synergy.

Data reconciliations are also performed between Synergy and Western Power records. Where any discrepancies are noted, a report is generated by Western Power and sent to Synergy to investigate and follow up.

However, it was noted that Synergy has recorded one incident resulting in 22,255 breaches in the 2014-15 period due to issues with accurately capturing customer addresses in the system. A system error arose if a customer was also an authorised contact person on another customer's account as the customer details notification would not issue to Western Power due to a defect that was not identified during testing.

Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Coaching and training was also provided to the relevant staff members.

Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there has been non-compliance with moderate impact on customers and third parties during the audit period.

<b>Adequacy of Controls Rating</b>	A – Adequate controls
<b>Compliance Rating</b>	3 – Non-compliant – moderate impact of customers or third parties
<b>Corrective Action/Opportunity for Improvement</b>	
No further actions required.	

# Electricity Retail Licence Performance Audit Report

## 5.3 Observation detail on obligations (no recommendations)

Compliance Manual Reference: 6, 7, 8, 28		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 3.2(2) Electricity Industry Customer Transfer Code clause 3.4(1) Electricity Industry Customer Transfer Code clause 3.5(3) Electricity Industry Customer Transfer Code clause 4.6(3)		Reporting Type Type 2
Obligation Description		
6	A Retailer must submit a separate data request for each exit point unless otherwise agreed.	
7	A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.	
8	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	
28	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	
Observations		
<p>Through discussions and walkthroughs completed with the SSO, it was noted that all customer transfer requests are submitted through the Western Power portal. The portal only allows the submission of one data request at a time. As per the SOP, no more than 20 customer data requests can be submitted on the same day unless an approvals process is followed. If more than 20 requests are required, Synergy will request Western Power to increase the daily limit via email. Note: At the time of fieldwork, the number of requests per day had been increased to 50 per day as agreed between the parties.</p> <p>A nominations log is maintained by the business sales and sales support team to track the number of requests per day. Following an analysis of the nominations log, it was identified that there were 18 instances where more than 20 data requests were submitted on the same business day with the largest number of requests submitted in June 2015 with 173 requests. Five of these dates were tested to ensure the approvals process had been followed. From a sample of 5 dates tested no exceptions were noted.</p> <p>Based on discussions with the SSO and review of pre-churn meter In data history request SOP and supporting documentation it was noted that as part of the on-boarding process, the SSOs must ensure the customer's verifiable consent is obtained and valid before a request will be made to Western Power through the portal. Verifiable consent lasts for 12 months and if the consent was obtained from an existing customer, the SSO will ensure the consent is still valid before processing. For new customers a consent form is issued prior to data requests being submitted.</p> <p>Testing of 20 customers acquired during the audit period resulted in no issues noted and valid verifiable consents were in place in all instances.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 16, 17, 18		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 3.9(1) Electricity Industry Customer Transfer Code clause 3.9(2) Electricity Industry Customer Transfer Code clause 3.9(3)		Reporting Type Type 2
Obligation Description		
16	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.	
17	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	
18	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	
Observations		
<p>The verifiable consent form template for access to historic consumption data and customer transfer states the required consent as per the obligation. The consent form also gives the opportunity to the customer to request Synergy not to use their consumption data for internal business development. In this instance, the sales officer will follow the do not use data SOP to record a note within SAP and advise the strategy team.</p> <p>Through discussions and review of documentation, it was noted Synergy ensures data is only obtained where the customer has provided a valid verifiable consent and this information is only used for the purposes set out on the verifiable consent forms for purposes permitted by the Code of Conduct. Sales staff must undertake mandatory training which includes modules around the Transfer Code and the Australian consumer law. If a staff member does not undertake the training within the specified time frame, the matter will be escalated to their manager. A report of training undertaken is also generated and provided to all business unit managers for review.</p> <p>Testing of a sample of 20 customers acquired during the audit period revealed no exceptions and verifiable consent forms were in place and followed the wording of the template.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 19, 44		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 3.9(4) Electricity Industry Customer Transfer Code clause 4.16		Reporting Type Type 2
Obligation Description		
19	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	
44	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	
Observations		
<p>Through discussion with the system analyst, it was noted that the ICT applications team ensures that the verifiable consent forms received from each contestable customer are stored in Synergy's DMS. Users can access the forms from a link within SAP. These links are not removed and are kept indefinitely and these documents are not formally archived.</p> <p>Synergy's networks process and procedures document surrounding the retention of data indicated that there is an existence of controls in place to ensure that verifiable consent forms are kept for a minimum of two years.</p> <p>A sample DMS link for a customer's verifiable consent form was sited. It was noted that SAP keeps a record of who created link and the date the link was created. In this case the link was created in 2010, therefore longer than the minimum requirement of two years, satisfying the obligation.</p> <p>Testing of a sample of 20 customers was undertaken to test that verifiable consent forms are in place for customers acquired during the audit period. An example verifiable consent form from 2013 was sighted as evidence of retention.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 23, 24, 25, 26, 27, 29, 34, 39, 49		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 4.2(2), 4.3, 4.4(1), 4.4(2), 4.5(1), 4.7, 4.9(6), 4.11(3), 6.2		Reporting Type 2
Obligation Description		
23	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	
24	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	
25	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	
26	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	
27	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.	
29	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	
34	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	
39	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	
49	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.	
Observations		
Through discussions with the CSR, business system analyst, review of relevant policies and SOPs and a walkthrough of processes it was noted Synergy will submit separate customer transfer requests for each exit point. All transfer request forms require the NMI and transfer reason to be provided. The Western Power portal only allows for one NMI to be entered per request		

## Electricity Retail Licence Performance Audit Report

and the transfer type field ("new customer transfer" or "erroneous transfer") must be selected. Additionally, a report listing of all transfers was reviewed and it was identified that no more than 20 customer transfer requests were submitted on the same business day.

It was noted that Synergy has systems and procedures in place to ensure that nominated transfer dates meet the timeframe requirements of clause 4.7 of the Transfer Code. The Western Power portal is configured to ensure transfer dates entered meet the timeframe requirements of clause 4.7. Further, it was noted that Synergy acts on the directive of the customer in relation to transfer dates and upon request is able to resubmit a transfer request through the Western Power portal.

If a meter read is not obtained on the nominated transfer date Synergy will work with Western Power to determine a new nominated transfer date. In this case, the network operator will notify Synergy within one business day if the meter was not read and disclose the new agreed nominated transfer date. For contestable customers, Synergy will propose via email a new transfer date as soon as practicable with the customer.

All transfers to reverse erroneous transfers are also processed through the Western Power portal once the CSR has confirmed that the transfer was made in error. If the transfer is from an incoming retailer, a notification will automatically be sent from Western Power to Synergy confirming the transfer. In situations where the incoming retailer's identity has not been provided, Synergy will contact Western Power for assistance in identifying the incoming retailer.

Through discussions and report analysis it was noted that only 10 potential erroneous transfers occurred during the audit period. All 10 samples were appropriately checked by a CSR and were not actually erroneous transfers (defined as transfers made without the verifiable consent of the customer) and no issues were noted.

Discussions with the manager network regulation and compliance revealed that in the absence of valid access contracts, Synergy would be unable to submit customer transfer requests forms through the web portal. The current ETACs in place and the most recent letter of extension dated 9 June 2015 was provided for review. The ETAC is renewed annually and extension timeframes are diarised to ensure letters of extension remain current.

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	

Compliance Manual Reference: 30		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 4.8(2)		Reporting Type Type 2
Obligation Description		
30	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	
Observations		
During transfers, generally no costs will be incurred for providing and/or installing a meter as a connection point is already installed and transfer capable. An SLA is in place which sets out the metering charges applicable and Western Power invoices Synergy for the services rendered as per the SLA, Schedule 3.		
The networks process and procedure document also sets out in alignment with clause 4.8(2) of the Transfer Code that: <i>Synergy must pay any reasonable costs incurred by the network operator for either or both of providing and installing a meter until the earlier of:</i>		
<ul style="list-style-type: none"><li><i>the time the network operator receives and is reasonably able to act upon the notification of the customer transfer request withdrawal; and</i></li><li><i>the end of the business day that Networks receives the notification of the customer transfer request withdrawal</i></li></ul>		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 45		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 4.17		Reporting Type 2
Obligation Description		
45	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	
Observations Discussion with billing services representative, review of SOP and a walkthrough of the process revealed that when a customer has a pending transfer flagged on their account, a billing services representative will manually apply a billing lock to their account in order to prevent further billing. Sample based testing of 5 transfers which occurred during the audit period did not identify any non-compliance.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 48, 451		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2) Distribution Licence condition 5.1 Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1 Transmission Licence condition 5.1		
Licence Obligation: Electricity Industry Customer Transfer Code clause 5.1(4) Electricity Industry Metering Code clause 7.2(1)		Reporting Type 2 (48) NR (451)
Obligation Description		
48	A network operator and a retailer must comply with approved communication rules.	
451	Code of Conduct participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	
Observations		
<p>The communication rules sets out the methods and protocols approved for use by the network operator and retailer to exchange or provide information and data as required under the code. Synergy has supporting SOPs, technical designs and guideline documents to develop in compliance with the rules.</p> <p>As described in the MDH operational process SOP, MDH acts as the retail market gateway, managing the transactions (i.e. market transactions such as notifications, requests and acknowledgements, standing data updates) between internal Synergy and Western Power. A build pack detailing the specific system configurations is in place to facilitate the interface between Western Power and Synergy. Transactions are initiated by Synergy in SAP and work flowed via MDH to Western Power and vice versa for Western Power initiated transactions.</p> <p>Synergy has a postal address, fax number and means of electronic communication (web portal and email) which can be found on the website and marketing, contract and informational documents. The market services manager manages a secondary mailbox which is used for communications with Western Power where BAU issues have been escalated to market services. An email signature from this mailbox includes a telephone number for voice communication.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

<b>Compliance Manual Reference:</b> 55, 56, 57	<b>Controls / Compliance Rating</b>
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# Electricity Retail Licence Performance Audit Report

<b>Licence Clause:</b> Electricity Industry (Licence Conditions) Regulations regulation 5(2)		<b>A / 1</b>
<b>Licence Obligation:</b> Electricity Industry Customer Transfer Code clause 7.1(1), 7.1(2), 7.1(3)		<b>Reporting Type</b> NR (55, 56) 2 (57)
<b>Obligation Description</b>		
<b>55</b>	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiation.	
<b>56</b>	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.	
<b>57</b>	If the dispute is resolved by representative negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	
<b>Observations</b>  The Western Power relationship governance model sets out the relevant business areas responsible for managing the relationship with Western Power. One of the responsibilities of the market services group is to manage the operational relationship with Western Power including contract negotiations.  An escalation path is included in the model which sets out various working groups and committees where issues can be discussed and escalated. Communication rules, Service Level Agreements and supporting legislation also support compliance.  During the audit period, there was one instance of a disputed transfer with another retailer. This matter was resolved by the market service team who identified that the transfer was undertaken correctly. The parties also did not meet but the matter was resolved via email and phone call. The market services manager advised that no escalation was required and it was agreed with the other party the transfer was not erroneous.  Based on our enquiries and review of documentation, and after further clarification from management endorsed by the ERA, 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		

Compliance Manual Reference: 59		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code clause 7.2(2)		Reporting Type NR
Obligation Description		
59	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	
Observations		
Through discussion with the market services manager it was noted that during the audit period there was only one instance of a disputed transfer. An email trail was provided which shows interaction between another retailer, Western Power and Synergy and efforts to resolve the issue with as much expedition as possible.		
The Western Power relationship governance model sets out the escalation path and various steering committees and working groups are in place. The business to business group meets on a monthly basis and includes representatives from Western Power and Synergy. Working groups have also been established to address systemic issues and report to the business to business group as and when required.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	

# Electricity Retail Licence Performance Audit Report

<b>Corrective Action/Opportunity for Improvement</b> N/A	
<b>Compliance Manual Reference: 68</b>	<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry (Licence Conditions) Regulations regulation 5(2)	
<b>Licence Obligation:</b> Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	<b>Reporting Type</b> NR
<b>Obligation Description</b>	
<b>68</b>	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.
<b>Observations</b> <p>Through discussion with the business system analyst, review of SOP and supporting documentation, it was noted that the information systems on which electronic communications are made is endeavoured to remain operational 24 hours a day, 7 days a week. There is constant monitoring of the systems and in the event of a technical or processing error or an outage, a service notification is raised and alerts are automatically sent via email or SMS to the appropriate responsible area for resolution. Synergy also runs a parallel system in another location in case of an IT disaster which has a specific time period fail over. Backups of the systems take place every Friday night and in increments during the week.</p> <p>Synergy has detailed processes and procedures in place in the event of an unplanned outage or emergency. This includes an IT disaster recovery strategy and action plan, an MDH Support – market outage document, as well as technology and transformation initiatives to maintain disaster recovery readiness and continuous improvement. ICT also has a detailed incident management process in place which provides for all Synergy's ICT 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.</p> <p>Synergy reported unplanned system outages over the audit period, however, none of these incidents triggered the disaster recovery plan to be invoked because the service was restored within a reasonable time frame. All outages are managed and recorded in the "service now tool" that Synergy uses for incident and problem management.</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	

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 69, 71		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b) Electricity Industry Customer Transfer Code Annex 6 clause A6.7		Reporting Type 2
Obligation Description		
69	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	
71	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	
Observations Through discussion with the system analysts and review of the relevant documentation, it was noted that data communication with Western Power is automated and in compliance with the Western Power build pack, communication rules and technical guidelines, thereby demonstrating consistent data formatting over time. There is also a mechanism in place to generate an automated message acknowledgement ("MsgACK") for each electronic communication through the MDH. A MsgAck is sent in response to a successful delivery and validation of a transaction. A MsgNACK is generated if a file is received that contains invalid formatting or content that is not recognised by MDH. The message will include a code that specifies the type of validation error. A sample notification sent to Western Power was obtained to confirm the existence and operation of the automated response message.  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.		
Adequacy of Controls Rating	A – Adequate controls	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 70		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Licence Obligation: Electricity Industry Customer Transfer Code Annex 6 clause A6.6		Reporting Type Type NR
Obligation Description		
70	The originator of an electronic communication must identify itself in the communication.	
Observations		
Through discussion with the business liaison partner, review of SOP and supporting documents, and walkthrough of processes it was noted that all communications with Western Power are made through Western Power portal via MDH and sent through in batch. It was also noted that all communications have a digital signature which is used to identify the Synergy operator.		
Staff are responsible for ensuring they have email signatures set up and can find instructions on email signature set up from the knowledge base.		
Through testing of 10 samples performed with the business sales team, it was noted that all email communications included an email signature of the sales tender team or account manager and no exceptions were noted.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 78		Controls / Compliance Rating A / 1
Licence Clause: Retail Licence condition 5.1 Integrated Regional Licence condition 5.1		
Licence Obligation: Electricity Industry Act section 51 Electricity Industry (Customer Contracts) Regulations 2005		Reporting Type 2
Obligation Description		
78	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with the licensee's approved standard form contract on the Authority's website.	
Observations		
<p>Through review of the approved standard form contract on the Authority's website and the standard form contract on Synergy's website (as well as the template provided by Synergy management), it was noted that the two templates are aligned and no discrepancies were noted.</p> <p>A regulatory and compliance operations manual is also in place which sets out details of the obligation and Synergy's obligation to offer an approved standard form contract to &lt;160 MWh customers. The manual specifies that regulation and compliance are responsible together with legal for coordinating small use standard form contract amendments, ERA approval and for communicating changes throughout the business through the use of a regulatory changes in law checklist.</p> <p>Amendments to the standard form contract must be approved by the ERA. The process for approval is also documented in the manual and includes details of time frame, roles and responsibilities and relevant regulations.</p> <p>The most recent electricity contract was approved and took effect on 1 January 2014.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

<b>Compliance Manual Reference:</b> 79, 80, 81, 82, 83, 84, 85, 87, 88, 89, 91, 92, 93, 94, 95, 96, 97, 98		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Retail Licence condition 5.1 Integrated Regional Licence condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 19, 20, 21, 32, 33(2), 33(3), 33(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
79	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	
80	A non-standard contract must specify when it comes into effect and the period for which it has effect.	
81	A non-standard contract must specify certain information about the retailer.	
82	A non-standard contract must give an exact description of the goods and services the retailer will provide under the contract.	
83	A non-standard contract must require the customer to pay for electricity supplied under the contract.	
84	A non-standard contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so.	
85	A non-standard contract must describe the circumstances where a retailer has the right to disconnect supply and is required to reconnect supply.	
87	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.	
88	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.	
89	A non-standard contract must describe the matters relating to the termination of the contract specified in the regulation.	
91	A non-standard contract must deal with the assignment of rights and obligations including assignment without the customer's consent.	
92	A non-standard contract must describe the procedures to be followed by the retailer in responding to a complaint made by the customer.	
93	A non-standard contract must specify the steps by the retailer to ensure the information held by the retailer is dealt with in a confidential manner.	



# Electricity Retail Licence Performance Audit Report

94	A non-standard contract must deal with the governing law, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer.
95	A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code.
96	A non-standard contract must include details about the cooling off period specified in the regulation.
97	A non-standard contract must authorise the customer to terminate the contract at any time with no less than 5 days' notice.
98	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.
<b>Observations</b> <p>All current non-standard form contract templates have been approved by Synergy's legal team to ensure licencing obligations are met. An internal checklist document is also used by legal to track obligations relating to their team. Currently, two forms of non-standard contracts are in place. ..</p> <p>Marketing and communications are also involved in the process of developing non-standard form contracts and ensure that the needs of the customer are met in the template developed.</p> <p>Through review of the non-standard form contract templates and the terms and conditions, it was noted that the following information is available:</p> <ul style="list-style-type: none"> <li>Contract Details: includes a start date and end date.</li> <li>Company Name and Business Name, ABN, registered address, postal address, telephone number and internet website (Synergy does not have an email address available for general enquires but an online form is available on the website)</li> <li>Description of goods and services: <i>"Synergy will sell and you will purchase electricity on the terms and conditions..."</i></li> <li>The energy price for on peak and off peak</li> <li>Prohibited Activity: <i>"Must not tamper with, bypass, circumvent or otherwise interfere with the electricity supply equipment, or do anything that will prevent Synergy or Western Power Networks from accessing the electricity supply equipment or allow anyone else to do so."</i></li> <li>Interruptions to electricity supply: Disconnections</li> <li>Provision of prices and tariff information</li> <li>Billing</li> <li>Termination of the contract and cooling off periods</li> <li>Assignment</li> <li>Complaints</li> <li>Confidentiality of Information</li> <li>Application of laws, effect of invalid terms, notices, and electronic communication</li> <li>Limitation in relation to consumer guarantees</li> <li>Ability to end the agreement after the end date by advising at least 5 days before day the customer wants the agreement to end</li> </ul> <p>Testing of 15 non-standard form contracts resulted in no exceptions noted and in all instances the contract templates were followed.</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	

<b>Compliance Manual Reference:</b> 86	<b>Controls / Compliance Rating</b>
<b>Licence Clause:</b> Retail Licence condition 5.1 Integrated Regional Licence condition 5.1	A / 1
<b>Licence Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 12	<b>Reporting Type</b>
	2
<b>Obligation Description</b>	
86	A non-standard contract must require the Retailer to deal with security deposits and the payment of interest in the manner specified.

# Electricity Retail Licence Performance Audit Report

## Observations

The Electricity Industry (Customer Contracts) Regulations 2005 regulation 12(1) and (2) states that:

- (1) A customer contract must require any security deposit held by the retailer —
  - a) to be kept in a separate trust account; and
  - b) to be separately identified in the accounting records of the retailer.
- (2) A customer contract must require the retailer —
  - (a) to pay to the customer interest on any security deposit at the bank bill rate; and
  - (b) to advise the customer of the bank bill rate if requested to do so.

The business plan terms and conditions clause 20 relates to *security for payment of bills* and specifies that:

*"If you are a small use customer, Synergy will hold your security in a separate trust account and will separately identify your security in Synergy's accounting records."*

Synergy currently only holds large use customer security and have no small use customer security deposits.

Based on our enquiries and review of documentation, and after further clarification from Management endorsed by the ERA, 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

## Corrective Action/Opportunity for Improvement

N/A

<b>Compliance Manual Reference:</b> 90	<b>Controls / Compliance Rating</b>
<b>Licence Clause:</b> Retail Licence condition 5.1 Integrated Regional Licence condition 5.1	A / 1
<b>Licence Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 16 and 34	<b>Reporting Type</b> 2

## Obligation Description

<b>90</b>	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amendment of the contract including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract.
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## Observations

The business plan terms and conditions clause 22.9 refers to amendments to the agreement, in particular:

*Synergy can change these terms and conditions from time to time. If these terms change, then your agreement will be deemed to be amended to reflect those changes. Synergy will notify you of any changes to these terms and conditions.*

As non-standard form contracts are negotiated and not published online, any amendments are dealt with by publishing them via notification to the customers.

Based on our enquiries and review of documentation, and after further clarification from management endorsed by the ERA, 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

## Corrective Action/Opportunity for Improvement

N/A

<b>Compliance Manual Reference:</b> 101	<b>Controls / Compliance Rating</b>
<b>Licence Clause:</b> Distribution Licence condition 14.1 Generation Licence condition 14.1 Integrated Regional Licence condition 14.1 Retail Licence condition 14.1 Transmission Licence condition 14.1	A / 1
<b>Licence Obligation:</b> Electricity Industry Act section 13(1)	<b>Reporting Type</b> NR
<b>Obligation Description</b>	

# Electricity Retail Licence Performance Audit Report

<b>101</b>	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.
<b>Observations</b> <p>Through discussions with the regulation and compliance analyst, it was noted the regulation and compliance team maintains a calendar to track key activities and due dates. When the ERA publishes notices along with the performance report for the next audit due date, this is added to the calendar so that the tendering process for an independent auditor can commence well in advance. The operations manual also sets out the key responsibilities of the regulation and compliance team in relation to compliance with ERA requirements.</p> <p>The previous ERL1 performance audit report was conducted by Grant Thornton and dated 13 December 2013 for the period 1 January 2012 to 30 June 2013.</p> <p>At the conclusion of the 2013 ERL1 performance audit, the ERA released a notice noting that it was satisfied that Synergy had demonstrated an adequate level of compliance with its licence conditions and accordingly has decided to increase the period of time until the next Audit from 18 months to 24 months. It is specified in the notice that the next audit would cover the period from 1 July 2013 to 30 June 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, 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	

Compliance Manual Reference: 105		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence condition 4.1 Generation Licence condition 4.1 Integrated Regional Licence condition 4.1 Retail Licence condition 4.1 Transmission Licence condition 4.1		
Licence Obligation: Electricity Industry Act section 17(1)		Reporting Type 2
Obligation Description		
105	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	
Observations		
Through discussions with the regulation and compliance analyst, it was noted that the regulation and compliance team maintains a calendar to track key activities and due dates.		
Electricity licence fees are paid on the anniversary around March/April and a reminder on the 1 March in the calendar prompts the analyst to prepare raise purchase orders in preparation for ERA invoices. More recently new (licensing funding) Regulations have been legislated to establish quarterly standing charges which are applied for a period of 3 months ending 30 September, 31 December, 31 March or 30 June.		
The invoice is processed through Synergy's accounts payable process, with the payment approval subjected to the financial delegation of authority.		
Through review of licensing fee transactions we noted that Synergy paid the applicable fees in accordance with the <i>Electricity Industry (Licensing Fees)</i> Regulations Clause 4 and 5.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 108		Controls/ Compliance Rating A / 1
Licence Clause: Integrated Regional Licence condition 24.1 Retail Licence condition 24.1		
Licence Obligation: Electricity Industry Customer Transfer Code Annex 6 clause A6.6		Reporting Type 2
Obligation Description		
108	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.	
Observations Through discussions with the business liaison partner, SSR and customer support team leader, it was noted that all customers who are supplied electricity are required to have a contract with Synergy. Two forms of contracts are offered, standard form contract and non-standard form contracts. After reviewing Synergy's electricity customer service charter it was noted that the charter also specifies the two types of contract and information with regards to the two types of contract is provided to customer before entering into a contract with Synergy.  Through discussion with the customer support team leader and review of the disconnection for non-application procedure, it was noted that Synergy has a process in place to monitor situations where customers are using electricity without establishing a contract with Synergy but are deemed to be taking a supply of electricity under a standard form contract.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 111		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence condition 21.1 Integrated Regional Licence 21.1 Retail Licence condition 21.1		
Licence Obligation: Electricity Industry Act section 101		Reporting Type 2
Obligation Description		
111	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.	
Observations Through discussions with regulation and compliance team and review of Energy and Water Ombudsman's (energy ombudsman) website we noted that Synergy is a member of an approved energy ombudsman scheme.  The scheme is industry funded and operated. Synergy's electricity customers can contact the energy ombudsman if they are not satisfied that Synergy has dealt with their complaint. Contact information is set out on the complaints resolution policy and available on the energy ombudsman information sheet.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 113		Controls / Compliance Rating A / 1
Licence Clause: Integrated Regional Licence condition 5.1 Retail Licence condition 5.1 Transmission Licence condition 5.1		
Licence Obligation: Electricity Industry Act section 115(2)		Reporting Type 2
Obligation Description		
113	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.	
Observations		
<p>Through discussions with the manager network regulation and compliance manager and consideration of anti-hindering information it was noted that there are four key instruments to prevent hindering:</p> <p>1. The applications and queuing policy (AQP) approved by the ERA: sets the rules for how applications to Western Power for access to the network are prioritised to ensure fair and equitable processing of applications.</p> <p>2. Technical rules approved by the ERA: includes consideration of factors such as reasonableness, barriers to entry, promotion of certain instruments. An applicant can apply for exemptions</p> <p>3. Western Power covered service: negotiated and regulated contracts which prevents interference with the network such that others use is not hindered.</p> <p>4. Customer Transfer Code: Protects customer's to ensure they are eligible for transfer if certain conditions are met (prevents hindering through refusal to transfer). Synergy has an obligation to connect small use customers under the Transfer Code – however this requires verifiable consent.</p> <p>Mandatory training modules are in place to ensure employees are aware of the obligations applicable to their roles. The manager network regulation and compliance is in the process of preparing specific training materials in relation to anti-hindering to add to the training modules already in place.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 114, 115		Controls/ Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 11		
Licence Obligation: Retail Licence condition 23.1, 23. 2		Reporting Type 2
Obligation Description		
114	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	
115	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	
Observations		
<p>Through discussions with key stakeholders it was noted that although there are currently no external contractors acting as agents on behalf of Synergy, there are processes in place to ensure compliance with licence obligations. An electricity marketing agent – code compliance form is in place which requires the agent to confirm compliance with obligations under the Code.</p> <p>Synergy employees must complete mandatory training which includes amongst other matters the Code of Conduct, Metering Code, Transfer Code, Competition and Consumer Act 2012. Adherence to Synergy's regulatory compliance policy is mandatory and forms part of an employee's term of employment. There is also specific regulation compliance induction training for new employees.</p> <p>Additionally, the regulation and compliance team maintain a compliance framework which includes the regulated markets advisory group and the compliance action team who address material compliance issues as they are identified, seek continuous improvement and promote a culture of compliance.</p> <p>The regulation and compliance team maintains an incident system and incident mailbox used by the business to self-report breaches and incidents. A regulation incident management SOP exists which sets out the steps to follow when reporting an incident in the system. Once reported, the regulation and compliance team assesses the incident to determine whether a breach has occurred for internal and external reporting purposes. The annual compliance reports 2013/14 and 2014/15 was also provided for review and during fieldwork.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has</p>		

# Electricity Retail Licence Performance Audit Report

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	

Compliance Manual Reference: 118		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 11		
Licence Obligation: Retail Licence condition 25.1		Reporting Type 2
Obligation Description		
118	A licensee may only amend the standard form contract with the Authority's approval.	
Observations		
<p>The regulation operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the ERA's licensing requirements. Section 12 relates to retail contracts and specifies that: <i>Synergy cannot supply &lt;160 MWh or 180GJ customers unless it has respective electricity and gas standard form contracts approved by the ERA</i>. It is the responsibility of the regulation and compliance team to ensure ERA approval is obtained for contract changes.</p> <p>The electricity standard form contract was approved by the ERA in April 2006. In 2011 (outside of the audit period), the ERA requested Synergy to review the standard form contract in light of the Australian Consumer Law. During the audit period, on 11 December 2013 the ERA issued a decision and approval on the amendment of Synergy's electricity standard form contract. The most recent electricity contract took effect on 1 January 2014.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 119		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 11		
Licence Obligation: Retail Licence condition 12.1		Reporting Type 2
Obligation Description		
119	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	
<b>Observations</b> Through discussion with the financial controller, it was noted the existence of processes and procedures used for maintaining financial statements. The business services manual relates to the overarching framework and reference guide for the activities undertaken by the business services department which includes financial reporting, budgeting and forecasting, accounting, taxation, treasury management and commercial services.  There is also a financial policies register which contains a comprehensive suite of financial policies which includes information regarding the level of approval, the last review and the next scheduled review.  A review of the following financial statements was conducted: <ul style="list-style-type: none"><li>• Synergy's interim financial statements at 30 December 2013 (pre-merger)</li><li>• Synergy's financial statements for 13/14 financial year</li></ul> It was noted through review of Synergy's financial reports (audited by RSM Bird Cameron and Office of the Auditor General) for the audit period revealed that they complied with the Australian Accounting Standards Board (AASB) Standards.  There have been no previous breaches reported to the ERA.  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.		
Adequacy of Controls	A – Adequate controls – no improvement needed	

# Electricity Retail Licence Performance Audit Report

<b>Rating</b>	
<b>Compliance Rating</b>	1 - Compliant
<b>Corrective Action/Opportunity for Improvement</b>	
N/A	

Compliance Manual Reference: 121		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 11		
Licence Obligation: Retail Licence condition 14.2		Reporting Type 2
Obligation Description		
121	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	
Observations		
<p>The regulation operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the ERA's requirements. Section 28 relates to performance audits and specifies that: <i>Performance audits are required under the EIA 2004 and ECA 1994 every 24 months (or such other period determined by the ERA), to be carried out by an independent expert acceptable to the Authority. The auditor is required to comply with the ERA standard audit guidelines applicable to each performance audit. Additionally a retailer may be subject to any individual performance standards contained in Synergy's licence as determined by the ERA.</i></p> <p>On 30 June 2015, the Authority approved Synergy's independent auditor KPMG, to undertake the 2015 electricity retail 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>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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 124		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 11		
Licence Obligation: Retail Licence condition 16.1		Reporting Type 2
Obligation Description		
124	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	
<b>Observations</b> The regulation operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the Economic Regulation Authority's requirements. Section 17 relates to the Economic Regulation Authority's roles and responsibilities. A calendar is used by the regulation and compliance team to track due dates and if a request from the Authority to provide information was made, this would be recorded on the calendar.  Through discussion and observation with the regulation and compliance team, there were no formal additional requests for information such as reporting or notification. However there may be ad hoc queries which are responded to via email.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 126		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 11		
Licence Obligation: Retail Licence condition 18.1		Reporting Type 2
Obligation Description		
126	Unless otherwise specified, all notices must be in writing.	
Observations		
The regulation operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the Economic Regulation Authority' requirements.		
Through discussion, it was noted that correspondence with the Authority has been by mail, email and telephone but formal notices are issued in writing.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 129		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 2.1 Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
129	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	
Observations		
<p>Through discussions with key stakeholders it was noted that although there are currently no external contractors acting as agents on behalf of Synergy, there are processes in place to ensure compliance with licence obligations. An electricity marketing agent – code compliance form is exists which requires the agent to confirm compliance with obligations under the Code of Conduct.</p> <p>Synergy's employees must complete mandatory training which covers obligations including the clauses under the Part 2 of the Code of Conduct. Additionally, refresher training is carried out every 6 months.</p> <p>Through discussions, it was noted that the contact centre has quality control processes in place to ensure that marketing activities being carried out by Synergy are in line with the requirements of Part 2 of the Code of Conduct. Each CSR has 5 of their calls reviewed by a SSR every month, during this process a quality control checklist is completed to ensure the call made was done so in an appropriate manner.</p> <p>Additionally, the regulation and compliance team maintain a compliance framework which includes the regulated markets advisory group, and the compliance action team who address systemic compliance issues as they are identified, seek continuous improvement and promote a culture of compliance.</p> <p>Any potential breaches of the obligations must be reported to the regulation and compliance analyst who maintains an incident register. The register tracks and monitors potential breaches and actions plans which are reported to the Authority.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 132, 133, 134 ,135, 138		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82 Retail Licence condition 5.1 Integrated Regional Licence condition 5.1		
Licence Obligation: Code of Conduct clause 2.3(1), 2.3(2), 2.3(4), 2.3(5), 2.5(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
132	A retailer or electricity marketing agent must ensure that non-standard contracts, that are not unsolicited consumer agreements, are entered into in the manner set out, and the contract is provided as specified in clause 2.3(1).	
133	A retailer or electricity marketing agent must ensure that the information specified in sub clause 2.3(2) is provided to the customer before entering into a non-standard contract.	
134	The Electricity Retail Corporation or Regional Power Corporation, or an electricity marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation must ensure that the information specified in sub clause 2.3(4) is provided to the customer before arranging a non-standard contract.	
135	Subject to sub clause 2.3(3), the retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in sub clause 2.3(2) and 2.3(4), as applicable, has been given.	
138	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in sub clause 2.5(1).	
Observations		
<p>Based on discussions with the business sales manager and relevant SSOs it was noted that as part of the on-boarding process, the SSOs must ensure the contestable customer's verifiable consent is obtained and valid before a request is made to Western Power. This is documented in the pre-churn meter in data history request SOP. Once the verifiable consent form is obtained, they are retained in the system under the customer's account. Verifiable consent forms received from each contestable customer are stored in Synergy's DMS which users can access from a link within SAP. These links are not formally archived, are not removed and kept indefinitely.</p> <p>A test of 20 samples was undertaken where no issues were noted indicating that verifiable consent forms are in place and an example verifiable consent form from 2013 was sighted as evidence of retention.</p> <p>Synergy did not enter into non-standard form contracts over the phone during the audit period. Through discussion and walkthrough with the SSO, it was noted that non-standard form contracts can be automatically generated out of Salesforce where the customer has an existing account with Synergy or manually created if the customer does not already have an account. Once the non-standard form contract has been countersigned by the business sales manager, the contract along with a copy of the terms and conditions and the customer service charter is attached to the email which is sent back to the customer. Upon request, the contract can also be sent via registered post.</p> <p>Through discussion with the business liaison partner and the relevant SSR, it was noted that all the information specified under clause 2.3(2) and complaints information specified under 2.5(1) are contained within the Synergy's electricity customer service charter. . This information is also available on the website. The identification number of the Synergy employee is their payroll number which can also be provided on request.</p> <p>Further, it was noted that all contestable customers are informed that they are able to choose the standard form contract and are informed of the difference between the non-standard and standard form contracts before arranging for a non-standard contract. This information was previously sent to the customer at the time the non-standard form contract was issued for the customer to sign. A standard email template specified that the customer can choose a standard form tariff-based contract and included a hyperlink to Synergy's website about the difference between standard and non-standard form contracts. More recently, the process has changed so that the information is emailed to the customer prior to the contract being issued. At this stage, the quote is provided and the offer is first made. The email includes an attachment outlining the difference between standard and non-standard contract. If the customer accepts the offer, the business sales team proceed with issuing the contract along with the customer charter, terms and conditions and frequently asked questions.</p> <p>Sample testing of 10 non-standard form contract customers revealed no exceptions and customers were issued the non-standard form contract once countersigned, received the charter as an email attachment and information relevant to standard vs non-standard form contracts in the form of a hyperlink or attached pamphlet.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 136		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 2.4(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
136	A retailer or electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	
Observations  Through discussions with the business partner liaison and the collections manager, it was noted that Synergy ensures that the inclusion of concessions is made clear on all residential customer bills that receive concessions, and any prices that exclude concessions are disclosed. All bills with concessions provide a breakdown of the of the bill charges and include what charges are included or excluded.  Sample based testing was performed on 20 bills receiving concessions and it was noted that in all cases the inclusion of concessions was made and any amounts that are excluded from concessions was also disclosed, as per the requirements of the Code of Conduct.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 137		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 2.4(2) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
137	A retailer or electricity marketing agent must ensure that a customer is able to contact the retailer or electricity marketing agent on the retailer's or electricity marketing agent's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.	
Observations		
Through discussion with the business partner liaison, the SSR and the business system analysts it was noted that Synergy's telephone contact centre operates 7am to 7 pm, Monday – Friday (not including public holidays), and the contact centre is capable of processing enquiries, verifications, and complaints. It was also noted that if a customer calls outside the operating hours, there is an automated message notifying the customer of the operating hours.		
Upon review of a customer's bill, the electricity customer service charter and Synergy's website, it was noted that they all state the contact centre telephone number.		
Through discussion with the ICT applications manager and relevant system analyst, it was noted that the telephone line is contracted to a third party. However, the ICT applications team is responsible for ensuring the telephone number is operational and is available for customers to contact Synergy during normal business hours for any purpose. There is 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. There are priorities assigned to the various incidents, with any incident affecting customers being indicated as a high priority. For high priority incidents, Telstra's response and resolution schedule is available 24/7 with the quickest possible incident response and resolution time.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 141		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 2.9(1) Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
141	An electricity marketing agent must keep a record of complaints about marketing carried out by or on behalf of the electricity marketing agent made by a customer or person contacted for the purposes of marketing, and, upon request, must give to the electricity ombudsman, within 28 days of receiving the request, all information that the electricity marketing agent has relating to the complaint.	
Observations Through discussions with the service quality team leader, it was noted that all customer's complaints are recorded in SAP. A walkthrough of the process in SAP was conducted and it was noted that, customer complaint is recorded within the individual accounts interaction log and contains details about the complaint in conjunction with a time stamp stating the time the complaint was received. The senior quality service quality team leader also noted that all information is provided to the Energy and Water Ombudsman upon request within 28 days of the information being sought.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 142		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 2.10 Integrated Regional Licence condition 23.1 Retail Licence condition 23.1		Reporting Type 2
Obligation Description		
142	A record or other information that an electricity marketing agent is required by the Code to keep 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 electricity marketing agent, or after receipt of the last contact from or on behalf of the electricity marketing manager, whichever is the later.	
Observations		
Through discussion with the system analyst, it was noted that the ICT applications team ensure that links to records and other information that is required to be kept for at least 2 years is stored in SAP within the relevant customer accounts. These links are not removed and are kept indefinitely. SAP has an inbuilt control in place whereby interaction notes cannot be deleted. It was also noted that all documents and information is not formally archived. The requirement to keep documentation for at least two years is also provided for in various policies and procedures.		
A sample customer account was reviewed and it was noted that the interaction notes are still on record from 2011, therefore exceeding the 2 year requirement.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 143		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 3.1(1)		Reporting Type 2
Obligation Description		
143	If a retailer agrees to sell electricity 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.	
Observations		

# Electricity Retail Licence Performance Audit Report

<p>Through discussions with key personnel, it was identified that Synergy has a process in place to ensure that requests for connection are forwarded to Western Power within the timeframe requirements of clause 3.1(1). When a customer informs Synergy of their request to be connected or supplied and forms an agreement with Synergy, a new connection or move in will be raised by the CSR in SAP. Once this has been raised, a service notification is automatically generated and sent to Western Power via MDH.</p> <p>Sample based testing was performed on a sample of 15 new connections and move-ins and no exceptions were noted. In all instances the request for new connection was forwarded to Western Power within required timeframes.</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	

Compliance Manual Reference: 160		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.8(2)		Reporting Type 2
Obligation Description		
160	In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner on the customer's bill the information detailed in sub clause 4.8(2).	
Observations		
<p>A sample of various types of estimated bills was reviewed and it was identified that the information provided in estimated bills meets the requirements of sub clause 4.8(2) in a visible and legible manner. Estimated bills are generated based on standard templates via the SAP system and cannot be altered unless a system change request process with appropriate approvals is adhered to.</p> <p>The estimated bill clearly states that the bill is based on an estimate on both pages and states "Your account has been estimated. If you wish to find out how or why it was estimated or if you would like to request a meter reading or verification of a meter reading, please call us on 13 13 53 for residential customers or 13 13 54 for business customers."</p> <p>Through review of the annual compliance report 2014-15 we note Synergy self-reported breaches affecting 5091 customers in 2014-15 in relation to interval meter bills being issued without the required notification to customers that the bill is based on an estimate reading. Management have advised that a request to change the system has been raised, however the actual design has yet to be determined for approval.</p> <p>Based on our enquiries and review of documentation, and after further clarification from Management endorsed by the ERA, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 162		Controls/ Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.9		Reporting Type 2
Obligation Description		
162	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 in accordance with clause 4.19.	
Observations		
Through discussion with key personnel, it noted that, Synergy has processes and mechanisms in place to ensure bills are appropriately adjusted. Once an actual read has been obtained subsequent to a previously estimated read the following bill will be adjusted based on the actual read. Attached to the adjusted bill will be an adjusting letter based on a standard template. The adjustment letter will explain why an adjusted bill is being sent.		
Sample based testing was performed on a sample of 5 adjusted bills and no instances of non-compliance were identified.		
Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has		

# Electricity Retail Licence Performance Audit Report

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	

<b>Compliance Manual Reference:</b> 163, 164, 165	<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 4.10, 4.11(1) and 4.11(1)	<b>Reporting Type</b> NR (163) 2 (164, 165)

Obligation Description	
<b>163</b>	A retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified in sub clause 4.10.
<b>164</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>165</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 discussions with the customer processing manager and the billing services officer, review of the check read SOP and a walkthrough of the process it was observed that there are processes and policies in place to ensure that Synergy will replace an estimated read with an actual read upon the customer's request, provided the customer meets the requirements of sub clause 4.10 of the Code of Conduct.</p> <p>When the customer has communicated to Synergy that they have met the requirements of sub clause 4.10, a service notification will be raised in SAP and automatically sent to Western Power via MDH requesting a check read be performed. The customer will incur a cost for this service, except in instances where Western Power identifies the meter is faulty/defective during the check read. Once the value from the check read is sent back to Synergy, an adjustment letter and rebill invoice are sent to the customer, and an account adjustment made.</p> <p>Sample based testing of 5 check reads carried out during the audit period did not reveal any exceptions.</p> <p>The billing and meter enquiries SOP outline situations in which the customer will be charged for a meter test and situations where the customer will not be charged. Additionally the SOP provides a step by step guide on how to administer a meter test for a customer. It is noted that a service notification should not be sent unless there are notes indicating that the customer is aware of the fee for a meter test. The SOP also demonstrates how a meter test service notification is created for Western Power and what the process is once the results are received and how a manual sales order is required to be created. Where a meter test has been arranged Western Power will remove the customer's meter and replace it with temporary meter. The customer's meter will then be tested for accuracy in a laboratory. Western Power will communicate the test results to Synergy, whereby Synergy will issue a meter test letter (fail or pass).</p> <p>Sample based testing was carried out for 5 samples of meter test request. Testing did not reveal any non-compliance.</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	

<b>Compliance Manual Reference:</b> 169, 170	<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act section 82	
<b>Licence Obligation:</b> Code of Conduct clause 4.14(2), 4.14(3)	<b>Reporting Type</b> 2
Obligation Description	
<b>169</b>	If the customer's account is in credit at the time of account closure, subject to sub clause (3), the retailer must, at the time of the final bill, ask the customer for instructions whether the customer requires the retailer to transfer the amount of credit to— (a) another account the customer has, or will have, with the retailer; or (b) a bank account nominated by the customer, and the retailer must credit the account, or pay the amount of credit in accordance with the customer's instructions, within 12 business days of receiving the instructions or other such time as agreed with the customer.



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170	If a customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may use that credit to set off the debt owed to the retailer by giving the customer written notice. If any amount remains after the set off, the retailer must ask the customer for instructions to transfer the remaining amount in accordance with sub clause 4.14(2).
<b>Observations</b> <p>It was noted through discussions and a walkthrough with the system analyst and credit team that if an account is in credit at the time of the final bill SAP will automatically include a message on the back page of the bill advising the following:</p> <p><i>As your final bill is credit, we will transfer the credit to your new account if applicable, unless you contact us within 5 business days of this notice to arrange a refund. If you owe a debt on another account, the credit will automatically transfer to that account.</i></p> <p>Synergy also has documented procedures in place and the transferring credits between accounts procedure outlines requirements in relation to clause 4.14(2) and 4.14(3) of the Code of Conduct. If a customer calls to arrange a refund, the refund process is followed. A walkthrough identified that the refund request was processed as instructed by the customer by EFT into their nominated bank account. It was also noted that the refunds will be raised as tasks immediately after receiving the request.</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	

Compliance Manual Reference: 171		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.15		Reporting Type 2
Obligation Description		
171	Subject to a customer paying that portion of the bill under review that a customer and a retailer agree is not in dispute, or an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute, whichever is less), and paying any future bills that are properly due, a retailer must review the customer's bill on request by the customer.	
Observations		
<p>The estimated read process (not self-read) document specifies that bill reviews are subject to the customer paying the portion of the bill under review that the customer and Synergy agree is not in dispute or an amount equal the average amount of the customer's bills over the previous 12 months (excluding the bill in dispute); whichever is less, and pay any future bills that are properly due. This aligns to the obligated requirements.</p> <p>Discussions with the senior service quality officer identified that in practice the senior quality team will apply a lock on the entire amount even if only one component is in dispute. The account lock prevents any invoicing, overdue notices and/or collection activity occurring whilst the account is under review. A walkthrough of the complaints process was undertaken with the complaints team, to evidence the lock being applied. These locks are applied on the same day the complaints operators are assigned a dispute.</p> <p>Sample testing of 20 requests for review by a customer identified no issues and all requests by the customer were reviewed.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 173		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.16(1)(b)		Reporting Type 2
Obligation Description		
If a review of the bill has been conducted and a retailer is satisfied that the bill is incorrect, a retailer must adjust the bill in accordance with clauses 4.17 and 4.18.		



# Electricity Retail Licence Performance Audit Report

## Observations

Review of the BPEM case category SOPs indicated that there are system controls in place to prevent bills under review getting invoiced when a lock is placed during the bill review process. The locked account is required to be reviewed before the bill can be sent out and adjustments needs to be made. A review of the rebill reference guide SOP indicated that there is a guided process within SAP to make adjustments to an invoice and rebill a customer depending on the situation and the corrections that need to be made. The guide applies to single invoice rebill and multiple invoice rebill as well periodic and final readings.

A review of billing services business rules SOP indicated additional processes in place for rebilling. The document provides that Western Power must always supply a scheduled meter reading or a replacement for a scheduled meter reading that is incorrect and if they are unable to, it can be escalated.

Through discussion with the system analyst, it was noted that when a correction is required due to undercharging or overcharging, the ICT team ensure that the BPEMs are configured correctly to allow the process of correcting the bill to be carried out in accordance with the obligation. There are particular steps to follow built into SAP described in the BPEM case categories and other procedural documentation.

Discussions with the service quality officer identified that the senior quality team raises the bill adjustment tasks to the billing team through SAP. Billing does not proceed with any bill adjustments until Western Power has sent the billing team data from the revised meter read.

Through sample testing of 20 bill review requests, it was noted that where an incorrect bill was identified, the customer was rebilled and an adjustment was made in line with the obligation. No issues noted.

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.

<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	

Compliance Manual Reference: 179, 180		Controls/ Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.18(4) and 4.18(6)		Reporting Type NR
Obligation Description		
179	In circumstances where instructions regarding repayment of an overcharged bill are not received within 20 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	
180	Where the amount overcharged is less than \$75, refer to sub clause 4.18(6) as to how a retailer may proceed to deal with the matter.	
Observations		
Discussions with customer processing manager and billing services officer and walkthrough of the process identified that Synergy has an automated process in place to ensure that the customer's account is credited with any overcharged amount including circumstances where repayment instructions are not received within 20 business days.		
It was noted that, in situations where the adjustment is simple, SAP will automatically issue the adjusting letter and rebill invoice. Where the adjustment is more complicated a BPEM will be raised, and a billing services officer will verify and process the adjustment and issue the adjusting letter and rebill invoice.		
Sample based testing of 5 BPEMs raised due to Western Power identifying an overcharge. No non-compliances were identified.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

<b>Compliance Manual Reference:</b> 183, 185	<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b>	

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Electricity Industry Act section 82		Reporting Type NR	
Licence Obligation: Code of Conduct clause 4.19(2) and 4.19 (4)			
Obligation Description			
183	If the meter is read pursuant to either clause 4.6 or clause 4.3(2)(d) and the amount of the adjustment is an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days and, subject to sub clauses 4.19(5) and 4.19(7), ask the customer for instructions about the repayment of the amount owing.		
185	If a retailer does not receive instructions under sub clause 4.19(2), within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.		
Observations			
Through discussions with customer processing manager, billing services officer, review of policy and SOP and walkthrough of the process identified:			
<ul style="list-style-type: none"><li>Synergy will issue an adjustment letter and rebill invoice in all instances where an adjustment to a customer account has been identified. In situations where the adjustment is simple, an automatic process within SAP will trigger an account adjustment (i.e. debit or credit), adjustment letter and rebill invoice to be issued to the customer. In circumstances, where Western Power has provided the meter data to Synergy and the adjustment is more complicated, a BPEM will be raised, and a billing services officer will verify, and process the adjustment and issue the adjusting letter and rebill invoice.</li><li>The adjustment letter (generated from a standard template) states, "If the balance of this invoice is in credit we will carry this credit amount forward to your next Synergy invoice", and, "Alternatively, please contact us within 20 business days should you wish to arrange a refund for this credit."</li></ul>			
Sample based testing 5 adjustments where BPEMs were raised for an adjustment (overcharge) did not reveal any non-compliance.			
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.			
Adequacy of Controls Rating	A – Adequate controls – no improvement needed		
Compliance Rating	1 – Compliant		
Corrective Action/Opportunity for Improvement			
N/A			

Compliance Manual Reference: 184		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.19(3)		Reporting Type 2
<b>Obligation Description</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.		
<b>Observations</b>  Review of the payment types and business rules (refunds) identified that there is a list of business rules that must be followed when issuing a refund. Synergy has made available a range of options for refunds including bank transfer, credit card, cheque, BPay, REBS automated payment, Centrepay, salary sacrifice, and payroll deduction.  In the walkthrough with the collections officer it was identified that when a customer calls the contact centre a CSR will raise a refund task immediately. The task will then be processed by credit portfolio who apply the refund as requested by the customer within 5 business days.  Through sample testing of 20, no exceptions were noted and refunds were processed within 12 business days of receiving the customer's instructions.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 186		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 4.19(7)		Reporting Type NR
<b>Obligation Description</b> The retailer may, by giving the customer written notice, use the amount of an adjustment to set off a debt owed to the retailer provided that the customer is not a residential customer experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. If, after the set off, an amount less than \$75 remains, the retailer must deal with that amount in accordance with sub clause 4.19(5). If the amount is \$75 or more, the retailer must deal with it in accordance with sub clause 4.19(2).		
<b>Observations</b> Synergy has documented procedures in place and the transferring credits between accounts procedure outlines requirements in relation to credit transfers and refunds. It was also noted that the refunds will be raised as tasks immediately after receiving the request.  Where bills are based on estimates and the next meter read comes through from Western Power, the system will recognise the adjustment required and generate an automatic rebill letter. The rebill letter notifies the customer that they will have their balance automatically adjusted unless they contact Synergy to request a refund in compliance with 4.18(2) notification within 10 days.  Where a meter read comes through that is more complex and requires investigation, it will be flagged and a billing officer will manually investigate the BPEM. If an overcharge is identified, the officer will initiate the rebill letter to be issued once investigation is completed. Our walkthrough of an example bill identified that an amount paid for in a previous estimated bill is automatically passed on as a credit in an actual bill.  If the customer doesn't contact Synergy the credit will automatically be transferred to the customer's active account and an automated interaction note will be applied in SAP with details of the transfer. The customer will also be advised on the following bill that the credit has been transferred.  Through discussion, review of the process and procedures, it was noted that there are system controls in place to detect and prevent a refund if the customer has another account with debt. It is noted that once the credit counters a debt on another account any remaining credit will follow the same rebill process. However, where a customer has been flagged as experiencing payment difficulties or financial hardship, the customer will be flagged and the account will be removed from any debt collection processes.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 187		Controls/ Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.1		Reporting Type 2
Obligation Description		
187	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.	
Observations		
<p>Through discussion with ICT applications manager, customer processing manager, billing services officer and system analyst, review of sample bills and walkthrough of the billing process it was noted that the due date of a bill depends on whether the customer is under a standard or non-standard form contract. SAP will automatically calculate the due date based on “payment terms” code applied to each account. The “payment terms” code is dependent on the type of contract in place and has an associated default number of days which is applied to the calculation of the due date of the bill.</p> <p>ICT ensures there is a system default in place which places the due date at 12 business days. This date, however can be changed by the user. It was noted through a walkthrough with the ICT team that each account is allocated a “payment terms” code. SAP users can assign values greater than 14 business days if required but SAP prohibits users from assigning any less so as to meet this obligation.</p> <p>Sample based testing was performed on a sample of 5 standard bills and 5 non-standard terms and conditions issued and it was noted that, in all circumstances no exceptions were noted.</p>		

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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	

Compliance Manual Reference: 188		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.2		Reporting Type 2
Obligation Description		
188	A retailer must offer the following specified minimum payment methods: in person at one or more payment outlets located within the Local Government District of the customer's supply address; by mail; for residential customers, by Centrepay; electronically by means of BPay or credit card; and by telephone by means of credit card.	
Observations		
Through review of a suite of standard bill templates, it was noted that the following payment methods are offered by Synergy: <ul style="list-style-type: none"><li>• Payment by cash, cheque or Eftpos at any post office</li><li>• By mail to GPO Box U1913 Perth WA 6845</li><li>• BPay debit card payments at participating financial institutions</li><li>• Synergy website of 1300 650 900 with credit card</li><li>• Direct Debit</li><li>• Centrepay (where concessions are applicable)</li></ul>		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 191		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.5		Reporting Type 2
Obligation Description		
191	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection of the customer's bill to a third person at no charge.	
Observations Through discussion with the business partner liaison, it was noted that Synergy offer residential customers the option of having their bill redirected to a third person at no charge. In order to do this the customer's billing address is updated in the customer's account in SAP. All bills are subsequently sent to the new nominated billing address. The updating mail address procedures details the process and provides a guide that the CSR is required to follow when an update of the billing address is being undertaken.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 193		Control / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.6(2)		Reporting Type 2
Obligation Description		
193	If a retailer has charged a late payment fee in the circumstances set out in sub 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.	
Observations Through discussions with the business partner liaison and the SSR, in conjunction with a walkthrough of the system, it was noted that when a customer submits a complaint, the customer's account within SAP is flagged. When an account has been flagged due to an active/pending complaint, a lock is applied to the account which prevents the customer's account from being charged any late payment fees.  If a customer's account is not correctly flagged as having an active/pending complaint due to manual error and a late payment fee is charged to the customer's account, Synergy will refund the late payment fee on the customer's next bill. The miscellaneous credit procedure was reviewed and it reveals that Synergy will refund the late payment charge to the customer as a miscellaneous credit in circumstances where Synergy has wrongly charged the customer a late payment fee.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 194, 195		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.6(3), 5.6(4)		Reporting Type 2
Obligation Description		
194	A retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	
195	A retailer must not charge a residential customer more than 2 late payment fees in relation to the same bill or more than 12 late payment fees in a year.	
Observations		
<p>A walkthrough with the collections officer identified that all late payment fees are automatically generated and recorded as a line item on SAP as dunning run documents. These functions have been built into the system during the design of Synergy's business case.</p> <p>Through discussion with the system analyst, it was noted that all controls for late payment fees lie within the SAP system and customers are only charged when they meet the relevant criteria. The system is configured to not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice, to charge a customer more than 2 late payment fees in relation to the same bill or more than 12 late payment fees in a year.</p> <p>The late payment fee procedures and business requirements – collections strategy also reiterates the above. The system is configured to not allow the fees to be charged when it would contravene this obligation.</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>		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 198, 199		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.7(2) Code of Conduct clause 5.7(4)		Reporting Type 2
Obligation Description		
198	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 electricity consumed at the customer's supply address from the date the customer gave the retailer notice.	
199	Notwithstanding sub clauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in sub clause 5.7(4).	
Observations		
Through discussions with the business partner liaison and the SSR, it was noted that Synergy will not require a customer who has been evicted or vacated a supply address to pay for electricity consumed at the customer's supply address from the date the customer has notified Synergy that they have vacated or been evicted from the address.		
A walkthrough of the process was performed and it indicated that when a customer has notified Synergy of their eviction or vacation from the supply address, the relevant CSR will trigger a final meter read and subsequently close the customer's account in SAP. Following the closure of the account or move out being processed, SAP will no longer allow the account to be billed. Additionally, system controls in SAP will prevent any account from being billed beyond the contract end date. This prevents any customers from being inappropriately billed for periods in accordance with clauses 5.7(2) and 5.7(4) of the Code of Conduct.		
Sample testing of 20 customers during the move in/move out process revealed no exceptions and all customers were provided a final bill on request.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 200		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 5.8(1)		Reporting Type 2
Obligation Description		
200	A retailer must not commence proceedings for recovery of a debt from a residential customer who meets the criteria in sub clause 5.8(1).	
Observations		
<p>The debt collection procedures state that Synergy must not commence proceedings for recovery of a debt from a residential customer who has informed the retailer in accordance with clause 6.1(1) that the residential customer is experiencing payment difficulties or financial hardship, unless and until the retailer has complied with all the requirements of clause 6.1 and (if applicable) clause 6.3; and while a residential customer continues to make payments under an alternative payment arrangement under Part 6.</p> <p>It was noted that system controls are in place so that once a customer is assessed for financial hardship and is put on a payment plan, the customer account is locked and removed from the residential collection path and any debt proceedings.</p> <p>Testing of 20 customers was undertaken. Through system walkthroughs with the collections officer, review of interactive notes and call recordings, it was identified that customers flagged as being under financial hardship, or under complaint investigations have had a dunning lock applied and are removed from the collection strategy list so that no debt proceedings would occur. Therefore, 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>		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



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Compliance Manual Reference: 203, 204		Controls/ Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.1(3) Code of Conduct clause 6.1(4)		Reporting Type NR
Obligation Description		
203	When undertaking an assessment regarding payment difficulties or financial hardship, unless a retailer adopts an assessment from an independent financial counsellor or relevant consumer representative organisation, a retailer must give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or any advice given by an independent financial counsellor or relevant consumer representative organisation.	
204	Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under sub clause 6.1(1).	
Observations		
<p>Discussion with the customer support team leader indicated that reasonable consideration is given to all information provided by the residential customer as requested or held by the retailer; or any advice given by an independent financial counsellor or relevant consumer representative organisation in regards to customers experiencing payment problems. All information with regards to the customer's assessment is recorded in the interaction notes within the customer's account in SAP. This information is available upon request by the customer at any time. However, the outcome of an assessment is generally revealed immediately after the assessment is complete while the customer is on the phone unless they have been referred to an independent financial counsellor.</p> <p>A customer is assessed in accordance with the credit management assessment guidelines. The customer may be assessed immediately by the CSR over the phone, be contacted by a CSO or the customer may be referred to an independent financial counsellor. It was also noted that the customer support team takes into consideration any advice and assessments undertaken by the financial counsellors. Through discussion and review of the financial counsellor call checklist it was determined that the financial counsellor calls a CSO while they have the customer with them. The financial counsellor will provide advice on outcome of the assessment and on the customer's situation and capacity to pay. A payment plan is then arranged based on what is reasonably agreed between the customer, the financial counsellor and the customer support representative.</p> <p>Testing was performed for a sample of 5 customers which included reviewing customer interaction notes and listening to calls. It was noted that in all instances, consideration was given to all information given by the customer as well as the independent financial counsellor when being assessed for payment difficulties or financial hardship. The customers were also advised of the outcome of their assessment while they were on the phone, immediately after an assessment and was provided with the relevant information upon request. It was also noted that all assessments are recorded on the interaction notes 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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 206, 208		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.2(2) Code of Conduct clause 6.2(4)		Reporting Type 2
Obligation Description		
206	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer that the customer is experiencing payment problems and demonstrates to the retailer that the customer has made an appointment with a relevant consumer representative organisation or provides the retailer with an assessment from an independent financial counsellor or relevant consumer representative.	
208	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation to allow additional time to assess a residential customer's capacity to pay.	
Observations		
Through discussion with the customer support team leader and collections manager and review of financial hardship procedures, it was identified that after an assessment has been undertaken and the customer needs further financial assistance, they are referred to an independent financial counsellor. If the customer has been referred to a financial counsellor for assessment, the customer is given 15 business days to obtain the appointment and a dunning lock is placed on the customer's account. Should the customer obtain an appointment outside of this timeframe they are required to contact Synergy and advise of the appointment date and a second moratorium and a further suspension can be placed on the account. It was also noted that consideration is given to all requests by a		



# Electricity Retail Licence Performance Audit Report

customer for temporary suspension of actions, not only in the case of being referred to a financial counsellor.

Through discussions with the system analyst, it was noted that there are controls within SAP that flag customers if they have been assessed for financial hardship or payment difficulties. If a customer is in the process of being assessed, a dunning lock will be applied to the customer account.

Sample testing was performed which included reviewing the customers interaction notes, listening to calls and examining customers lock history, it was noted that in all instances, the dunning lock was applied when a customer was referred to an independent financial counsellor. It was also noted that in all cases Synergy mentioned to the customer to get in contact with Synergy if additional time is needed. Where the customer requested additional time, the lock was extended.

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.

<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	

Compliance Manual Reference: 215, 216, 217, 218, 219		Controls / Compliance Rating
<b>Licence Clause:</b> Electricity Industry Act section 82		A / 1
<b>Licence Obligation:</b> Code of Conduct clause 6.6(1), 6.7, 6.8, 6.9(1)		<b>Reporting Type</b> NR (215, 217, 218) 2 (216, 219)
Obligation Description		
<b>215</b>	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges or debt.	
<b>216</b>	In giving reasonable consideration under sub clause 6.6(1), a retailer should refer to the hardship procedures referred to in sub clause 6.10(3).	
<b>217</b>	Where it is reasonably demonstrated to the retailer that the customer experiencing financial hardship is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.	
<b>218</b>	A retailer must advise a customer experiencing financial hardship of the following: <ul style="list-style-type: none"> <li>a customer's right to have the bill redirected to a third person, at no charge;</li> <li>payment methods available to the customer;</li> <li>concessions available to the customer and how to access them;</li> <li>different types of meters available to the customer and/or tariffs;</li> <li>independent financial counselling available to the customer; and</li> <li>the availability of any other financial assistance and grants schemes.</li> </ul>	
<b>219</b>	A retailer must determine the minimum payment in advance amount, as referred to in sub clause 5.4(3), for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representative organisations.	

## Observations

Through discussion with the customer support team leader and review of the relevant processes and procedures, it was noted that if a customer is assessed as experiencing financial hardship, no late payment fees or interest charges will be applied to the account and consideration will be given to a reduction in other fees, charges and debt upon request.

A review of the debt waiver process identified that Synergy is required to give reasonable consideration to a request by a customer or a relevant consumer representative for a reduction of a hardship customer's fees, charges or debt (collectively referred to as "debt waiver"). Consideration of debt waiver is on a case by case basis and all of the following criteria must be considered as part of the process:

The financial hardship procedures referred to in sub clause 6.10(3) specifies the following that once a customer is assessed as financial hardship they must not have any late payment fees or interest fees charged to their account and if so, the fees should be reversed. Synergy's financial hardship policy indicates that consideration will be given to a reduction in fees, charges and debt on request.

Synergy will give reasonable consideration and make alternative payment arrangements in accordance with clause 6.7 if the customer is unable to meet their current obligations. Synergy's financial hardship policy states that a customer must contact Synergy to request an alternative or revised payment plan if they can't meet the agreed payment plan. Synergy can also provide information and support pertaining to Synergy's keeping connected program and hardship utility grant scheme (HUGS) and home energy savers scheme (HESS) provided by the State and Federal Governments.

Through discussion with the customer support team leader it was noted that all the information specified in sub clause 6.8 can be found in the financial hardship policy which is referred to during the calls:

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- consideration of a reduction in fees, charges and debt on request;
- consideration of revising alternative payment options;
- the power on payment program, where Synergy makes payments to reduce your debt as long as you are eligible and meet the payment criteria;
- providing info about your right to redirect your bill, payment methods, available concessions, meter options, energy efficiency information and energy audits, independent financial counselling and availability of financial assistance and grants;
- interpreter services; and
- if you agree to see an independent financial counsellor, we can advise you of your HUGS eligibility. You can call the financial counselling helpline on 1800 007 007.

Through review of the prepayment procedures as well as Synergy's financial hardship policy, it was identified that to assist customers in managing their accounts Synergy gives customers the option of pre-paying their accounts. This can be done weekly, fortnightly, monthly or just as a once off payment. It was noted that a minimum payment of \$20.00 is required. Through discussions with the billing team it was noted that any advance payments will be recorded on the account as a credit and Synergy does not distinguish the credit as an advance payment and therefore no reporting is possible.

Sample testing of 20 customers was performed which included reviewing the customers' interaction notes and listening to calls. It was noted that where applicable Synergy provided assistance in accordance with clauses 6.6 to 6.9 of the Code of Conduct.

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.

<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	

Compliance Manual Reference: 220, 221, 223		Controls / Compliance Rating
Licence Clause: Electricity Industry Act section 82		A / 1
Licence Obligation: Code of Conduct clause 6.10(1) Code of Conduct clause 6.10(2) Code of Conduct clause 6.10(4)		Reporting Type 2
Obligation Description		
220	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	
221	A retailer must ensure that its hardship policy complies with the criteria specified in sub clause 6.10(2).	
223	If requested, a retailer must give residential customers, financial counsellors and relevant consumer representative organisations a copy of the retailer's hardship policy, including by post, at no charge.	
<b>Observations</b> Through discussion with the customer support team leader and review of the relevant documentation it was noted that the financial hardship policy can be obtained from Synergy's website and is available to all customers, financial counsellors and consumer representative organisations at no charge. The policy is reviewed upon request by Authority, in consultation with the relevant stakeholders.  Through review of Synergy's financial hardship policy and relevant documentation as well as discussion with the customer support team leader it was noted that the policy complies with subclause 6.10(2) of the Code of Conduct as follows:  <ul style="list-style-type: none"><li>Developed in consultation with the relevant stakeholders including relevant consumer representative organisations in accordance with subclause 6.10(2)(a).</li><li>Includes a statement encouraging customers to contact Synergy in accordance with subclause 6.10(2)(b).</li><li>Includes a statement also the lines of treating all customers sensitively and respectfully in accordance with subclause 6.10(2)(c).</li><li>Advises that Synergy may reduce/waive debt in accordance with subclause 6.10(2)(d) and provides consideration of a reduction in fees, charges and debt on request as well as a list of rebates and the eligibility criteria.</li><li>Includes the following set of hardship indicators in accordance with subclause 6.10(2)(e): how much you earn, your current financial commitments, medical conditions or disabilities and family circumstances.</li><li>Provides an overview of the assistance available to customers experiencing financial hardship or payment difficulties in accordance with subclause 6.10(2)(f).</li><li>Includes a list of rebates and concession available and the eligibility criteria associated with each one in accordance with subclause 6.10(2)(g).</li><li>The policy is available in large print copies and it includes the National Interpreter Symbol, it has information on the availability of independent multi-lingual services and information on the availability of TTY services as per subclause 6.10(2)(h).</li><li>It was observed that the hardship policy is available on Synergy Website (<a href="https://www.synergy.net.au/docs/Financial_Hardship_Policy_MSF.pdf">https://www.synergy.net.au/docs/Financial_Hardship_Policy_MSF.pdf</a>) in accordance with subclause 6.10(2)(i).</li></ul>		

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Further, it was noted that Synergy has developed financial hardship procedures that can be obtained from knowledge base for internal use.	
A sample test of 20 customers was performed which included reviewing customers' interaction notes and listening to calls. It was noted that, where applicable, upon request by the customer, a hardcopy of the financial hardship policy was provided at no charge or the customer was referred to Synergy's website.	
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.	
<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	

Compliance Manual Reference: 224, 225, 226, 227		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.10(5), 6.10(6), 6.10(7), 6.10(8)		Reporting Type 2
Obligation Description		
224	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the dates the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.	
225	If a retailer reviews its hardship policy and hardship procedures, the retailer must submit to the Authority the results of that review within 5 business days after it is completed.	
226	The retailer must comply with the Authority's financial hardship policy Guidelines.	
227	If a retailer amends its hardship policy, the retailer must submit to the Authority a copy of the retailer's hardship policy within 5 business days of the amendment.	
Observations		
<p>It was noted through discussion with the customer support manager and regulation and compliance analyst that Synergy undertakes a review of the financial hardship policy upon request by the Authority. Prior to the Code of Conduct being amended in July 2014, policy reviews were required annually by 31 December. A review of the financial hardship policy took place in 2012, and due to an extension approved by Authority, the next review due date was moved to 31<sup>st</sup> December 2014, as opposed to 31 December 2013. Due to amendments of the financial hardship policy guidelines - electricity and gas licenses (Guidelines), the due date was extended again to the 1 July 2015. Therefore no amendments were made to the financial hardship policy within the audit period.</p> <p>When undertaking a review of the policy and procedures, Synergy takes into consideration the Authority's financial hardship policy guidelines. The review is documented and the results of the review and any amendments made to the policy and procedures is submitted to Authority on the due date or within 5 business days of Synergy completing the review and making any amendments.</p> <p>Through discussion with the regulation and compliance analyst, supported by observation of correspondence between Synergy and the Authority and the most recent review undertaken by Synergy, it was noted that upon completion of a review, the results of the review as well as the amendments made to the policy take place the same day the review is submitted to Authority, satisfying the timeframe requirements.</p> <p>All documentation and dates relating to the establishment, review and amendments to the financial hardship policy and procedures are recorded within Synergy's database and kept indefinitely. It was also noted that the relevant consumer representative organisations are consulted on the contents of Synergy's financial hardship policy through the review process and attendance is recorded. The external financial hardship review attendees document indicates the relevant consumer representative organisations consulted.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 228		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 6.11		Reporting Type 2
Obligation Description		
228	A retailer must consider any reasonable request for alternative payment arrangements from a business	

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	customer who is experiencing payment difficulties.
<b>Observations</b>  <p>Through discussion with the customer support team leader and review of relevant documents, it was noted that there are procedures in place with regards to a request for alternative payment arrangement from a business customer who is experiencing payment difficulties. Through review of the business promise to pay guidelines it was noted that consideration is given to business customers who are experiencing payment difficulties and alternative payment arrangements can be arranged in the same way as a residential customer. Consideration is given to any reasonable request from a business customer.</p> <p>A report was reviewed reflecting all customers experiencing payment difficulties during the audit period and it was noted that 420 of the customers on the report were business customers.</p> <p>Through sample testing of 15 customers and review of the interactive notes and call recordings, no issues were noted,</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	

Compliance Manual Reference: 234		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 7.6		Reporting Type 1
Obligation Description		
234	Subject to sub clause 7.6(3), a retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.	
<b>Observations</b> As described in the business requirements – collections strategy document, the collections strategy is the pathway used in SAP to manage the payment retrieval process once the account is overdue and continues through to the point of disconnection, then mercantile and write off. The collections strategy and SAP provides for regulatory requirements in regards to disconnection. Collections work items will be blocked for accounts in the following scenarios: payment made by the customer, P2P created on the customers' account, complaints, billing disputes, when referred to counsellor for financial hardship, and customer classified as life support or sensitive load customers.  Through sample testing of 20, it was noted that in all instances the customers did not have a current complaint on their account at time of disconnection.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 236, 236A, 241		Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 7.7(2) Code of Conduct clause 7.7(7)		Reporting Type 1 (236) 2 (236A, 241)
Obligation Description		
236	Where a customer registered with a retailer under sub clause 7.7(1) notifies the retailer of a change of the customer's supply address or contact details the retailer must undertake the actions specified in sub clause 7.7(2).	
236A	Where a customer registered with a retailer under sub clause 7.7(1) notifies the retailer of a change of the customer's life support equipment, or that the customer no longer requires registration as a life support customer the retailer must undertake the actions specified in sub clause 7.7(2).	
241	A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in sub clause 7.7(7).	
Observations		
<p>Through discussions with the service quality team leader and review of relevant documentation, it was noted that Synergy had policies and procedures in place to satisfy the requirements stipulated in sub clause 7.7(2) and 7.7(7).</p> <p>The overall life support customer handling process is outlined in the Synergy life support SOP. The document also specifies that it is a type 2 breach of Synergy's electricity retail licence that must be reported to the Economic Regulation Authority annually if they do not advise Western Power of a change in the customer's life support equipment details as per the following.</p> <p>Upon receiving notification from the customer of a change in supply address, contact details, life support equipment, or if the customer no longer requires life support equipment, Synergy will confirm the new details with the customer. All changes are recorded in the interaction history for the customer's account within SAP. The change will then be made in the customer's account the life support flag will be removed and an automatic service notification will be sent to Western Power.</p> <p>As a compensating control, the update will also be added to the Synergy life support spreadsheet which is auto-loaded into an e-mail message to Western Power at a specified time every day. It is noted that since Synergy operates until a specified time they may receive updates up until that time, so any updates received after a specified time will be sent through to Western Power on the next day. Once a month, Synergy will perform a data wash to reconcile the two sets of data and ensure any anomalies are picked up.</p> <p>The senior quality service quality team leader also noted that any staff member working on life support tasks and tickets, including work related to the mailed applications, any staff member who has access to add or remove a life support flag, and any staff member who has access to the life support email inbox must complete the life support training prior to commencing work, and every six months thereafter.</p> <p>MDH acts as the retail market gateway, managing the transactions between internal Synergy and Western Power. All service and detail notifications are sent via the MDH system to Western Power and a MsgAck is received in response to all transaction to ensure they were delivered accordingly.</p> <p>Sample based testing of 20 life support customers identified no exceptions in instances change of supply address, contact details or removing of a customer from the life support register and associated notification to Western Power were performed within the obligated 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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

<b>Compliance Manual Reference:</b> 245		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act section 82		
<b>Licence Obligation:</b> Code of Conduct clause 9.1(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
245	A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.	
<b>Observations</b> Through discussion with management it was noted that only Ninga Mia are regional community supplied based on prepayment meters. Review of the Minister's Gazetted Notice revealed that Ninga Mia can be found in Schedule 1.		

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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	

Compliance Manual Reference: 247		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 9.2(2)		Reporting Type 2
Obligation Description		
247	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address.	
Observations		
Synergy operates prepayment meters for Ninga Mia only. Through discussion with the senior customer applications and requests officer and consideration of the system, it was noted that all 17 Ninga Mia customers have SAP accounts established.		
The customer list (as at May 2015) shows that each of the 17 customers are referenced with a unique account number. A screenshot of two accounts (one which includes the customer details and one which only has meter identifier) was also provided and reviewed.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 248		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 9.2(3)		Reporting Type 2
Obligation Description		
248	A retailer must not, in relation to the offer of, or provision of a pre-payment meter service, engage in conduct that is misleading, deceptive or likely to mislead or deceive, or that is unconscionable, or exert undue pressure on a customer, nor harass or coerce a customer.	
Observations Through discussion with the senior customer applications and requests officer, it was noted that there has been no change to the customers on prepayment meters during the audit period.  Sales staff are required to complete the Code of Conduct and the Competition and Consumer Act 2010 training as part of the mandatory training modules.  The regulation and compliance team also manage the compliance framework which includes a regulated markets advisory group and compliance action teams which are in place to discuss any issues of non-compliance against obligations.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 251 (prior manual reference)		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 9.5(2)		Reporting Type 1
Obligation Description		
251	If a pre-payment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must, or must immediately arrange to, remove or render non-operational the pre-payment meter at no charge; replace or switch the pre-payment meter to a standard meter at no charge; and provide information to the pre-payment meter customer about the contract options available to the customer.	
Observations The prepayment meters BAU processes document section 2.4 relates to notification of life support equipment and specifies that should Synergy receive information that life support equipment is installed, a standard accumulation meter must be ordered from Western Power immediately. Further, the residents and GIHO have also been advised on the importance of notifying Synergy if life support equipment is installed and on the contract terms and conditions.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 260		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 9.7(a), (b) and (d)		Reporting Type 2
Obligation Description		
260	A retailer must ensure that: at least 1 recharge facility is located as close as practicable to a pre-payment meter, and in any case no further than 40 kilometres away; a pre-payment meter customer can access a recharge facility at least 3 hours per day, 5 days a week; and the minimum amount to be credited by a recharge facility does not exceed \$20 per increment.	
Observations Synergy currently only provides pre-payment meter services to one community – Ninga Mia and prepayment meters are located on four different streets in Parkeston. The recharge facility in place is Hannan IGA which is open 24 hours 7 days a week and is located not more than 40km from each of the four streets. Recharge cards can be purchased in increments of \$10 or \$20.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 266		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 9.10(2)		Reporting Type NR
Obligation Description		
266	If a pre-payment meter customer (including a prepayment meter customer who has vacated the address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must (except in the circumstances in 9.10(7)) use its best endeavours to inform the pre-payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer or credit the customer's account if permitted.	
Observations Through discussion, it was noted that there has only been one instance of an overcharge as a result of an act or omission of a retailer or distributor. During the last tariff change, Western Power adjusted the meters before the specified change date of the 1 <sup>st</sup> July. The Meters were reprogrammed on the 15 <sup>th</sup> and 16 <sup>th</sup> of June and Synergy identified the error on the 17 <sup>th</sup> . On the 30 <sup>th</sup> June (9 business days after the error was identified) Western Power confirmed that the prepaid meters had credits topped up to adjust the error and brochures had been attached to the meters. Email correspondence between Synergv and Western Power was sighted.		



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The obligation requirements are also documented within the Pre-payment meters – BAU processes.

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	

Compliance Manual Reference: 272		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.1(1)		Reporting Type 2
Obligation Description		
272	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle.	
Observations		
<p>Through discussion with the marketing and communications manager, it was noted that when a customer is affected by a variation in tariffs, they are notified with a message on their next bill, along with a flyer insert attached to the bill where more information regarding the tariff change is provided. A letter may also be sent to the customer informing the customer of the tariff change and the explanation for the change.</p> <p>Testing of a sample of 5 bills resulted did not identify any non-compliances.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

<b>Compliance Manual Reference:</b> 273, 274, 279, 281, 291, 297		<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act section 82		
<b>Licence Obligation:</b> Code of Conduct clause 10.1(2), 10.1(3), 10.3, 10.4, 10.10(1), 10.12(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>273</b>	Upon request and at no charge, a retailer must provide a customer with reasonable information on the retailer's tariffs, including alternative tariffs.	
<b>274</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>279</b>	Upon request and at no charge, a retailer must provide a residential customer with information on the types of concessions available to the residential customer, and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).	
<b>281</b>	Upon request and at no charge, a retailer must provide a customer with general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.	
<b>291</b>	Upon request, a retailer and a distributor must tell a customer how the customer can obtain a copy of the Code of Conduct.	
<b>297</b>	Upon request, a retailer must advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	
<b>Observations</b>		
Through discussions with the business partner liaison and the SSR, it was noted that upon request from a customer, the CSR will direct the customer to Synergy's website for the following information:		
<ul style="list-style-type: none"><li>Information regarding tariffs. Upon review of the "price and fees" section on Synergy's website (<a href="https://www.synergy.net.au/at_home/prices.xhtml">https://www.synergy.net.au/at_home/prices.xhtml</a>), it was noted that information is available regarding the various tariffs and alternative tariffs. Where the customer requests a physical copy, the information from the website can be printed and sent via mail on the same day the information request is received.</li><li>Information on the types of concessions available to the residential customer. The 'concession cards' section on Synergy's</li></ul>		

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<p>website, (<a href="http://www.synergy.net.au/at_home/concession_cards.xhtml">http://www.synergy.net.au/at_home/concession_cards.xhtml</a>), provides the appropriate information on the types of concessions available to residential customers. Additionally, a copy of the concession and rebates terms and conditions can be obtained from Synergy's website (<a href="https://www.synergy.net.au/docs/Concession_and_Rebates_Terms_and_Conditions.pdf">https://www.synergy.net.au/docs/Concession_and_Rebates_Terms_and_Conditions.pdf</a>). This document outlines all terms and conditions as well as the key eligibility criteria for concessions.</p> <ul style="list-style-type: none"> <li>Information on cost effective and efficient ways to utilise electricity; as well as the typical running costs of major domestic appliances. The 'energy saving tips' section of the website (<a href="https://www.synergy.net.au/at_home/energy_saving_tips.xhtml">https://www.synergy.net.au/at_home/energy_saving_tips.xhtml</a>) provides key information on efficient and cost effective use of electricity.</li> <li>Information on how to obtain a copy of the Code of Conduct which is available on the website and at no cost (<a href="https://www.synergy.net.au/customer_charter.xhtml">https://www.synergy.net.au/customer_charter.xhtml</a>). A copy of the Code can be provided at the front counter of the Synergy office.</li> <li>Information of the availability of the different types of meters. The 'Your electricity meter' section of the website (<a href="https://www.synergy.net.au/at_home/your_electricity_meter.xhtml">https://www.synergy.net.au/at_home/your_electricity_meter.xhtml</a>) provides a link to Western Power's website which explains in greater detail different meter types available and provides a guide on how to read them.</li> </ul> <p>Through discussion with the system analyst, it was noted that the ICT applications team will update the website and publish information upon a formal notification request from RBY via a ticket raised with the service desk. A change request form is required to be completed for any amendments to the website and the retail products and marketing team needs to be advised once the update is complete.</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	

Compliance Manual Reference: 275, 276, 277		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.2(1), 10.2(2) and 10.2(3)		Reporting Type 2
Obligation Description		
275	Upon request, a retailer must provide a non-contestable customer with their billing data.	
276	If a non-contestable customer requests 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, a retailer must provide the data at no charge.	
277	A retailer must give the requested billing data under sub clause 10.2(1) within 10 business days of the receipt of the request or upon the payment of the retailer's reasonable charge for providing the billing data.	
Observations		
<p>Through discussions with the customer processing manager, billing services officer and the system analyst, it was noted that there is policy, SOP and processes in place to ensure that the Synergy will provide non-contestable customers with billing data information upon request within 10 business days of the request.</p> <p>A customer's historical billing data and complaints related data is stored within SAP and is available for more than 2 years and can be reviewed and provided upon request of the customer. Prior to providing any information to the customer, an identification check is performed to ensure that the appropriate person is receiving account information. All billing data and information is provided at no cost to the non-contestable customers.</p> <p>Customers are also directed and encouraged to use the 'My Account' function on Synergy's website <a href="https://synergy.net.au/myaccount">https://synergy.net.au/myaccount</a>. A walkthrough of a sample customer's 'My Account' was viewed, and it was noted that the 'My Account' function gives the customer ability to view billing data such as usage history and the ability to compare electricity usage to the suburb average usage.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

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Compliance Manual Reference: 278		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.2(4)		Reporting Type 2
Obligation Description		
278	A retailer must keep a non-contestable customer's billing data for 7 years	
Observations		
<p>Through discussion with the system analyst it was noted that all customer's billing data prior to 27 August 2009 is stored in Valhalla and has not been deleted. The system analysis indicated that the system is still accessible if required. There are procedures in place providing for access to the system.</p> <p>It was also noted that all billing data from the 27 August 2009 onwards is stored in SAP. All data within SAP has not been deleted and is kept indefinitely. The non-contestable billing data is recorded within the relevant customer accounts and is not formally archived.</p> <p>A sample test was performed and Synergy was able to source billing data for a sample customer from the previous Valhalla system from 8 years ago, therefore satisfying the minimum requirement of 7 years.</p> <p>ICT also has various detailed IT disaster recovery plans and incident management processes in place to ensure all information is restored in the event of an outage or emergency.</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>		
Adequacy of Controls Rating	A – Adequate controls	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 280		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.3A		Reporting Type 2
Obligation Description		
280	At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this Code and under any other legislation in Western Australia, including the amount of the payment and the eligibility criteria for the payment.	
Observations		
The operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the ERA's requirements.		
Through discussion, it was noted that the bill insert with details of obligations to make service standard payments is prepared annually. The content is developed in conjunction with Western Power and the marketing and communications team who review the content and approve before finalisation. Through review of the bill inserts, it was noted that the service standard payments for Synergy cover:		
<ul style="list-style-type: none"><li>• Reconnections</li><li>• Wrongful Disconnection</li><li>• Customer Service</li></ul>		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 282		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.5		Reporting Type 2
Obligation Description		
282	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	
Observations		
<p>Through discussion with the business partner liaison and the SSR, it was noted that Synergy has systems and processes in place to ensure that the customer receives information about Western Power or is referred to Western Power for a response. When a CSR receives a query about the distribution of electricity over the telephone, the CSR can directly transfer the call to a Western Power representative to provide a response.</p> <p>The Western Power call guide provided to CSRs, outlines the process of transferring calls to Western Power. The guide provides examples of general enquires and fault/emergency enquires as well as a list of Synergy's and Western Power's responsibilities to assist the CSR in determining when it is appropriate to transfer the customer query to Western Power.</p> <p>Upon review of a customer's bill as well as the 'faults and emergencies' section of Synergy's website (<a href="http://www.synergy.net.au/faults_and_emergencies.xhtml">http://www.synergy.net.au/faults_and_emergencies.xhtml</a>), it was noted that they provide a 24-hour telephone contact number to report any faults or emergencies.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 290		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.9		Reporting Type NR
Obligation Description		
290	To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	
Observations		
<p>The role of marketing and communications is to extract data for campaign activity and consider sales account data for larger accounts, in order to facilitate the sales teams. They are also responsible for the design of any written information provided to the customer although the content is reviewed in consultation with relevant business areas.</p> <p>A review of the publishing process and the standards approvals process indicated that internal approvals have 3 days to provide feedback and once feedback has been received both internally and externally, the communications are published online within 24 hours.</p> <p>Through review of a range of customer facing written information provided throughout fieldwork (e.g. electricity customer service charter, welcome pack, bills, complaints management policy), it was noted that all information is provided in clear, simple and concise language and is in a format that is easy to understand.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

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Compliance Manual Reference: 292		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.10(2)		Reporting Type 2
Obligation Description		
292	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their websites.	
Observations		
<p>The operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the ERA's requirements. Section 3 relates to the statutory reviews of regulatory instruments and schemes. It is the regulation and compliance team's responsibility to communicate any changes to the Code of Conduct to affected operational departments, coordinates revisions to the control register and updates the training content.</p> <p>The Code of Conduct is available on the Synergy website for download at no charge.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 295		Controls and Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 10.11(2)		Reporting Type 2
Obligation Description		
295	A retailer and, where appropriate, a distributor, must include in relation to residential customers the telephone number for its TTY services and for independent multilingual services, as well as the National Interpreter Symbol with the words "Interpreter Services", on the bill and bill-related information, reminder notices and disconnection warnings.	
Observations Through discussions with customer processing manager, billing services officer and CSR, review of policy, SOPs, brochures and sample bills/notices it was noted that: <ul style="list-style-type: none"><li>• Synergy has a disability access and inclusion plan in place to demonstrate how people with disability will have equal access to services and facilities. One of the strategies includes "ensure key information (such as how to arrange an interpreter or translator and convert information into an alternative format) is readily available to customer service staff on the intranet and contact centre knowledge base". The plan is available upon request in large print.</li><li>• Billing services officer or CSR will refer the residential customer to the relevant TTY and interpreter service upon request and at no charge.</li><li>• The electricity customer service charter provides the contact details of TTY services, the contact telephone number and website for the National Interpreter Services, and the appropriate symbol.</li><li>• All bills, payment reminders and disconnection notices follow the same letter template which contain contact details of TTY services, telephone number and website for the National Interpreter Services, as well as the appropriate symbol.</li></ul> 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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

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Compliance Manual Reference: 298, 300		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 12.1(1) Code of Conduct clause 12.1(3)		Reporting Type 2
Obligation Description		
298	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	
300	A retailer or a distributor must advise the customer in accordance with sub clause 12.1(3).	
Observations		
<p>Discussions with Synergy's service quality team leader indicated 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.</p> <p>The complaints handling process and guide is outlined in the Synergy complaints policy. Synergy's complaint resolution policy brochure is available to customers at no cost on Synergy's website and the complaints line number is provided on all bills. The brochure also outlines the overall complaints handling procedure and provides guidance on how to lodge a complaint as well as how Synergy will respond to complaints.</p> <p>It was also noted that in situations where the complaint is not resolved internally, Synergy will provide the customer with the relevant reason, as well as advising them of their right to raise a complaint with the ombudsman and provide the ombudsman's telephone number. This is also reflected in Synergy's complaint resolution policy brochure.</p> <p>An internal QA process has been implemented to ensure complaints are being correctly managed and resolved. Senior officers in the complaints team will review 5 complaints that have been processed by each complaint officer every month. If any issues arise during the QA review the senior officer will provide the complaints officer with feedback and coaching.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 303		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 12.3		Reporting Type 2
Obligation Description		
303	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer in utilising the respective complaints handling processes.	
Observations		
Discussions with Synergy's service quality team leader indicated the existence of internal processes for handling complaints which is outlined in Synergy's complaints policy including a detailed complaints handling guide. Synergy has a dedicated complaints team within their service quality team who are trained to manage complaints and resolve disputes. Synergy's complaint resolution policy brochure is available to all customers at no cost on the company's website and the complaints line number is provided on the all bills. The brochure also outlines the overall complaints handling procedure and provides that Synergy will provide additional information that will help the customer utilise the brochure.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 304		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 12.4		Reporting Type 2
Obligation Description		
304	When a retailer, distributor or electricity 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).	
Observations		
Through discussions with the service quality team leader, business partner liaison and the SSR, it was noted that Synergy will advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint.		
The service quality team will assess the complaint and determine whether Western Power or Synergy should be the appropriate entity to handle the complaint. The Western Power calls guide is used to assist in determining what complaints are the responsibility of Western Power. If the service quality team determines that the complaint should be handled by Western Power, they can transfer the customer directly to a Western Power representative or provide them with Western Power's contact details.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 305, 306		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 13.1, 13.2		Reporting Type 2
Obligation Description		
305	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the Authority.	
306	The report specified in clause 13.1 must be provided to the Authority by the date, and in the matter and form, specified by the Authority.	
Observations		
<p>In the review of Synergy's Regulatory reports webpage <a href="http://www.synergy.net.au/about_us/regulator_reports.xhtml">http://www.synergy.net.au/about_us/regulator_reports.xhtml</a> it was identified that Synergy is required under its electricity and gas retail licences to publish annual information on its performance in relation to a range of retail indicators including:</p> <ul style="list-style-type: none"><li>• affordability and access</li><li>• customer complaints</li><li>• compensation payments</li><li>• call centre performance</li><li>• customer accounts</li></ul> <p>Performance reporting handbooks for electricity are published by the ERA around May/June of each year and specifies the due date for the annual performance reports. These dates are entered into the regulation and compliance tracking calendar. Reporting is undertaken by the business intelligence team, regulation and compliance coordinate sign off from each area of the business, review and submission to the Minister and the ERA.</p> <p>It was noted that Synergy has published performance reports for financial years 2012-2013 and 2013-2014 on their website within the dates prescribed by the Authority.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



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Compliance Manual Reference: 308		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 14.1(1)		Reporting Type 2
Obligation Description		
308	Subject to clause 14.6, a retailer must pay the stated compensation to a customer where the customer is not reconnected in accordance with the timeframes specified in Part 8.	
Observations		
<p>Through discussion with the service quality team leader, it was noted that Synergy has policies and procedures in place to ensure compensation is made in circumstances where a customer reconnected in an untimely manner that is not in accordance the Code of Conduct. The reconnection breach identification procedure is used to aid the service quality team in identifying reconnection breaches that require a SSP to be made to the customer. Additionally, the SSP guidelines outlines requirements of Part 8 of the Code of Conduct and defines the customer payment process, and specifies what compensation must be made for untimely reconnections.</p> <p>Sample based testing was performed on 20 reconnections. In all instances it was noted that all customers were reconnected in a timely manner that met the timeframe requirements of Part 8 of the Code of Conduct. While our sample based testing did not identify any instances of untimely reconnections, a copy of the SSP report relevant to the audit period was reviewed. This report, lists all payments made to customers due to failure to meet the service standard requirements. It was identified that there were 16 instances of reconnections that did not meet the timeframes of Part 8 of the Code of Conduct during the audit period.</p> <p>Sample based testing was performed on 5 SSPs from the service standard payment report. Testing revealed that Synergy compensated the customer the correct amount as per the service standard payment requirements in all 5 instances.</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 license condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 312		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 14.3(1)		Reporting Type 2
Obligation Description		
312	Subject to clause 14.6, a retailer must pay the customer \$20 where the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in sub clause 12.1(4).	
Observations		
<p>Through discussion with the service quality team, it was noted that Synergy has policies and procedures in place to ensure compensation is made in circumstances where Synergy does not acknowledge or respond to complaints in the required timeframes. The service quality team follow the process set out in the service standard payment guidelines which specifies the timeframe requirements and states that \$20 is to be paid to the customer when Synergy does not meet the service standard timeframes.</p> <p>The service quality team will endeavour to acknowledge the complaint within 10 business days and respond to the complaint within 20 days of being received as per the requirements in clause 12.1(4). The guideline for responding to written complaints Within 20 business days procedural document aligns to the requirements of 12.1(4) and outlines what is considered a 'response'. A walkthrough of the complaints handling process was performed in SAP and it was noted that complaints are added to the 'queue' in SAP. Once added to the queue a due date to respond to the complaint of 6 business days is assigned. Additionally, a responsible senior quality officer is assigned to each individual complaint. Instances of non-compliance with this obligation's timeframes were identified through self-reporting. When this occurs, a service standard payment of \$20 is made to the customer and the non-compliance is noted in the service standard payment report.</p> <p>Review of the service standard payment report identified that there were 4 SSPs made to customers during the audit period due to failure to meeting complaint acknowledgement and response timeframes. Testing was performed on these 4 SSPs and they were individually reviewed and it was noted that in all instances the required \$20 compensation (or more) was given to the customer.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 315		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 14.7(1)		Reporting Type 2
Obligation Description		
315	A retailer who is required to make a compensation payment for failing to satisfy a service standard under clauses 14.1, 14.2 or 14.3 must do so in the manner specified in sub clause 14.7(1).	
Observations		
Through discussion with key personnel, it was noted that Synergy make service standard payments in the manner specified in sub clause 14.7(1) to customers upon failure to satisfy the required service standards. The service quality team follow the process outlined in the service standard payment guidelines.		
Discussions revealed that once the need for a service standard payment has been identified, Synergy will contact the customer and inform them of the compensation they are entitled too. Synergy will inform the customer that the payment can be used to offset an amount that is currently owing (if their account is in debit). However, if the customer advises Synergy that they would prefer the service standard payment to be paid to them, Synergy will compensate the customer directly based on the customer's preferred method.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 339		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence condition 5.1 Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1 Transmission Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 3.11(3)		Reporting Type 2
Obligation Description		
339	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	
Observations		
<p>Discussions with key personnel revealed that, in situations where Synergy is notified by a customer of an outage or malfunction to a metering installation, they will advise Western Power as soon as practicable. It was noted that each instance is handled by the CSR on a case by case basis. If the customer calls Synergy with a network related enquiry, the CSR can forward the call to Western Power. In scenarios where communications with the customer indicate that there may be a discrepancy in meter data, the CSR may initiate a MDV in order to ensure that the meter reading produced by the customer's meter is the same as the data held by Synergy and Western Power. If based on the communication with the customer, the CSR believes that the malfunction has occurred due to the meter installation being faulty or damaged, they will raise a meter test service notification to Western Power.</p> <p>Sample based testing relating to 20 MDVs and meter tests performed across other obligation indicated that the appropriate actions are taken when a customer's notifies Synergy of a potential outage or malfunction to a metering installation.</p> <p>The MDH support – market outage document also demonstrates that there are processes and procedures in place if an unplanned or planned outage of the system were to occur. MDH technical support will identify the root of the system issue and whether it lies with Synergy or Western Power. When the source of the issue is identified, MDH technical support will contact Synergy service desk to raise a service ticket and notify Western Power. If the issue lies with Synergy an investigation to resolve the issue will be conducted.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 354		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1 Transmission Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 3.18(1)		Reporting Type Type 2
Obligation Description		
354	If the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.	
Observations Discussions with the business sales manager and manager regulation and compliance identified that where a contestable customer is changing from a non-regulated contract to a regulated contract, the customer must be switched to an interval meter (unless they are already on an interval meter). A service notification is issued to Western Power to install the interval meter in line with installation requirements.  Sample based testing of 15 contestable customer accounts where they have changed from a non-regulated contract to a regulated contract revealed that in all cases the customers are on interval meters.  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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 364		Controls / Compliance Rating A / 1
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 3.27		
		Reporting Type 2
Obligation Description		
364	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	
Observations		
Through discussion with the key personnel and review of this licence condition, it was identified that the meter installation activities performed under this obligation are carried out by Western Power personnel. Synergy is not the network operator or a registered metering installation provider for the network and as such do not install metering installations on the network.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 371, 372, 373		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence condition 5.1 Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1 Transmission Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 4.4(1), 4.5(1) and 4.5(2)		Reporting Type NR
Obligation Description		
371	If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy.	
372	A Code participant must not knowingly permit the registry to be materially inaccurate.	
373	Subject to sub clause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or an inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	
Observations		
<p>Through discussions with customer processing manager, billing services officer and business system analyst, walkthrough of processes and review of policy and SOP it was noted that Synergy has a validation process in place to ensure that discrepancies between Synergy and Western Power data are appropriately validated. MDH acts as the retail market gateway, managing the transactions between Synergy and Western Power. All service and detail notifications are sent via the MDH system to Western Power. CDNs are sent in batch daily at 3pm.</p> <p>Any variances that are identified during the daily check process will not be accepted and will automatically trigger a BPEM. A BPEM is generated when data received from Western Power does not appropriately match the data stored in Synergy's system and the data received fails to update automatically. Each raised BPEM is then individually investigated. Additionally a meter reading BPEM will also automatically be triggered when the revised data fails to update due to variances with Synergy's data or if the revised data is for a period that has already been billed. A meter reading BPEM being raised will also prompt the discrepancy to be investigated.</p> <p>Additionally, if Synergy notice that meter data provided to them by Western Power may be incorrect (e.g. abnormally high or low read), they will request a MDV to ensure that the meter data is valid. During this process, Western Power will then check the meter data that was sent is appropriate.</p> <p>Data reconciliation is performed on a six monthly basis with Western Power to ensure that records align between what is in SAP and what is recorded at Western Power.</p> <p>In instances where Western Power has data that is incorrect or invalid, Western Power will email Synergy, asking Synergy to confirm the current details of the customer. A sample of a report that is emailed to Synergy was reviewed, and it was noted that this report lists all the customer's with incorrect or invalid contact details, that Western Power is requesting Synergy to confirm.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 388		Controls / Compliance Rating A / 1
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 5.4(2)		
Obligation Description		Reporting Type 2
388	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under sub clause 5.4(1).	
Observations Through discussions with the key personnel, it was identified that there are a number of processes in place that Synergy have which are used to assist Western Power in meeting the requirements of clause 5.4(1). It was noted that, a customer's 5 <sup>th</sup> consecutive estimated bill within 12 months will include an automated notice on the bill. This notice will alert the customer that this is the 5 <sup>th</sup> consecutive bill based on an estimated read, and the notice instructs the customer to contact Synergy to set up arrangements that will allow Synergy to perform an actual read. Additionally, it was noted that Synergy and Western Power may communicate with one another in situation where information is required by Western Power to meet the requirements of clause 5.4(1).		

# Electricity Retail Licence Performance Audit Report

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	

<b>Compliance Manual Reference:</b> 405, 406	<b>Controls / Compliance Rating</b> A / 1
<b>Licence Clause:</b> Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1	
<b>Licence Obligation:</b> Electricity Industry Metering Code clause 5.18 Electricity Industry Metering Code clause 5.19 (1)	<b>Reporting Type</b> 2 (405) NR (406)

<b>Obligation Description</b>	
<b>405</b>	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.
<b>406</b>	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator.

<b>Observations</b> <p>A Metering Code model service level agreement is in place between Western Power and Synergy setting out agreed metering services, service standards, and charges applicable in relation to the provision of services between the network distributor and retailer.</p> <p>A walkthrough with the collections officer identified that if a customer calls Synergy and advises that their power is connected where Synergy records indicate otherwise (disconnected), or vice versa, Western Power would get notified via an illegal meter tamper service notification. This raises a task for Western Power to inspect the customers meter status and manually update Synergy's database to reflect the correct status. Management have advised that Synergy has planned to automate the process from September 2015 onwards.</p> <p>Review of the update account status to correctly display disconnected document identified that there are procedures in place for updating an account status to correctly display disconnected status. It is noted that the operator will not raise a de-energisation service notification without a disconnection order.</p> <p>Through discussions with the business partner liaison and the SSR, it was noted that Synergy provide the information stated in sub clause 5.19(2) within 1 business day. All information that is reported to the CSR is updated in the customer's SAP account as the information is received. Any changes to a customer's address, site or customer attributes that are updated in SAP are added to the list of updates that is sent in batch to Western Power every business day at a specified time via the MDH system. It was noted that this is a fully automated process and any updates in SAP are automatically sent to Western Power without further need for manual input by Synergy.</p> <p>Data reconciliations are also performed between Synergy and Western Power records. Where any discrepancies are noted, a report is generated by Western Power and sent to Synergy to investigate and follow up.</p> <p>ICT retail's role in this obligation consists of the management of the MDH system. MDH acts as the retail market gateway, managing the transactions between internal Synergy and Western Power.</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>	
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<b>Adequacy of Controls Rating</b>	A – Adequate controls
<b>Compliance Rating</b>	1 – Compliant
<b>Corrective Action/Opportunity for Improvement</b> N/A	

# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 410		Controls / Compliance Rating A / 1
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 5.19(6)		Reporting Type NR
Obligation Description		
410	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in sub clause 5.19(2) that results from the provision of standing data by the network operator to the user.	
Observations		
<p>Communications between Synergy and Western Power are governed by the communication rules and the technical guidelines. Where Synergy contacts Western Power, a notification is sent to make changes to the standing data. This is either to update details of a meter/connection point or update customer attributes. Where Western Power notifies Synergy of changes to standing data, a notification is sent through the portal. Transaction acknowledgements confirm the receipt of the notifications.</p> <p>Notifications can either be accepted or rejected. Where accepted, the SAP system is automatically updated. Where rejected, another notification will be required. Once a notification is sent and the user makes the required updates, an acknowledgement is required to confirm that the change has been made. To prevent a technical loop where standing data updates are sent to Synergy and then sent back Western Power, certain transactions require no response and acknowledgement messages do not require a response.</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>		
Adequacy of Controls Rating	A – Adequate controls	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 416, 417		Controls / Compliance Rating A / 1
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 5.21(5) Electricity Industry Metering Code clause 5.21(6)		Reporting Type 2
Obligation Description		
416	A Code participant must not request a test or audit under sub clause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	
417	A Code participant must not make a request under sub clause 5.21(1) that is inconsistent with any access arrangement or agreement.	
Observations		
Through discussion with the system analyst, it was noted that SAP has an inbuilt limitation if Synergy is not the financially responsible metering point (FRMP) for a particular customer, and it will not allow a service notification or service request to be raised in relation to that customer. If a service notification was still raised, it would not be recognised by Western Power and MsgNACK will be sent back to Synergy in response indicating that the file was not received. A customer that is not supplied electricity by Synergy would have to get in contact with Western Power through the Western Power portal.		
Through review of the churn in process, It was noted that when a customer installation has been created with no contract or NMI set up the “supply scenario” will have an associated code indicating the Synergy is not an FRMP and therefore no service notifications and service requests can be generated until the NMI has been entered and the contract has been set up.		
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.		
Adequacy of Controls Rating	A – Adequate controls	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 435		Controls / Compliance Rating A / 1
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 5.27		
		Reporting Type 2
Obligation Description		
435	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	
Observations		
Information regarding a customer's attributes is provided to Western Power via a CDN. When a customer informs Synergy of a change in their details the CSR will update their details in the SAP account accordingly. Our discussions also identified that it is the responsibility of the customer to inform Synergy of any changes in their details. This update in SAP automatically flags the details to be added to the CDN batch which is sent to Western Power at a specified time each day. A sample CDN was reviewed, and it was noted that this notification contained the appropriate updated customer attribute information. Our discussions also revealed that in situations where Western Power believes the customer attribute information provided is missing or incorrect they will contact Synergy and Synergy will retrigger a CDN to be sent again.		
ICT retail's role in this obligation consists of the management of the MDH system. MDH acts as the retail market gateway, managing the transactions between internal Synergy and Western Power. All service and detail notifications are sent via the MDH system to Western Power.		
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.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 448		Controls / Compliance Rating A / 1
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 6.1(2)		Reporting Type 2
Obligation Description		
448	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	
Observations		
<p>The operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the ERA's requirements. Section 10 relates to the network access arrangement and charges and states that: <i>Synergy's right to use Western Power's network and meters is governed by the Electricity Transfer Access Contract and the Access Arrangement approved by the ERA</i>. It is the responsibility of all Synergy employees to ensure compliance with the ETAC and Access Arrangement.</p> <p>Employees of Synergy must complete mandatory training and the regulatory compliance policy forms part of an employee's term of employment. It is also included in the new employee induction material. Additionally, the regulation and compliance team maintain a compliance framework which includes the regulated markets advisory group, and the compliance action team who address systemic compliance issues as they are identified, seek continuous improvement and promote a culture of compliance.</p> <p>Any potential breaches of the obligations must be reported to the regulation and compliance analyst who maintains an incident register to track and monitor potential breaches and actions plans which are reported to the Authority.</p> <p>The model service level agreement, metrology procedure and the mandatory link criteria are key documents in place which support compliance with the metering code and the ETAC. The SAP system has been set up as per the communications rules.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		



# Electricity Retail Licence Performance Audit Report

Compliance Manual Reference: 455, 456		Controls / Compliance Rating A / 1
Licence Clause: Distribution Licence condition 5.1 Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1 Transmission Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 7.5 and 7.6 (1)		Reporting Type 2
Obligation Description		
455	A Code participant must subject to sub clauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	
456	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	
Observations		
Through discussions with the key personnel, it was noted that the policies and training is in place to ensure Synergy meets the relevant privacy and confidentiality requirements of clauses 7.5 and 7.6(1).		
The privacy policy is the key policy that guides the privacy and confidentiality process and outlines how confidential information is to be handled. It was also identified that this privacy policy is available to anyone including customers on the Synergy website ( <a href="http://www.synergy.net.au/privacy.xhtml">http://www.synergy.net.au/privacy.xhtml</a> ).		
Mandatory training relating to privacy and confidentiality. Training is required to be completed by all Synergy staff every 12 months. All the required trainings are available to Synergy staff in the Synergy My Learning system.		
Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the license condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 486, 487, 488		Controls / Compliance Rating A / 1
Licence Clause: Horizon Power Integrated Regional Licence Schedule 2, condition 2.1 Synergy Retail Licence Schedule 2 condition 2.1		
Licence Obligation: Electricity Industry (Licence Conditions) Regulations regulation 8 Electricity Industry (Licence Conditions) Regulations regulation 6		Reporting Type 2
Obligation Description		
486	The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.	
487	The licensee must comply with a direction by the Coordinator to submit an amendment to the renewable source electricity contract by the time specified.	
488	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract.	
Observations		
<p>The operations manual sets out the key responsibilities of the Regulation and Compliance team in relation to compliance with the Economic Regulation Authority. Section 19 relates to responsibilities relevant to REBS. The manual specifies regulation and compliance is responsible for:</p> <ul style="list-style-type: none"><li>Coordinating changes to the REBS contract and application</li><li>Obtaining Coordinator of Energy (COE) approval of changes to the REBS contract, application form and pricing schedule</li><li>Reporting annually to the Coordinator of Energy the value of energy purchased through the REBS</li></ul> <p>During the audit period, it was noted that the Coordinator of Energy (COE) directed Synergy in a letter dated 20 August 2014 to submit an amendment to the REBS contract for approval due to the repeal of the <i>Clean Energy Act 2011</i> It was noted that the COE instructed Synergy to submit the amendment within 7 days of receipt of the letter.</p> <p>On the 25 August 2014 (within 7 days of receiving the letter), Synergy submitted to the COE for approval an amended REBS pricing</p>		

# Electricity Retail Licence Performance Audit Report

<p>schedule consistent with the directive of the COE. The amended schedule was approved as at the 29 August 2014 and the approved terms and conditions are now in place.</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	

Compliance Manual Reference: 489		Controls / Compliance Rating A / 1
Licence Clause: Horizon Power Integrated Regional Licence Schedule 2, condition 3.3 Synergy Retail Licence Schedule 2 condition 3.3		
Licence Obligation: Electricity Industry (Licence Conditions) Regulations regulation 7		Reporting Type 2
Obligation Description		
489	The licensee must submit to the Coordinator a written report detailing the amount of renewable source electricity purchased by the licensee and the cost of purchasing that renewable source electricity as soon as practicable at the end of each financial year.	
Observations		
<p>The operations manual sets out the key responsibilities of the regulation and compliance team in relation to compliance with the ERA's requirements. Section 19 relates to responsibilities relevant to the REBS. The manual specifies that the regulation and compliance is responsible for:</p> <ul style="list-style-type: none"><li>Coordinating changes to the REBS contract and application</li><li>Obtaining Coordinator of Energy approval of changes to the REBS contract, application form and pricing schedule</li><li>Reporting annually to the Coordinator of Energy the value of energy purchased through the REBS</li></ul> <p>Consideration of the 2014 annual REBS return which was submitted to the Coordinator of Energy on the 18 November 2014 from the manager regulation and compliance, did not identify any non-compliance with the obligation.</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>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

## 5.4 Obligations rated Not Applicable during the audit

Compliance Manual Reference: 259		Controls / Compliance Rating NA / NR
Licence Clause: Electricity Industry Act section 82		
Licence Obligation: Code of Conduct clause 9.6		Reporting Type 1
Obligation Description		
259	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in sub clause 9.6.	
Observations		
It was noted through discussions and review of documentation that emergency credit of \$20 is available for use on all prepayment meters.		
Consideration of the prepayment meter – BAU processes revealed that Synergy has requested data from Western Power which shows the date and time of disconnection and reconnection for prepayment meters. However, through discussion with the manager regulation and compliance it was noted that this data is not currently available from the pre-payment meters currently in place.		
The updated Code of Conduct clause 9.12 now specifies that this obligation would not be applicable for any pre-payment meters installed prior to the 1 July 2014 but going forward, any new prepayment meters installed would have the specifications required to extract disconnections data. No new prepayment meters have been installed after this date.		
Based on our enquiries and review of documentation, we have concluded that this obligation is not performed and as such we are unable to assess Synergy's compliance with this obligation.		
Adequacy of Controls Rating	NA – Not Applicable	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 401, 402		Controls / Compliance Rating NA / NR
Licence Clause: Generation Licence condition 5.1 Integrated Regional Licence condition 5.1 Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Metering Code clause 5.16 and 5.17(1)		
		Reporting Type 2
Obligation Description		
401	If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	
402	A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	
Observations		
Through discussion with the key personnel and review of this licence condition, it was noted that all metering data collection activities are performed by the network operator, Western Power. All actual meter reads are performed by Western Power and all bills based on estimated reads are based on calculations performed by Western Power.		
Additionally, our discussions revealed that Synergy no longer has the facilities to enter metering data provided by self-read customers.		
Based on our discussions and enquiries, we have concluded that this obligation is not applicable to Synergy during the audit period.		
Adequacy of Controls Rating	NA – Not Applicable	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

# Electricity Retail Licence Performance Audit Report

## Electricity Retail Licence Performance Audit Report

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

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

#	Name	Title
1	Simon Thackray	Manager Regulation and Compliance
2	Suzanne Lloyd	Regulation and Compliance Officer
3	Karthi Mahalingham	Manager Network Regulation and Compliance
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 Besloff-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	Manager Legal
20	Amit Kabra	Financial Controller
21	Craig Butler	Collections Manager (Strategy)
22	Carmen Williams	Credit Management Analyst
23	Sara Devenny	Senior Credit Management Officer
24	John Coulter	Performance Excellence and Quality Manager
25	Gordon Mason	Sales Support Manager
26	Cameron Benness	Contract Manager
27	Joshua Reeby	Senior Support Officer
28	Becky Cant	Senior Support Officer
29	Fiona Simpson	Team Leader, Customer Support
30	Lesley Gregory	Senior Customer Applications and Requests Officer
31	Alia Tate	Senior Service Representative

## Electricity Retail Licence Performance Audit Report

#	Name	Title
32	Judy Palmer	Senior Service Quality Officer
33	Fiona Mercieca	Senior Service Quality Officer
34	Elizabeth Mulholland	Service Quality Officer
35	Liz Nootai	Team Leader – Customer Applications and Requests
36	Rachel Bourke	Billing Services Officer
37	Abhishek Sharma	Sales Support Officer
38	Alana Foley	Business Partner Liaison
39	David Vuong	Billing Officer
40	Mark Kirton	Internal Auditor

## Electricity Retail Licence Performance Audit Report

## Appendix 2. – Key Documentation and information sources

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

#	Name
1	Annual compliance report to the ERA 2013-14
2	Annual compliance report to the ERA 2014-15
3	Annual reporting of customer request categories
4	Audit plan approval
5	Auditor approval
6	Breach actions register
7	Breakdown of governance model
8	Business continuity management – framework and manual
9	Business continuity management strategy
10	Business continuity plan
11	Business plan agreement - flat rate
12	Business plan agreement - small use
13	Business plan terms and conditions
14	Call centre performance data
15	Collection strategy training
16	Communication rules
17	Complaints register – including ombudsman complaints
18	Contact centre performance report
19	Contact details for complaints
20	Contact details for Enquiries
21	Corporate shared services regulation and compliance change checklist
22	Crisis management and response plan
23	Crisis management and response toolkit
24	Regulation and compliance calendar
25	Customers on financial hardship plans
26	Customers with payment difficulty history
27	Disability access and inclusion plan
28	Distribution agreement
29	Electricity customer service charter
30	Electricity sales agreements unbundled, bundled
31	Electricity transfer access contract (contestable customers)
32	Electricity transfer access contract (franchise customers)
33	EMC Engineering - departure for review and consultancy agreement between Synergy and EMC Engineering
34	Emergency management plan
35	Emergency response plan test - November 2013
36	Energy Operators (Electricity Generation and Retail Corporation) (Charges) By-laws 2006
37	Energy saving tips
38	ESA terms and conditions



# Electricity Retail Licence Performance Audit Report

#	Name
39	Exercise maintenance and awareness plan
40	FAQ- metering specific
41	Financial statements – Verve Energy 1 July 13 – 30 June 14
42	Financial statements Synergy 1 July 13 – 30 June 14
43	Financial statements Synergy interim 1 July 13 – 31 December 14
44	Grant Thornton synergy 2013 performance audit report
45	Hardship, disconnection and reconnection training documents
46	IT disaster recovery action plan
47	IT disaster recovery strategy
48	Knowledge Base (KB) - Bill Delivery Method
49	KB - cancelling life support
50	KB - create a Service Notification
51	KB - fees and tariff matrix
52	KB - keeping connected
53	KB - late payment fees
54	KB - Ninga Mia - prepayment meters
55	KB - obligation timeframes
56	KB - reconnection breach identification
57	KB - update customer details
58	KB - view and update site access details
59	KB - adding concession cards
60	KB – Australian Privacy Principles
61	KB - backdated move in greater than 365 days - small use customers
62	KB - bill delivery method - shipping control
63	KB - bill information reference sheet
64	KB - bill review estimated self-read/estimated reads/actual reads.
65	KB - billing and meter - enquiries - maximum estimates
66	KB - billing and metering enquiries – readings - check read
67	KB - billing services business rules
68	KB - bills not received
69	KB - BPay
70	KB - business promise to pay guidelines
71	KB - business SME promise to pay guidelines
72	KB – CDN specification document
73	KB - Centrepay refunds
74	KB - changing the account class
75	KB - cheque refunds
76	KB - CMO guidelines
77	KB - CMO referring to keeping connected
78	KB - complaint matrix
79	KB - complaints and complaints general
80	KB - complaints process
81	KB - concession cards eligibility
82	KB - create complaint from interaction/task

## Electricity Retail Licence Performance Audit Report

#	Name
83	KB - creating a promise to pay
84	KB - credit cards
85	KB - credit control and debt collection
86	KB - criteria for shortened billing cycles
87	KB - crossed meters
88	KB - customer management - create an interaction
89	KB - customer requests meter test
90	KB - customer service written complaints
91	KB - damages
92	KB - debt waiver flow chart
93	KB - debt waiver presentation
94	KB - difference between standard and non-standard contracts
95	KB - disability access plan
96	KB - disconnection (non-payment) general requirements
97	KB - disconnection for no meter access
98	KB - disconnection process
99	KB - disconnections of dual fuel customers
100	KB - dunning and interest locks
101	KB - electronic refunds
102	KB - eligibility for Concessions
103	KB - EST process- guide for recording information
104	KB - estimated read process (not self-read)
105	KB – estimated readings
106	KB - fact sheets #6 regulation and compliance requirements and reporting
107	KB - fault and emergencies
108	KB - financial hardship management
109	KB - fixed rate large use stepped
110	KB - fixed rate large use TOU
111	KB - fixed rate small use stepped
112	KB - fixed rate small use TOU
113	KB - greater than 365 day rebilling - overcharge
114	KB - greater than 365 day rebilling - undercharge
115	KB - guideline for responding to written complaints within 20 business days
116	KB - high accounts - customer requests meter test
117	KB - high Accounts reference sheet
118	KB - identify a meter read reason
119	KB - implausible re-bill guide
120	KB - interactions/ view interaction-task history view customer interaction history and tasks
121	KB - interpreter service
122	KB - invoice Check for Out sorted Bills Process Flow
123	KB - keeping connected
124	KB - late payment fees
125	KB – liability of Accounts
126	KB - life support - mail out

## Electricity Retail Licence Performance Audit Report

#	Name
127	KB - life support process
128	KB - limitations of disconnection
129	KB - mailing address
130	KB - MDV (meter data verify),check read
131	KB - meter related enquiries
132	KB - metering code
133	KB - meters - damaged
134	KB - missing payments
135	KB - move in and move out declaration
136	KB - move in guided
137	KB - move out guided
138	KB - moving house
139	KB - network prices, charges and SLAs /charges/ tariffs/ residential tariffs
140	KB – new connections – new connections process
141	KB - new connections task matrix
142	KB - Ninga Mia - life support process
143	KB - Ninga Mia - meter replacement
144	KB - Ninga Mia - prepayment meters - Ninga Mia
145	KB - Ninga Mia – pre-payment meters.
146	KB - Ninga Mia - What happens when the credit runs out
147	KB - obligation timeframes
148	KB - ombudsman scheme
149	KB - payment difficulties and financial hardship
150	KB - payment options
151	KB - payment options/methods on bill
152	KB - payroll deduction
153	KB - pre-churn in meter data history request
154	KB - premises de-energised in SAP
155	KB - prepayment
156	KB – privacy act requirement.
157	KB - process/create a service notification (SN)
158	KB - product change to a different tariff
159	KB - rebill letter
160	KB - rebill reference guide
161	KB – REBS and FIT refunds
162	KB - reconnection timeframes
163	KB - re-energisation requirements
164	KB - refund task credit management
165	KB - refunding a credit on a prepayment meter
166	KB - refunds outside of DFA
167	KB - Renewable Energy Buyback Scheme
168	KB - requirements for keeping connected
169	KB - security deposit - customer information sheet
170	KB - security deposit reporting work instructions

## Electricity Retail Licence Performance Audit Report

#	Name
171	KB - security deposit SAP create and release work instructions
172	KB - self reader
173	KB - service notification
174	KB - service quality task matrix.
175	KB - service standard payment guidelines
176	KB - single source of truth
177	KB - small and medium business tariffs
178	KB - small use Code of Conduct
179	KB - small use customer back billing issues
180	KB - standard electricity contract
181	KB - Synergy annual report requests
182	KB - Synergy and Western Power responsibilities
183	KB - Synergy SLA task matrix
184	KB - third party concession business rules
185	KB - training module to create a reconnection
186	KB - transactions procedures
187	KB - transferring credits between accounts
188	KB - transferring debts to active accounts
189	KB - TTY process
190	KB - understanding market transactions and IDOCS
191	KB - understanding market transactions and intermediate documents
192	KB - update customer details, update mailing address
193	KB - update customer details/ update contact details
194	KB - update mailing address
195	KB - urgent refunds
196	KB - vacating a service address
197	KB - view and update site access details
198	KB - welcome letters
199	KB - Western Power calls
200	KB - Western Power connections manual
201	KB - What is an interaction?
202	Legal licence obligation checklist 2014/2015
203	Legal templates
204	Life support customers
205	Life support spreadsheet
206	List of authorised officers
207	List of Valhalla codes
208	LMS online training - Customer Service Code, Customer Transfer Code and Metering Code
209	Marketing communications strategy
210	Metering Code model service level agreement
211	Metrology procedures
212	Ninga Mia main spreadsheet
213	Ninga Mia pre-paid meter cards example spreadsheet
214	Ombudsman information sheet

## Electricity Retail Licence Performance Audit Report

#	Name
215	Organisation chart
216	Policy - complaints resolution policy
217	Policy - financial hardship policy
218	Policy - life support policy
219	Policy - payment difficulties and financial hardship internal policy
220	Policy - privacy policy
221	Policy - regulatory compliance policy
222	Policy - Synergy complaints resolution policy
223	Quality performance dashboard
224	REBS - terms and conditions
225	REBS buyback rates correspondence with COE
226	Record keeping and reporting report - electricity 2013
227	Register of customer disconnections
228	Register of self-read customers
229	Residential tariffs and prices
230	Retail products and markets - communications Log
231	RST training schedule
232	Sales team nominations log
233	Sample - account establishment form
234	Sample - adjusted bill letter
235	Sample - bill
236	Sample - check read letter
237	Sample - debt transfer letter template
238	Sample - disconnection notice template
239	Sample - downward migration sample letter
240	Sample - electricity marketing agent code compliance form
241	Sample - electricity marketing agent code compliance form cover letter
242	Sample - estimated bill template
243	Sample - example bills
244	Sample - form of agreement templates
245	Sample - incorrect tariff notification letter
246	Sample - MDV letter
247	Sample - metering data request
248	Sample - Ninga Mia application form
249	Sample - nonstandard form contract emails
250	Sample - payment reminder template
251	Sample - pre-churn in meter data request
252	Sample - promise to pay letter
253	Sample - proposal email
254	Sample - read letter
255	Sample - rebill letter
256	Sample - tariff brochure
257	Sample - tariff migration flyer insert sample
258	Sample - verifiable consent form

## Electricity Retail Licence Performance Audit Report

#	Name
259	SAP navigation overview – training module
260	Service desk disruption notification
261	Service quality spreadsheet
262	Service standard payment agreement (business and residential)
263	SOP - approvals process (marketing)
264	SOP - back office MDV
265	SOP - BAU process
266	SOP - BPEM case category - various
267	SOP - business services manual
268	SOP - create a service notification
269	SOP - credit on meter for customer leaving
270	SOP - customer's billing data via "fact sheets"
271	SOP - disconnection of dual fuel customers
272	SOP - disconnection process
273	SOP - estimated read process & self-read process
274	SOP - financial hardship procedures
275	SOP - full and partial credit transfers / missing payments
276	SOP - general fax and correspondence
277	SOP - ICT incident management procedure
278	SOP - implausible meter reading
279	SOP - Life support
280	SOP - major incident management
281	SOP - management of natural disasters
282	SOP - mandated payments for wrongful disconnections
283	SOP - manual disconnections
284	SOP – MDH
285	SOP - MDH – monitoring
286	SOP - MDH support – market outage
287	SOP - MDV letter
288	SOP - meter investigation results - cross meter
289	SOP - meter test letter fail
290	SOP - meter test results
291	SOP - networks process and procedures
292	SOP - Ninga Mia BAU process
293	SOP - outsort business rules
294	SOP - publishing process (marketing)
295	SOP - raising MDV back office
296	SOP - read access issues letter
297	SOP - refunding a credit on a prepayment meter
298	SOP - regulation and compliance - operations manual
299	SOP - regulatory Incident (Non-compliance)
300	SOP - reprocessing IDOCs
301	SOP - standard approvals process
302	SOP - steps taken prior to raising a meter tamper

## Electricity Retail Licence Performance Audit Report

#	Name
303	SOP - tariff migration process
304	SOP - transfer in / churn in dataset and process
305	SOP - transferring debt
306	SOP - unbilled
307	SOP - waiver process
308	SOP- regulatory incident register
309	SSP payments tracked via BI reporting
310	Synergy business continuity framework
311	Synergy customer crisis support plan
312	Synergy disability access and inclusion plan
313	Synergy standard electricity agreement - terms and conditions
314	Synergy standard form contract
315	Training completion report
316	Training schedule
317	UER guide



## 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

## Appendix 4. – Post Audit Implementation Plan

Note – this plan does not form part of KPMG's audit findings

### 1. Unresolved during current audit period

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
54/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Electricity Industry Customer Transfer Code clause 6.6</p> <p><b>Details:</b></p> <p>In addition to the normal outlook email inbox, the market service manager maintains a Western Power liaison mailbox which is operational 24 hours a day and 7 days a week.</p> <p>The market service manager advised that due to the inefficiency of generating a response for every email received to this inbox, there is no automatic response message set up. Rather, as the inbox is used for exceptions and notices, the market service manager will respond to any emails as they come through.</p>	<p><i>Implement an automatic response message so that communications which come through the Western Power liaison mailbox will be considered as 'received' as per the Customer Transfer Code.</i></p>	<p>The electricity control register referenced an incorrect internal control and referred to the mailbox in error.</p> <p>The internal control will be updated.</p> <p>Market Services Manager, RBU</p>	30 November 2015
58/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Electricity Industry Customer Transfer Code clause 7.2(4)</p> <p><b>Details:</b></p> <p>An escalation path is included in the model which sets</p>	<p><i>Update the relevant policy and procedures (e.g. the Western Power relationship governance model – escalation path) to include further details around notice to the Authority where a dispute is referred to the Authority.</i></p>	<p>Agreed.</p> <p>Market Services Manager, RBU</p>	15 October 2015

# Electricity Retail Licence Performance Audit Report

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
	<p>out various working groups and committees where issues can be discussed and escalated. However, the documentation currently does not specify that any disputes which are referred to the Authority must give notice to the Authority of the nature of the dispute and details.</p> <p>It was noted that during the audit period, there was no dispute which was referred to the Authority.</p>			
100/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 38</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 7 customers in 2013-14 and 66 customers in 2014-15 in relation to failing to notify customers of the existence and effect of the deemed contract provisions. These were identified as being from incorrect address data recorded within SAP billing system. All crossed meter and reverse move in/move out tasks were completed to rectify the customer's accounts and bills. Each customer account that had been incorrectly moved into a property had all bills reversed and all payments transferred to the newly created account at the correct premises.</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Coaching and training was also provided to the relevant staff members.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Retail management's actions and planned initiatives are acknowledged and supported. It is recommended that management continue to monitor progress against planned initiatives and performance targets and provide an update to senior management on progress at the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Seventy three customers experienced minor impacts due to the SOP not being followed by CSOs handling the transaction. The CSOs were provided with critical feedback and coaching on the relevant SOPs, and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct.</p> <p>Customer Processing Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. Customer information project (May 2015)</li> <li>2. Updated SOP (May 2015)</li> <li>3. Critical feedback (June 2015)</li> <li>4. Update to senior management (31 December 2015)</li> </ol>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
130/2015 131/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 2.2(1), 2.2(2); Retail Licence condition 23.1</p> <p><b>Details:</b></p> <p>Synergy self-reported 16 breaches against obligation 130 in 2014-15 due to customers being entered into standard form contracts, in a manner that is not in line with what is set out in the Code of Conduct. These were due to errors by the CSRs.</p> <p>Synergy self-reported 2 breaches against obligation 131 in 2014-15 due to the prescribed information being issued to the wrong address. This was due to a system change implemented to allow customers to select paper-less billing.</p>	<p>Management advised that the CSRs were provided with coaching on the relevant SOPs and subject to additional monitoring and quality assurance.</p> <p>New system changes were also implemented.</p> <p>Management also advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Retail management to review the SOP in relation to contracting with customers against regulatory requirements. In addition, consideration should be given to reviewing KPIs for contact centre staff that perform contracting tasks.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records, furthermore this change rectified the underlying system issue which contributed to the breaches against this obligation. Eighteen customers experienced minor impacts, the CSRs were provided with critical feedback and coaching on the relevant SOP, and increased quality assurance monitoring for 4 weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p> <p>Customer Service Manager</p>	<ol style="list-style-type: none"> <li>1. Customer information project (May 2015)</li> <li>2. Updated SOP (May 2015)</li> <li>3. Critical feedback (June 2015)</li> <li>4. KPI review (31 December 2015)</li> </ol>
144/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 3.1(2)</p> <p><b>Details:</b></p> <p>Synergy self-reported 9 instances where the obligation has been breached in relation to the request for a new connection not being issued within the required timeframe. This was due to manual error</p>	<p>Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs. An update to senior management will be provided by 31 December 2015.</p>	<ol style="list-style-type: none"> <li>1. Customer information project (May 2015)</li> <li>2. Updated SOP (May 2015)</li> <li>3. Critical feedback (June 2015)</li> <li>4. Update to senior management (31 December 2015)</li> </ol>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
	of CSRs during initial customer set up resulting in incorrect addresses being entered into the system	<i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i>	<i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i>  Customer Service Manager, RBU	December 2015)
145/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.1</p> <p><b>Details:</b></p> <p>On a daily basis a 90 day unbilled report is created which reports all customers who have not had a bill issued to them in the last 3 months.</p> <p>Synergy self-identified 10,504 bills between 1 July 2013 and 30 June 2014 (0.16% of bills issued over the year) which were issued to small use customers outside of the regulated timeframes of clause 4.1(b). Between 30 June 2014 and 1 July 2015 there were 8,086 occasions (representing 0.12% of total bills issued) self-reported. These were due to printing issues, self-read meter data not provided, incorrect customer self-meter reads, non-application of electricity account by customers, lack of timely energy data provisions by Western Power and incorrect account establishment by Synergy.</p>	<p>It was noted that Synergy management have taken on proactive actions to address this non-compliance and there has been a decrease in the number of breach incidents over the 2013-14 and 2014-15 period. It was noted that management actively monitor the 90 day unbilled report to investigate root causes and a specialist team is dedicated to corrective actions. A Contestable Billing Optimisation project has also been created to deliver additional improvements to the SAP billing system.</p> <p><i>The actions undertaken by Management to address this breach issue are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. A specialist team is in place to take corrective actions for accounts that have not been billed within the regulated timeframes under the Code of Conduct. Synergy continues to assess and review the billing process and systems to identify areas for improvement. Synergy issues over 6.5 million bills each year. Between 30 June 2014 and 1 July 2015 there were seven thousand seven hundred and thirty three occasions where small use customers were issued their bills outside of clause 4.1 regulated timeframes, these customers experienced a moderate impact. This represents 0.1% of bills issued to all customers. This is historically a very low unbilled amount. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of late billing to senior management, commencing in July 2015. The SOP was reviewed and updated in January 2015 to ensure compliance with the Code of Conduct. An update to senior management will be provided by 31 December 2015.</p> <p>Customer Processing Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. Assess and review billing process and systems (continuous)</li> <li>2. Compliance improvement plan (commencing July 2015)</li> <li>3. Update SOP (January 2015)</li> <li>4. Update to senior management (31 December 2015)</li> </ol>

# Electricity Retail Licence Performance Audit Report

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
154/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 32</p> <p><b>Details:</b></p> <p>Synergy self-reported 477 instances where bills were not issued to the postal or electronic address nominated by the customer in 2013-2014. These breaches were due to manual error and resulted in customers being issued overdue notices (since reversed) and two customers being disconnected (paid SSP or good will payments).</p> <p>Management have undertaken coaching initiatives, implemented additional monitoring and put in place system prompts to address this breach.</p> <p>In 2014-15, 1,435 breaches were self-reported where customers who had nominated electronic email addresses were issued with bills via post. This was due to a system change implemented to allow customers to select paper-less billing. New system changes were implemented to rectify this issue.</p>	<p>The standard methodology for the system change request process, including changes to the billing system, is triggered when a need for change is identified. Then detailed business requirements and impacts are documented and assessed and costs are estimated. If the proposed change is approved, the change request is designed, built, tested and implemented.</p> <p><i>Management actions undertaken to rectify the cause of the breaches are endorsed and supported. However to improve strength of controls going forward, there should be a review of the system change request process to ensure:</i></p> <ol style="list-style-type: none"> <li>1. legal and regulatory requirements are adequately documented during the design phase;</li> <li>2. system building reflects legal and regulatory requirements; and</li> <li>3. system testing prior to go live confirms legal and regulatory requirements have been met.</li> </ol>	<p>Management agree with the corrective action recommendations.</p> <p>Manager ICT Retail (item 1)</p> <p>Manager ICT Applications (items 2 and 3)</p>	31 December 2015
155/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.5(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches in relation to this obligation in 2014-15 due to the following:</p> <ul style="list-style-type: none"> <li>• 113 bills issued incorrectly displayed credit amount due to lack of understanding of the impact of the cheque cancel process.</li> <li>• 238,568 bills which did not display accurate</li> </ul>	<p>Management have advised that the following actions have been taken/will be taken to address the breaches:</p> <ul style="list-style-type: none"> <li>• Accounts payable and IT are now aware of the relationship between the two systems and the system has been updated to resolve cheque cancel process issue.</li> <li>• Processes in relation to final reads have been amended and training completed.</li> <li>• System software fix has been implemented in relation to graphs</li> </ul>	<p>Management agree with the corrective action recommendations.</p> <p>The process for actioning a request from a customer to establish or terminate a contract for supply, where the required notice period has not been given, has been amended to obtain the customer's agreement to exclude the metering supply period from the bill. Training has been completed for all CSRs. One hundred and fifty seven customers experienced minor to moderate impacts due to the SOP not been followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance</p>	<ol style="list-style-type: none"> <li>1. System issues (31 December 2015)</li> <li>2. Critical feedback (June 2015)</li> <li>3. Information on the bill - Compliance improvement plan reporting (Commenced in July 2015 and occurs on a monthly basis)</li> </ol>



# Electricity Retail Licence Performance Audit Report

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
	<p>metering supply period when different to the account period</p> <ul style="list-style-type: none"> <li>Bills which did not display the correct graph or bar chart on units of consumption due to new functionality implementation.</li> <li>24 Instances where the value and type of concession applicable to eligible residential customers were not displayed or applied (this also affected 8 customers who did not receive their correct concession entitlements and five customers who did not receive their supply charge rebate resulting in two customers disconnected for non-payment) as the CSR did not follow the SOP (human error)</li> <li>Up to 47,400 bills affecting 7,900 customers may not have displayed the required type and/or value of the concession information in 2014/15. This was due to issues with concessions applied to My Account.</li> <li>A further 16 customers did not receive their correct concession due to human error of CSR.</li> <li>1 instance where the customer received a bill that displayed the incorrect meter reading type due to human error of the billing officer entering incorrect meter reading type into the system.</li> <li>2 instances where incorrect applicable tariffs were displayed due to human error of the CSRs.</li> <li>88,000 customers received invoices stating incorrect GST reference of 0% due to system issues however correct GST of 10% was applied to the bill (e.g: no undercharge).</li> <li>One customer was affected due to Western Power's error in rejecting the REBS application and therefore the bill not reflecting REBS information</li> </ul>	<p>and bar charts and GST description.</p> <ul style="list-style-type: none"> <li>CSRs and relevant billing officers were provided with coaching/feedback and were subject to increase QA monitoring.</li> <li>A concessions project has implemented system changes and increased reporting.</li> <li>Relevant SOP updated to ensure rejected service notifications are actioned appropriately.</li> </ul> <p>1. <i>System issues</i></p> <p><i>There should be a review of the system change request process to ensure:</i></p> <ul style="list-style-type: none"> <li><i>legal and regulatory requirements are adequately documented during the design phase;</i></li> <li><i>system building reflects legal and regulatory requirements; and</i></li> <li><i>system testing prior to go live confirms legal and regulatory requirements have been met.</i></li> </ul> <p>2. <i>Information on the bill</i></p> <p><i>It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></p>	<p>monitoring for 4 weeks. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of information on bill accuracy.</p> <p>Manager ICT Retail and Manager ICT Applications Customer Processing Manager, RBU</p>	
157/2015	<b>Controls Improvement</b>	Management advised that a "customer information project" was completed in May	Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk	1. The customer information project (May 2015)



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	<p><b>Rating:</b> B / 3 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.6(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 1,036 customers in 2013-14 and 844 breaches in 2014-15 due to manual error of the CSR during initial customer set up or customer errors in providing an incorrect address, causing the bill not to be based on the customer's correct address.</p>	<p>2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Retail management's actions and planned initiatives are acknowledged and supported.</i></p> <ol style="list-style-type: none"> <li><i>It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></li> <li><i>In addition, consideration should be given to reviewing KPIs for relevant staff that perform addressing tasks.</i></li> </ol>	<p>of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified. Unfortunately one thousand eight hundred and eighty customers experienced minor to moderate impacts due to the SOP not being followed by the CSOs handling the transaction, resulting in the incorrect supply address being selected when the account was established. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p> <p>Customer Processing Manager, RBU</p>	<ol style="list-style-type: none"> <li>Updated SOP (May 2015)</li> <li>Critical feedback (June 2015)</li> <li>Reporting (commenced in July 2015, occurs monthly)</li> <li>KPI review (31 December 2015)</li> </ol>
158/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.7</p> <p><b>Details:</b></p> <p>If a customer receives 5 consecutive bills based on an estimate, SAP will automatically alert Synergy to contact Western Power and the customer to organise an actual read.</p>	<p><i>Update the maximum estimates procedure to align with the current systems and process in place at Synergy.</i></p> <p><i>Review processes for generation and actioning of the monthly exception report sent to Western Power for meter reads not conducted within 12 months. Implement exception reporting for a shorter time period e.g. 11 months to allow time to action a meter read before the obligation is</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The SOP relating to the maximum estimates procedure will be reviewed and updated to align with the current systems and process in place at Synergy by 31 December 2015. A review of the processes for generation and actioning of the monthly exception report sent to Western Power for meter reads not conducted within twelve months will be conducted by 31 December 2015. Additionally an exception report</p>	<ol style="list-style-type: none"> <li>Updates SOP (31 December 2015)</li> <li>Review of exception report (31 December 2015)</li> <li>Exception report with a reduced time frame (31</li> </ol>

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	<p>However, according to the maximum estimate procedure this occurs once a customer receives more than 3 consecutive estimates.</p> <p>It was noted that the information provided in the maximum estimates procedure is out of date and does not align with the system and processes currently in place.</p> <p>It was also identified that there is a monthly report sent from Western Power to Synergy listing all customers who have not had an actual read performed on their meter installation in 12 months. A sample report was reviewed and it was noted that, during one month there were 180 instances of no actual readings being obtained from a customer's meter installation in 12 months.</p>	<i>breached.</i>	<p>for a shorter time period to allow time to action a meter read before the obligation is breached will be implemented by 31 December 2015.</p> <p>Customer Processing Manager, RBU</p>	December 2015).
161/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.8(3)</p> <p><b>Details:</b></p> <p>Through sample based testing it was revealed that in all cases, a reason for an estimate was provided within SAP. While our sample testing did not reveal any instances of non-compliance, discussions with the senior service representative did identify that in some circumstances the Western Power representative will select the option 'other'. If a customer requests a reason and 'other' is the reason provided by Western Power a Synergy CSR will contact Western Power to clarify the reasoning for the 'other' selection. As no narrative is provided for 'Other' selections, in some cases Western Power are not able to provide a reason for estimation and therefore a reason for estimate cannot be provided to</p>	<i>Discuss with Western Power a solution to ensure all estimates have a reason recorded, this could include deleting the option of "other" or enforcing a mandatory narrative field when "other" is selected.</i>	<p>Management agree with the corrective action recommendations.</p> <p>Synergy sent a request to Western Power to initiate discussions around finding a solution to ensure all estimates have a reason recorded, this could include deleting the option of "other" or enforcing a mandatory narrative field when "other" is selected. The issue will be discussed at the next Synergy / Western Power business to business meeting in October 2015.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. Request to Western Power (24 September 2015).</li> <li>2. The issue will be discussed at the next Synergy / Western Power business to business meeting (October 2015).</li> </ol>

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	the customer if requested.			
166/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.12(1)</p> <p><b>Details:</b></p> <p>The product change to a different tariff document describes the process for changing a customer's tariff, however it does not specify the time frame required as per the obligation. The timeliness of the product change may be highly dependent on when information is received from Western Power.</p> <p>Sample based testing revealed that in all instances, the customer's tariff change was processed within 10 business days of the date that the customer demonstrated they met the requirements of the tariff change.</p> <p>Synergy self-reported breaches affecting 4 customers in 2013-14 and 7 customers in 2014-15 in relation to requests to change tariffs to an alternative tariff not being completed within 10 business days. In some instances these were due to the CSRs not completing the SOP correctly and in other cases it was due to a system error.</p> <p>Management have advised that the CSRs were provided with coaching on the relevant SOP and increased quality assurance monitoring. The system issues were addressed and an alert was sent to all billing operators to follow a manual work around process whilst the system issue was being addressed.</p>	<p><i>Update the SOP to reflect the 10 business day requirement as per the obligation and run exception reporting where the request is approaching the 10 day timeframe to ensure follow up with Western Power (where applicable).</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The SOP was updated in September 2015 to reflect the ten business day regulatory requirement. Eleven customers experienced minor impacts due to the SOP not being followed by the CSRs. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. Updated SOP (September 2015)</li> <li>2. Critical feedback (June 2015)</li> </ol>
167/2015	<b>Controls Improvement</b>	<i>Implement updated processes to ensure written notification is generated and issued</i>	Management agree with the corrective action recommendations. The SOPs will be updated to	31 December 2015.

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	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.13</p> <p><b>Details:</b></p> <p>Through discussions with the Senior Service Representative, it was noted that no written communications are issued to the customer where tariff changes (generally between L1 and A1) occur outside of the annual audit. It was advised that these changes are normally advised over the phone verbally for residential and small business customers.</p> <p>The Tariff Migration Process outlines to the process that needs to be followed within SAP to change a customer to an alternative tariff, however it does not provide information regarding the notification of the tariff change to a customer.</p>	<p><i>to the customer whenever a Customer is no longer eligible for an existing more beneficial tariff and a tariff change occurs (including those identified outside of the annual audit process). Update the Tariff Migration Process accordingly to reflect the written notification required and implement training to relevant staff members.</i></p>	<p>ensure a written notification is generated and issued to the customer whenever a customer is no longer eligible for an existing more beneficial tariff and a tariff change occurs (including those identified outside of the annual audit process). The tariff migration process will be updated to reflect the written notification required and implement training to relevant staff members. This update will be completed by 31 December 2015.</p> <p>Customer Service Manager, RBU Brand Engagement Manager, RBU</p>	
172/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.16(1)(a)</p> <p><b>Details:</b></p> <p>Through sample testing of 20 bill reviews it was noted that in seven instances where the bill review was conducted and identified that the bill was correct, there was no evidence that the customer was advised of the existence and operation of the complaints management process. In all instances, these reviews consisted of the initial step of review of historical consumption and potential high usage appliances and did not progress to the MDV stage where the letter would be issued.</p> <p>Further through review of the 2013-14 Annual</p>	<p><i>Review billing procedures against the Code of Conduct requirements, amongst other matters, to ensure the procedures specify the obligation to advise the customer on the option to arrange a meter test in accordance with the 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 where a review has been conducted and the bill appears correct. Further amend email templates to customers advising them of previous consumption history to include the option for meter test and complaints management processes.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>A review of critical SOPs relating to bill reviews will be completed in November 2015; additionally the email templates will also be updated as part of the review process. The letter template was last updated on 30 September 2014.</p> <p>Customer Processing Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. The letter template (30 September 2015).</li> <li>2. Review of the critical SOPs (30 November 2015).</li> <li>3. Review and update of the email template (30 September 2015).</li> </ol>

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	<p>Compliance Report it was noted that Synergy self-reported breaches affecting approximately 4,560 customers due to the letter templates not offering the option of a meter test or details of the complaints handling process.</p> <p>Management had revised the letter template and completed the action in 30 September 2014. However, based on our sample testing, it is noted that these requirements are not in place where the customer has not progressed to the MDV stage and has been informed their bill is correct due to high usage.</p>			
174/2015 175/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.16(2) and 4.16(3)</p> <p><b>Details:</b></p> <p>If a review of the bill is undertaken over the phone with the customer the outcome is communicated to the customer immediately.</p> <p>Where a customer makes a request for a bill review through the online enquiry service an automatic acknowledgement response is generated. A Synergy operator will be assigned the task and follow up with the customer.</p> <p>Through sample testing of 20 high bill review requests, it was noted that in all instances the bill was reviewed in 20 business days and the customer was advised of the outcome of the review and/or rebilled thereby not requiring Synergy to contact the customer to notify them on the status of the review.</p> <p>However, it was noted no system controls are in place to prompt follow up.</p>	<p><i>To strengthen controls and support compliance, it is recommended that system prompts be implemented where an assigned bill review task is approaching the 20 day time frame.</i></p>	<p>Management agree with the corrective action recommendations. A daily customer experience dashboard is generated, this dashboard monitors all tasks and BPEMs alerting the business when tasks are approaching the regulatory thresholds, enabling the business to prioritise and action those identified tasks within the regulatory thresholds.</p> <p>Customer Processing Manager, RBU</p>	<p>The Customer Experience dashboard was implemented in January 2015. Management to reiterate the use of the dashboard to relevant staff members. (September 2015).</p>

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176/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 2.6</p> <p><b>Details:</b></p> <p>Sample testing identified one instance where the customer did not receive any form of communication in regards to the meter tests results and the associated undercharged amount that was identified. The invoice was cancelled and the customer was billed in accordance with the Code of Conduct.</p> <p>Further, Synergy self-reported breaches affecting 153 customers in 2013-14 and 28 customers in 2014-15.</p> <p>The 2013-14 breaches included instances where customers who had been undercharged were billed for periods in excess of 12 months, were not billed on a special bill or as a separate line item, and were not offered interest and fee free payment plans. It was identified that these breaches were due to a lack of compliant SOP at the time.</p> <p>Management have implemented a new SOP, amendments to bill explanations and a system changes.</p> <p>In the 2014-15 period, self-identified breaches were due to Synergy seeking to recover undercharges for period greater than 365 days. These breaches were due to CSRs not following the SOP. The CSRs have been provided with coaching with increased quality assurance monitoring. Exception reporting is now generated for bills generated for periods in excess of 365 days.</p>	<p><i>The current actions underway to address this breach issue is acknowledged and supported. It is recommended that management continue to progress systems changes to ensure bills cannot be raised for undercharges for a period over 365 days due to error, defect or default by Synergy or Western Power.</i></p> <p><i>Determine the root cause for the instance of non-compliance identified during the audit for not providing the customer with communication in regards to the meter tests results and the associated undercharged amount that was identified. Provide relevant officer with feedback, coaching and increased QA monitoring.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>One hundred and eighty one customers experienced minor impacts due to the SOP not being followed by CSRs; this was determined to be the root cause. The CSRs were provided with coaching on the relevant SOPs and increased quality assurance monitoring for one month. The processes were changed to require bills being generated for periods in excess of three hundred and sixty five days to be reviewed prior to sending to customers to ensure the customer is liable as per the deemed contract notice provisions. The standard letter which accompanies bills for periods in excess of the usual sixty day billing cycle now also includes a statement offering customers an instalment plan for the same period as the bill. In addition, changes were made to the structure of the lost consumption report for electricity and enhancements made to ensure the automated disconnection notifications are sent in the correct circumstances, therefore reducing the risk of greater than three hundred and sixty five days billing. Additionally a system change was made to identify online requests from customers to establish accounts more than twelve months for manual review prior to processing.</p> <p>Customer Service Manager, RBU</p> <p>Customer Processing Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. Updated SOP (June 2015).</li> <li>2. Critical feedback (30 June 2015)</li> <li>3. The system change (30 September 2015).</li> </ol>
177/2015 181/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p>	<p><i>Consider implementing system prompts to ensure that rebill letters are issued once an investigation is completed and an</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk</p>	<ol style="list-style-type: none"> <li>1. The customer information project (May 2015).</li> </ol>



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	<p><b>Legislative Obligation:</b> Code of Conduct clause 4.18(2) and 4.18(7)</p> <p><b>Details:</b></p> <p>Through sample testing of 15 overcharges due to defect or error, it was noted that there were 8 instances where the letter advising of the overcharge (and for instructions if they wished to be refunded) was either not available to sight or was issued to the customer more than 10 business days subsequent to becoming aware of the overcharge.</p> <p>However, the overcharged amounts were credited to the customers' accounts as this is an automated process within SAP once the overcharge has been identified. Additionally, we identified that none of the sample customers were charged a fee for meter tests.</p> <p>Synergy self-reported breaches affecting 387 customers in 2014-15 in relation to incorrect customer address issues resulting in repaying overcharges inconsistently with the Code of Conduct requirements and therefore breaches to Obligation #177. These were identified due to CSR manual error during initial customer set up or customer errors in providing an incorrect address. This resulted in 16 instances of recovering undercharges and 387 instances of repaying overcharges inconsistently with the code requirements. Relevant staff members were provided critical feedback and coaching.</p> <p>Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p>	<p><i>overcharge is identified by a billing officer to complete the process and ensure the obligation is met.</i></p>	<p>of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Synergy will investigate the feasibility of implementing system prompts to ensure that rebill letters are issued once an investigation is completed and an overcharge is identified by a billing officer to complete the process and ensure the obligation is met by 30 January 2016.</p> <p>Customer Processing Manager, RBU</p>	<p>2. The feasibility investigation for system prompts (30 January 2016).</p>
178/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause</p>	<p><i>Implement monthly internal spot-checks to ensure refunds are processed within the timeframes as per the obligations.</i></p>	<p>Management agree with the corrective action recommendations. A monthly internal spot check will be implemented by 30 November 2015, ensuring refunds are processed within the timeframes as per the</p>	<p>A monthly internal spot check will be implemented by 30 November 2015.</p>



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	<p>4.18(3)</p> <p><b>Details:</b></p> <p>Through sample testing of 20, it was noted that there was one instance where the customer was not refunded an overcharged amount within the timeframes due to manual error.</p>		<p>Code of Conduct.</p> <p>Manager Customer Processing, RBU</p>	
182/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.19(1)</p> <p><b>Details:</b></p> <p>Whilst sample based testing of 5 customer account adjustments did not reveal any non-compliances, Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to the standard rebill letter not being manually included with the bill in error. The customers were subsequently provided with the reason for the adjustment.</p> <p>Management have advised that a system change is being implemented to automate the letter.</p>	<p><i>The current actions underway to address this breach issue are acknowledged and supported. It is recommended that Management continue to progress system changes to ensure rebill/adjustment letters are automatically included with rebill invoices.</i></p>	<p>Management agree with the corrective action recommendations. Two customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.</p> <p>A system change will be implemented by 31 December 2015 which will automate the issuing of the rebill letter.</p> <p>Customer Processing Manager, RBU</p>	<p>1. Critical feedback (30 June 2015)</p> <p>2. System change (31 December 2015)</p>
190/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.4</p> <p><b>Details:</b></p> <p>There are various methods that a customer can make an advanced payment. It is noted that most customers will choose to make an advance payment online or over the phone where a minimum of \$20 is required. Centrelink will also ensure on behalf of Synergy that advance payments are a minimum of \$20. However, some customers may choose to pay via a remittance slip at the local Post Office and</p>	<p><i>Reemphasise with Australia Post the \$20 minimum requirement for payments taken in advance. However it is acknowledged that by accepting payment in advance amounts less than \$20, there is minor impact on customers and third parties</i></p>	<p>Management agree with the corrective action recommendations. A communication was sent to Australia Post on 21 September 2015 which reemphasised with Australia Post the \$20 minimum requirement for payments taken in advance.</p> <p>There is no customer impact associated with this observation.</p> <p>Credit Portfolio Manager, RBU</p>	<p>A communication was sent to Australia Post on 21 September 2015</p>

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	management has advised that there have been instances where amounts have been taken that are below the minimum amount for an advance payment, (despite the terms and conditions in the contract between Synergy and Australia Post specifying this requirement) due to employees of Australia Post not being aware of this requirement.			
197/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.7(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting one customer in 2013-14 and seven customers in 2014-15 in relation to receiving a bill for consumption that occurred after they had vacated the supply address. This was due to human error as the CSR noted the request to close the account but did not complete the SOP.</p>	<p>June 2015</p> <p>Management have advised that the CSO were provided with coaching on the relevant SOPSOPS.</p> <p>The customers were provided with a replacement bill to the correct the error.</p> <p>A "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Eight customers experienced minor impacts due to the SOP not being followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in February 2015 to ensure compliance with the Code of Conduct. An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>Review and update of SOP (February 2015).</li> <li>The customer information project (May 2015).</li> <li>Critical feedback was provided to the officers as soon as the issue was identified.</li> <li>Update to senior management (31 December 2015)</li> </ol>

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202/2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.1(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 3255 customers in 2014-15 in relation to this obligation. The majority of the breaches were due to an increase in customer's seeking hardship assistance and staff taking unplanned leave and therefore the customer support team were unable to complete all assessments within the required 3 business days. Some breaches were due to the CSRs not following the relevant SOP. However, it was noted that all assessments were completed and an additional five staff members were dedicated to performing the assessments and providing assistance to get back up to date.</p>	<p>Management have advised that the guidelines on knowledge base have been simplified and updated, internal changes have been made to reduce the number of tasks being raised to the customer support team by training the CSRs to achieve first call resolution, the number and progress of customers requiring assessment is now monitored daily to ensure resources are available, service levels are tracked to provide alerts to the business for potential tasks to go beyond the required timeframe and a system change was implemented to align regulatory timeframes with internal due dates. The CSOs and CSRs were also provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring.</p> <p>An initiative has also been implemented to achieve first call resolution and to enhance call quality interactions.</p> <ol style="list-style-type: none"> <li><i>It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on progress against performance targets at the end of the year.</i></li> <li><i>In addition, consideration should be given to reviewing KPIs for relevant staff that perform hardship tasks.</i></li> </ol>	<p>Management agree with the corrective action recommendations.</p> <p>Unfortunately three thousand three hundred and twenty five customers experienced minor impacts and were affected by an average delay of one day in the determination of their payment difficulty or financial hardship status. Whilst 93.2% of all referrals were completed within the required timeframe, due to an increase in customers seeking hardship assistance as well as staff unplanned leave, the customer support area was not able to complete all assessments within the required 3 business days. To address this a number of key initiatives have been implemented:</p> <ol style="list-style-type: none"> <li>Payment difficulty/financial hardship guidelines have been simplified by updating knowledge base with clearer step by step instructions.</li> <li>Internal changes have been made to reduce the number of tasks being issued to the customer support team.</li> <li>CSRs have been trained to achieve first call resolution by following step by step instructions and using a checklist to ensure accurate identification of hardship customers and appropriate action thereafter (referral for financial assistance to customer support).</li> <li>The number and progress of customers requiring assessment is now monitored daily to ensure necessary resources are available to complete assessments within timeframe.</li> <li>The internal controls include a daily dashboard which tracks service levels and provides alerts to the business for any potential for tasks to go beyond the required timeframe.</li> <li>Implementation of a system change to align regulatory timeframes with the internal due dates.</li> </ol>	<ol style="list-style-type: none"> <li>Actions a-h (19 December 2014)</li> <li>Critical feedback (June 2015).</li> <li>Compliance improvement plan reporting (commenced in July 2015 and occurs monthly).</li> <li>KPI review (31 December 2015.)</li> </ol>

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			<p>g) An initiative has been implemented to achieve first call resolution where possible in the contact centre, and enhancing the call quality interactions with hardship customers.</p> <p>h) The telephony system was enhanced to automate the outbound call and deliver it to an available CSR</p> <p>i) Customer experience implemented a compliance improvement plan which amongst other matters requires monthly performance reporting of hardship assessment. KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>	
207/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b></p> <p>Code of Conduct clause 6.2(3)</p> <p><b>Details:</b></p> <p>Sample testing of 20 customers was performed which included reviewing the customer's interaction notes, listening to calls and examining customers' lock history. It was noted that in all instances, the dunning lock was applied when a customer was referred to an independent financial counsellor. However there was one instance where a customer with an existing locked account had called to extend the timeframe. The CSR in error did not place the extension for a long enough period to cover the timeframe required. A Collections Spreadsheet was provided as evidence that no actions were taken during the 3 day period when the lock was not in place.</p> <p>Synergy self-reported 5 customers who were disconnected due to failure to suspend activities for at</p>	<p><i>Provide constructive feedback to CSR, reemphasis obligation to the relevant CSRs through coaching and increase QA activities for CSR for a period of time.</i></p>	<p>Management agree with the corrective action recommendations. Five customers experienced moderate impacts due to the SOP not being followed by the CSOs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for 4 weeks. All customers were assessed and relevant assistance provided, if applicable and all late payment fees were waived.</p> <p>Customer Service Manager, RBU</p>	<p>Critical feedback (September 2015)</p>

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	<p>least 15 business days in the 2013-14 period. The CSRs had failed to follow the SOPs and did not request cancellation of disconnection at the time the temporary suspension of actions was granted.</p> <p>All customers were granted an urgent same day reconnection when the error was identified and paid the relevant SSP. This was due to manual error on the part of the CSRs and critical feedback and coaching has since been provided.</p>			
222/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.10(3)</p> <p><b>Details:</b></p> <p>Through review of the financial hardship procedures, the following gaps were noted:</p> <ul style="list-style-type: none"> <li>Does not provide guidance on how customers experiencing financial hardship are to be treated sensitively and respectfully as provided in sub clause 6.10(3)(c).</li> <li>Does not provide guidance in regards to all the points specified in sub clause 6.10(3)(d).</li> <li>Does not specify that the credit management staff have a direct telephone number which should be provided to the relevant financial counsellors and consumer representative organisations in accordance with sub clause 6.10(3)(e).</li> </ul>	<p><i>Review and update the financial hardship procedures to capture further details aligned to the obligations set out in clause 6.10(3) and communicate the updated document to the relevant staff members.</i></p>	<p>Management agree with the corrective action recommendations. The financial hardship documented procedures were updated by 6 October 2015 as part of the most recent regulatory review and reflect clause 6.10 (3), 6.10(3) (d), 6.10(3) (e) and 6.10(3) (c). Training and guidance has been provided to the customer support team regarding the changes and recommendations.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>The financial hardship documented procedures (October 2015)</li> <li>Training and guidance (September 2014)</li> </ol>
229/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 4</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 7.1(1)</p>	<p><i>It is acknowledged that the system issue which resulted in the breach was resolved within the audit period. However to strengthen the detective controls in place, it is recommended that management undertake more regular exception</i></p>	<p>Management agree with the corrective action recommendations. One hundred and seven customers experienced major impact due to the SOP not being followed by the CSRs handling the transaction (or system related issues). The CSRs were provided with</p>	<ol style="list-style-type: none"> <li>The Collection Strategy project (went live in May 2014)</li> <li>Daily exception</li> </ol>

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	<p><b>Details:</b></p> <p>Through sample testing it was identified that a system issue prevented automatic notifications from being sent out within the required timeframes resulting in nine instances where customers were not issued disconnection warnings in the specified timeframes. Synergy did not identify this system error and disconnection tasks were raised and completed without the required written notification.</p> <p>Management have advised that this system error was addressed in the Collections Strategy update in May 2014 and a test of sample customers after this period did not identify any issues.</p> <p>Further, self-reported breaches affecting 25 customers in 2013-14 and 82 customers in 2014-15 in relation to being wrongfully disconnected for non-payment inconsistent with the Code of Conduct requirements. The errors were caused by CSRs failing to correctly follow the SOPs.</p> <p>Management have advised that the customers were granted an urgent same day reconnection and all customers were credited with the regulated SSP. The CSRs were provided with critical feedback and received coaching on the relevant SOP and additional quality assurance monitoring. A presentation was also provided to the disconnection team on the SOP by the regulatory team in December 2013.</p> <p>Three bulletin communications were issued to all CSRs regarding the process to correctly update mailing addresses. The process for updating mailing addresses was also reviewed and the system updated in November 2013 to require CSRs to confirm the address has been updated correctly.</p> <p>A SOP to manage return to sender mail was introduced in March 2014. The paperless billing terms and conditions have been amended to make it more explicit Synergy will send collection notices</p>	<p><i>reporting around disconnections and from the exception report undertake QA reviews on a spot check basis to ensure system issues are identified in a timely basis.</i></p>	<p>critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. All customers were assessed and relevant assistance provided, if applicable and all late payment fees were waived, the impacted customers power was restored on the same day via urgent reconnections.</p> <p>The underlying system issue which prevented the required notifications being sent to customers regarding disconnection, was rectified by the implementation of the collection strategy project in May 2014. The collection strategy project aligned the SAP system generated notifications to the Code of Conduct requirements, ensuring all required notices are sent to the customer before the account progresses to the disconnection stage of the collections processes, furthermore the credit portfolio team has introduced an ongoing monthly (sample) audit of disconnected customers, exception reporting is now conducted on a daily basis (via the NAK report) and an increase in the quality monitoring of the disconnected accounts to ensure compliance and identification of system issues in a timely basis.</p> <p>Credit Portfolio Manager, RBU</p>	<p>reporting (commenced 27 January 2015.)</p> <p>3. Critical feedback (June 2015.)</p> <p>4. The monthly (sample) audit and increased quality assurance monitoring (5 October 2015).</p>



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	electronically to the customers nominated email address.			
230/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 7.6</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 2 customers in 2013-14 and 45 customers in 2014-15 in relation to being wrongfully disconnected for failure to pay a bill by one day. The errors occurred due to credit management officers failing to correctly follow the relevant SOPs and manual error of CSRs during the initial customer setup including incorrect address set up.</p>	<p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of error by enhancing the alignment between standing data in place with Landgate records of street addresses. The project included system and process changes. This alignment allows online "real time" address validation. Incorrectly captured information was updated as soon as it was identified</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Forty seven customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs. The implementation of the collection strategy project in May 2014 provided Synergy with automated email and SMS capability to advise customers as they enter different stages of the collection process. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.</p> <p>Credit Portfolio Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. The Collection Strategy project (went live in May 2014)</li> <li>2. The customer information project (May 2015)</li> <li>3. Updated SOP (May 2015)</li> <li>4. Critical feedback (June 2015)</li> <li>5. Update to senior management (31 December 2015)</li> </ol>
240/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 7.7(6)</p> <p><b>Details:</b></p>	<p><i>It is acknowledged that the system attribute changes have been completed.</i></p> <p><i>However, to further strengthen the control environment, it is recommended that Management implement system reminders for Synergy operators to follow up on declaration and recertification letters which</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>Eleven customers registered for life support experienced a minor impact due to a problem in the manual renewal process, which occurs on the twelve month anniversary of the medical certification being provided to Synergy to confirm whether life support</p>	<p>The system change was implemented in July 2015.</p>



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	<p>Testing of 20 samples identified that in 8 instances where the customer was flagged as life support prior to July 2014, the annual renewal process was not followed (these customers were not disconnected and remained on the register).</p> <p>Further Synergy self-reported breaches affecting 11 customers in 2014-15 in relation to life support customers not being contacted after 12 months to confirm whether life support equipment was still in use at the property.</p> <p>This was due to legacy data whereby the customers did not have the required attributes in SAP and therefore the automatic letter was not issued within the 12 months.</p> <p>Management have advised that SAP attributes have been adjusted.</p>	<p><i>have been issued once the automated letters have been generated. For manual letters, ensure that these letters can only be issued once a task is raised within the system (i.e. once the task is raised, the letter is automatically populated and can be manually sent out).</i></p>	<p>equipment was still in use at the property. The customers were not contacted due to legacy data. The customers did not have the required attributes in SAP and therefore an automatic letter was not issued within the required twelve months. The impacted customers were contacted and the relevant details obtained in July 2015. A system change was implemented in July 2015 which automates the annual contact process, eliminating the risk associated with the manual process.</p> <p>Customer Service Manager, RBU</p>	
242/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 8.1(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to a request for reconnection being incorrectly stated for a future date resulting in a delay in reconnection of 7 business days. An urgent same day reconnection was completed on the day the error was identified. This was noted as being due to manual error from the relevant CSR.</p>	<p>Management have advised that the CSR was provided with critical feedback and coaching on the relevant SOPs.</p> <p><i>Management's actions and planned initiatives are acknowledged and supported.</i></p>	<p>The delivery of the de-energisation and re-energisation project in September 2015 has automated the re-energisation task, eliminating the "human error" risk associated with the reconnection transaction. SOPs were reviewed and updated in September 2015. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks.</p> <p>Credit Portfolio Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. Critical feedback (June 2015)</li> <li>2. The de-energisation and re-energisation project (September 2015)</li> </ol>
243/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 8.1(2)</p>	<p><i>Implement the change request planned to automate reconnection service notifications and ensure only exceptions are required to be manually addressed by the credit portfolio team.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records, furthermore the delivery of the de-energisation and re-</p>	<ol style="list-style-type: none"> <li>1. The customer information project (May 2015)</li> <li>2. Critical feedback (June 2015)</li> </ol>

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	<p><b>Details:</b></p> <p>Testing of a sample of 20 reconnection requests and service notifications to Western Power resulted in no issues noted.</p> <p>However, Synergy self-reported breaches affecting 219 customers in 2013-14 and 62 customers in 2014-15 in relation to Synergy not forwarding the request for reconnection to the distributor within the required Code of Conduct timeframe with an average delay of 1.5 days. On most occasions it was caused by the CSR failing to correctly follow the SOP and on one occasion it was due to a SAP error. All customers were ordered an urgent same day reconnection with regulated service standard payments</p> <p>Management have advised that relevant feedback has been provided to the affected staff members and refresher training courses were provided on raising the service notification to check whether it has been raised correctly as well as increased quality assurance.</p>		<p>energisation project in September 2015 has automated the re-energisation task, eliminating the "human error" risk associated with the reconnection transaction. SOPs were reviewed and updated in September 2015. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. Two hundred and eighty one customers were moderately impacted, all impacted customers had their power restored the same day through urgent reconnections, and all customers received a service standard payment.</p> <p>Credit Portfolio Manager, RBU</p>	<p>3. The de-energisation and re-energisation project (September 2015)</p> <p>4. Updated SOP (September 2015)</p>
249/2015 253/2015 255/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 9.3(1), 9.3(5), 9.4(2)</p> <p><b>Details:</b></p> <p>The SOP does not specify the location and business hours of the recharge facility, how changes will be notified or the 10 business day timeframe in accordance with sub clause 9.3(5).</p> <p>Through discussions, it was noted that there has not been any instances of a request to replace or switch to a standard meter within 3 months of installation or the date the customer agreed to enter into the prepayment contract. Pre-payment contracts were</p>	<p><i>Update the pre-payment meters – BAU processes document to include further details around Clause 9.3 (1) and 9.3 (2)(r), specifically the location and business hours of recharge facility and the requirement to notify of a change to recharge facilities within 10 days</i></p> <p><i>Update the pre-payment meters – BAU processes document to include further details as specified within 9.4(2), specifically the process to be followed in relation to reversion to a standard meter within 3 months of installation of a prepayment meter or the date the customer agreed to enter a pre-payment</i></p>	<p>Management agree with the corrective action recommendations. The SOP will be updated to include further details around Clause 9.3 (1) and 9.3 (2)(r) of the Code of Conduct, specifically the location and business hours of recharge facility and the requirement to notify of a change to recharge facilities within 10 days. Additionally the SOP will be updated to include further details as specified within 9.4(2), specifically the process to be followed in relation to reversion to a standard meter within 3 months of installation of prepayment meter or the date the customer agreed to enter pre-payment contract. There was no impact to customers associated with this observation.</p> <p>Customer Processing Manager, RBU</p>	16 November 2015.

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	<p>entered into in July 2009 and there have been no further prepayment customers added.</p> <p>Although section 2.4 of the pre-payment meter BAU processes refers to notification of life support, it does not detail the process to be followed in relation to the above obligation specifically in relation to reversion within 3 months.</p>	<i>contract</i>		
254/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 9.4(1)</p> <p><b>Details:</b></p> <p>Through discussions, it was noted that there has only been one instance where the customer has notified Synergy of a need to replace the meter (due to life support). In this instance, the meter was replaced on the same day.</p> <p>Although section 2.4 of the pre-payment meter BAU processes refers to notification of life support, it does not detail the timeframes in place to send information to the customer and arrange with the distributor replacement of standard meter.</p>	<p><i>Update the pre-payment meters – BAU processes document to include the 1 business day timeframe specified within 9.4(1).</i></p>	<p>Management agree with the corrective action recommendations. The SOP has being updated to include the 1 business day timeframe specified within clause 9.4(1) of the Code of Conduct. There was no impact to customers associated with this observation.</p> <p>Customer Service Manager, RBU</p>	The SOP was updated in September 2015.
271/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 9.11(1)</p> <p><b>Details:</b></p> <p>Synergy has documented processes – prepayment meters – payment difficulties/financial hardship in place. Whilst this document aligns to the Code of Conduct clause 9.11(2)(a), in regards to the disconnection requirements these do not align with</p>	<p><i>Revise the prepayment – financial hardship document to:</i></p> <ul style="list-style-type: none"> <li><i>Align with the code with regards to the disconnection requirement not being applicable to existing meters that cannot provide disconnection data however any new prepayment meters are required to be able to extract disconnection data.</i></li> <li><i>Include information requirements as per clauses 2.3 and 2.4.</i></li> </ul>	<p>Management agree with the corrective action recommendations. The SOP has being updated to align with the Code of Conduct with regards to the disconnection requirement not being applicable to existing meters that cannot provide disconnection data however any new prepayment meters installed in the future are required to be able to extract disconnection data, and include information requirements as per clauses 2.3 and 2.4. There was no impact to customers associated with this observation.</p>	The SOP was updated in September 2015.

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	<p>clause 9.11(2)(b) as the Synergy document refers to: <i>a prepayment meter customer has been disconnected 3 or more times in any three month period for longer than 240 minutes (4 hours) on each separate occasion.</i></p> <p>Furthermore, although the document makes reference to payment difficulty/hardship assessment, changing to different meter, and information and referral to financial counselling, it does not refer to clauses 2.3 and 2.4 of the code which relate to entering into standard and non-standard form contracts.</p> <p>Through discussion with the manager regulation &amp; compliance it was noted that disconnection data is not available from the pre-payment meters currently in place. This obligation is not applicable for any pre-payment meters installed prior to the amendment date of the Code of Conduct but going forward, any new prepayment meters installed would have the specifications required to extract disconnections data by virtue of the Code of Conduct clause 9.12.</p>		Customer Service Manager, RBU	
293/2015 307/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 10.10(3) and 13.3</p> <p><b>Details:</b></p> <p>The regulation compliance team periodically sends building services a reminder notice noting that physical copies of the aforementioned documents are available at reception. Building services are responsible for training the reception staff on providing the documentation on request.</p> <p>However, during our observation, we note that staff at reception were unaware of the physical copies kept behind the counter. This was because staff recently</p>	<p>1. Management should re-train reception staff on compliance with the licence condition to make available relevant codes, compendiums and regulations for inspection and continue current awareness raising emails.</p> <p>2. Management should consider developing a "reference sheet" with frequently asked questions to assist reception staff to comply with the licence conditions. The reference sheet should contain information required to meet the customer's request and licence obligations.</p>	<p>Management will 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. 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 will be obtained. Management will also conduct a one on one session with each reception staff member reminding them of the regulatory requirement.</p> <p>Manager Fleet and Property, Finance</p>	18 September 2015.

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	returned to work after a period of leave and was unaware of the reminder notice provided by the regulation and compliance team. But for the Auditor pointing out the documents at reception, the receptionist on duty would have sent the Auditor away without providing any hard copies.			
294/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 10.11(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported 14 instances of a breach in the 2014-15 period against this obligation due to customer address issues.</p> <p>Due to incorrect address being recorded in the system, the requested information was not able to be delivered to the customer.</p>	<p>Management have advised that the customer information project has been implemented and will strengthen controls around accurate customer addresses.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include review of critical SOPs.</p> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that retail management continue to monitor progress against planned initiatives and provide an update to senior management on the effectiveness of the customer information project and other addressing initiatives by the end of the year.</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Fourteen customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. Due to the incorrect address being recorded in SAP, the requested information was not able to be delivered to the customer. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The SOP was reviewed and updated in May 2015 to ensure compliance with the Code of Conduct. An update to senior management on the effectiveness of the customer information project and other addressing initiatives will be provided by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>1. The customer information project (May 2015)</li> <li>2. Updated SOP (May 2015)</li> <li>3. Critical feedback (June 2015)</li> <li>4. Update to senior management (31 December 2015)</li> </ol>
299/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 12.1(2)</p> <p><b>Details:</b></p> <p>The complaints handling process is outlined in the Synergy complaints policy. This document was examined and it was noted that the document included a detailed complaints handling guide and aligns to the ISO in terms of the definition of a complaint. The policy also makes reference to the</p>	<p><i>Review and update the complaints policy to reflect current practice and obligations.</i></p>	<p>Management agree with the corrective action recommendations. One customer experienced minor impacts due to the SOP not being followed by the customer service officer handling the transaction. The CSR was provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. The customer had power restored on the same day as the disconnection via an urgent reconnection. A reminder was issued to all contact centre staff highlighting the correct escalation process, furthermore the closing declaration on all calls has been changed to minimise the possibility of further breaches against this obligation. The SOP was reviewed and updated in September 2015 to ensure</p>	<ol style="list-style-type: none"> <li>1. Updated SOP (September 2015)</li> <li>2. Critical feedback (June 2015)</li> <li>3. The reminder to all staff was issued on 30 June 2015.</li> </ol>

# Electricity Retail Licence Performance Audit Report

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	<p>acknowledgement of complaints within the prescribed timeframes, service standard payments, record keeping, reporting and monitoring.</p> <p>However, it was noted that the policy is dated 2011 and requires a review and update.</p> <p>Synergy have one self-reported breach affecting a customer in 2014-15 in relation to the complaints handling process not being followed correctly and consequently the complaint was not correctly recorded and responded to. This was due to a CSR not following the relevant SOP.</p> <p>Management have advised that the CSR was provided with critical feedback and coaching on the relevant SOP and all call centre staff were issued with a reminder on the correct escalation procedures.</p>		<p>compliance with the Code of Conduct.</p> <p>Customer Service Manager, RBU</p>	
301/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 12.1(4)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 4 customers in 2013-14 and 28 customers in 2014-15 against this obligation. The breach was due to lack of adequate resources as well as incorrect customer addresses.</p>	<p>Management have advised that a "customer information project" was completed which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>The general fax number has also been removed all Synergy forms. Separate mailboxes for each business unit have been implemented to enable the collection and processing of mail by each relevant area.</p> <p>Further, additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and</i></p>	<p>Management agree with the corrective action recommendations. The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Thirty two customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. Service standard payments were made to all impacted customers. An update on the effectiveness of the customer information project will be provided to senior management by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>The customer information project (May 2015)</li> <li>Critical feedback (June 2015)</li> <li>Update on project (31 December 2015)</li> </ol>



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		<i>supported. It is recommended that Management continue to monitor progress against planned initiatives and provide an update to the Business on progress at the end of the year.</i>		
310/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 14.2(1)</p> <p><b>Details:</b></p> <p>Sample based testing was performed on 5 wrongful disconnections, the testing results revealed that of the 5 wrongful disconnections only one wrongful disconnection was listed on the service standard payment report. Therefore the sample based testing revealed 4 instances where a SSP was not made to a customer when it should have been.</p> <p>Five sample SSPs from the service standard payment report were selected and tested. Testing identified that all customers were paid the correct amount that aligned with the compensation requirements, as stated in sub clause 14.2(1).</p>	<p><i>Implement exception reporting of disconnections and based on this report, perform spot checks to identify possible wrongful disconnections. Where a wrongful disconnection has been identified, raise a task in the system to ensure SSPs are generated. Provide coaching and training to reemphasise this requirement and undertake reconciliation against SSP reports to ensure payments are made.</i></p>	<p>Management agree with the corrective action recommendations. A monthly exception report of wrongful disconnections will be generated, spot checks will be performed against the report to ensure that all wrongfully disconnected customers receive a service standard payment, additionally staff will be provided with coaching and training to reemphasise this requirement and undertake reconciliation against SSP reports to ensure payments are made.</p> <p>Customer Service Manager, RBU</p>	<p>The monthly report and spot checks will commence in December 2015.</p>
408/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry Metering Code clause 5.19(3)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 9,251 customers in 2013-14 and 58,759 customers in 2014-15 in relation to not notifying Western Power within one business day of becoming aware of a change in a customer attribute. The breaches were due to various</p>	<p>Management have advised that the system defect has been corrected and "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Further phase 2 of a project to automate processing of online movement requests is scheduled for completion in December 2015.</p>	<p>Management agree with the corrective action recommendations.</p> <p>Manager ICT Retail, Manager ICT Applications</p> <p>Customer Service Manager, RBU</p>	<p>1. 31 December 2015.</p> <p>2. The SOPs were updated in April 2015.</p>



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	<p>reasons including a system error following a SAP upgrade as well as CSRs not following the correct SOPs.</p> <p>Western Power was not provided with accurate customer details for the metering point within a timely manner (average delay not known).</p> <p>Approximately 3,500 instances were due to a system error that arose if a customer was also an authorised contact person on another customer's account the customer details notification would not issue to Western Power due to a defect that was not identified during testing. Approximately 26,603 instances were due to one person being listed on all the accounts as a contact person.</p>	<p>Additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs.</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that Management continue to monitor progress against planned initiatives and provide an update to the Business on progress at the end of the year.</i></p>		
<p>457/2015</p> <p>458/2015</p> <p>459/2015</p> <p>460/2015</p>	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> Electricity Industry Metering Code clause 8.1(1), 8.1(2), 8.1(3), 8.1(4)</p> <p><b>Details:</b></p> <p>The Western Power relationship governance model sets out the relevant business areas responsible for managing the relationship with Western Power.</p> <p>An escalation path is included in the model which sets out various working groups and committees where issues can be discussed and escalated. Communication rules, service level agreements and supporting legislation also support compliance.</p> <p>However the escalation path does not currently include the timeframes for meeting as per the obligations or resolutions in writing.</p> <p>Through discussion, it was noted that there were no disputes arising in respect of any matter under or in</p>	<p><i>Update the Western Power relationship governance model – escalation Path to include further details around specifics of timeframes for resolution and written and signed record of the resolution.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>Market Services Manager</p>	<p>15 October 2015</p>

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Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action and Responsible Officer	Implementation Date
	connection the subject matter of which is not also an access dispute under the Access Code, a dispute under the Market Rules, a dispute or complaint under the Code of Conduct or a dispute under the Customer Transfer Code.			
496/2015	<p><b>Controls Improvement</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 40</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 21 customers in 2013-14 and 28 customers in 2014-15 in relation to supplying electricity under a standard form contract to a customer who requests it. Electricity supply was not provided under the contract as the correct supply address was not identified. The breaches were caused by human error as well as issues validating between Western Power and Landgate addresses.</p>	<p>Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses. Coaching and training was also provided to the relevant staff members.</p> <p>Additional initiatives are planned to be implemented to strengthen the control environment. These include:</p> <ul style="list-style-type: none"> <li>Investigating the feasibility of email or SMS notifications</li> <li>Review of critical SOPs</li> </ul> <p><i>Management's actions and planned initiatives are acknowledged and supported. It is recommended that Management continue to monitor progress against planned initiatives and provide an update to the Business on progress at the end of the year.</i></p>	<p>Management agree with the corrective action recommendations.</p> <p>The delivery of the customer information project in May 2015 has minimised the risk of manual errors through enhanced alignment between Synergy's standing data in SAP and Landgate records. Forty nine customers experienced minor impacts due to the SOP not being followed by the CSRs handling the transaction. The CSRs were provided with critical feedback and coaching on the relevant SOPs and increased quality assurance monitoring for four weeks. A progress update will be provided to senior management by 31 December 2015.</p> <p>Customer Service Manager, RBU</p>	<ol style="list-style-type: none"> <li>The customer information project (May 2015)</li> <li>Critical feedback (June 2015)</li> <li>Update on project (31 December 2015)</li> </ol>

# Electricity Retail Licence Performance Audit Report

## 2. 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
156	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct for the Supply of Electricity to Small Use Customers 2014 (<b>Code of Conduct</b>) clause 4.5(3)</p> <p><b>Details:</b></p> <p>Synergy self-reported, seven breaches for the period 2014-15 where customers were not advised of the amount of historical debt and its basis before, with or on their next bill. On all occasions, the breach was a result of manual error of the CSRs incorrectly inputting the customer's address details.</p>	<p>May 2015</p> <p>Management advised that coaching has been provided with increased quality assurance monitoring for the relevant CSRs.</p> <p>A 'customer information project' has also been undertaken to update the system in order to reduce the risk of manual error. The customer information project has also simplified the standard operating procedures and processes required to update the mailing addresses in the SAP system.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
159	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.8(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 12 customers in 2013-14 in relation to customers receiving incorrect information on the bill stating that the meter reading was based on an estimate when in fact it was an actual reading. The errors were caused by billing officers manually processing replacement actual readings supplied by Western Power as estimated reads in place of the usual automated manner.</p>	<p>May 2014</p> <p>Management advised that the billing officers received one on one coaching and were required to complete an incident response form recording the actions taken to remedy the error. Management consider that the controls in place are adequate given the small number of errors relative to the volume of transactions.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
168	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-Reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 4.14(1)</p> <p><b>Details:</b></p> <p>Synergy recorded three incidents of breaches against this obligation in the 2014-15 period due to human error of the CSR not following the operating SOP.</p>	<p>June 2015</p> <p>Management advised that feedback and training was provided to the relevant staff members.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>

# Electricity Retail Licence Performance Audit Report

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
189	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.3</p> <p><b>Details:</b></p> <p>Synergy self-reported an incident resulting in three breaches against this obligation in relation to direct debit arrangements being established, without the consent of three customer being recorded. The breach occurred during the implementation of the updated call recording system, where one CSR commenced speaking to customers without the call recording capability being activated at their workstation in error. There has been no impact on the customers and no complaints have been received.</p>	<p>Management advised that no remedial action was undertaken as no impact was identified and cause was a known once off occurrence.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
192	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.6(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 892 customers in 2013-14 in relation to being charged late payment fees despite falling under sub clause 5.6(1). These breaches were due to the SAP upgrade, whereby, the default lock was changed.</p>	<p>December 2014</p> <p>Management advised that any late payment fees incorrectly charged were credited back to the 892 customer by 31 December 2014. A defect item was also raised and a system change request was implemented to revert the default type of lock to dunning.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
196	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.6(2)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 2 customers in 2014-15 in relation to late payment fees not being retrospectively waived for customers who were assessed as experiencing financial hardship. The breaches were due to CSOs not correctly following the SOP.</p>	<p>June 2015</p> <p>Management advised that the CSOs were provided with coaching on the relevant SOPs. The late payment fees for the customers were subsequently waived.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
201	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 5.8(2)</p>	<p>June 2015</p> <p>Management advised that the customers had the debt reversed from their accounts. The CSRs were provided with critical feedback and received coaching regarding on the relevant SOP and additional quality assurance</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
	<b>Details:</b> Synergy self-reported breaches affecting 3 customers in 2013-14 and 2 customers in 2014-15 in relation to debt being transferred to their accounts for which they were not liable. This was due to human error as the CSR failed to complete the customer identification procedure resulting in the incorrect customer account being linked to another customer's debt and in other cases the CSR amended the existing customer's name with the new customer's name at the supply address instead of creating a new account and the existing customer had an outstanding debt.	monitoring.	
205	<b>Non Compliance</b> <b>Rating:</b> A / 3 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 6.2(1) <b>Details:</b> Synergy self-reported three incidents in 2014-15 where a temporary suspension of actions was not applied. Three customers were affected by continuation of debt collection activity of which two of the customers were wrongfully disconnected for non-payment and charged late payment fees. Western Power performed urgent same day reconnection. This problem was due to manual error on the part of the CSRs not correctly completing the SOP to add a temporary lock on the accounts.	June 2015 Management advised that critical feedback and coaching has since been provided.	The breach issue has been resolved during the current audit period. No further action required.
209	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 6.3(1)(a) <b>Details:</b> Synergy reported one instance in the 2014-15 period where the assessment was not correctly completed within the required timeframes. This was due to the CSO not correctly completing the SOP.	April 2015 Management advised that critical feedback and coaching has since been provided.	The breach issue has been resolved during the current audit period. No further action required.
210	<b>Non Compliance</b> <b>Rating:</b> A / 2 (Self-reported) <b>Legislative Obligation:</b> Code of Conduct clause 6.3(1)(b) <b>Details:</b>	June 2014 Management advised that critical feedback and coaching has since been provided.	The breach issue has been resolved during the current audit period. No further action required.

## Electricity Retail Licence Performance Audit Report

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	Synergy reported 6 instances where a customer was not offered a payment extension or instalment plan in 2013-14. This was due to manual error.		
211, 212	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.4(1)(a) and 6.4(1)(b)</p> <p><b>Details:</b></p> <p>Synergy self-reported breaches affecting 2,038 customers in 2013-14 and 424 customers in 2014-2015 in relation to customers who were assessed as experiencing payment difficulties or financial hardship and charged a late payment interest charge in error. It was mistakenly believed the establishment of an instalment plan automatically prevented interest charges from being applied, however this was not the case, and the interest lock was required to be applied manually.</p>	<p>November 2014</p> <p>Management since implemented a system control which ensures that the manual step to apply a late payment fee lock is automated to prevent interest charges from being applied when an instalment plan is established. This system control was in place at the time of fieldwork.</p> <p>All interest charges were refunded to the customers in full.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
213, 214	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 6.4 (2) and (3)</p> <p><b>Details:</b></p> <p>Synergy self-reported 375 instances where the requirements of the Code of Conduct sub clause 6.4(3) were not met due to issues with the letter template and human error from the CSR and CSOs.</p>	<p>June 2015</p> <p>Management has since amended the template for the automated standard letter, provided critical feedback and coaching to the relevant CSRs, and implemented increased quality assurance monitoring.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
235	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 7.7(1)</p> <p><b>Details:</b></p> <p>Synergy self-reported a breach in 2013-14 where a life support registration was removed in error due to the mistaken belief that the medical certification had not been provided. The error was self-identified and no disconnection resulted. The error was due to human error as the application was received via facsimile and stored in the customer resolution team's queue. The customer service officer failed to process the "in progress" item and the life support application was removed.</p>	<p>October 2013</p> <p>Management advised Synergy provided feedback and counselled the relevant team member, communications were issued and a process change was implemented where all application queues are regularly checked on a daily basis. Since October 2013, life support equipment applications cannot be submitted via facsimile.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>

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302	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Code of Conduct clause 12.2</p> <p><b>Details:</b></p> <p>Synergy self-reported one breach affecting a customer in 2014-15 in relation to the complaints handling process not being followed correctly and a complaint was not correctly recorded and responded to. This was due to a CSR who did not correctly complete the SOP and did not record the complaint.</p>	<p>June 2015</p> <p>Management advised that the CSR was provided with coaching on the relevant SOP and increased quality assurance monitoring.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
324	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry Metering Code clause 3.3B</p> <p><b>Details:</b></p> <p>Synergy self-reported a breach affecting one customer in 2014-15 against this obligation in relation to a customer making an application for REBS in June 2012 which required a change to a bi-directional meter. The request to Western Power was rejected twice, however the rejection was not identified or actioned until June 2015 causing 16 bills to be issued omitting the export value and application of REBS. However the consumption was offset at the full A1 tariff (as opposed to REBS) over the period.</p>	<p>July 2015</p> <p>Management advised that the meter has since been exchanged and the SOP updated to ensure all rejected service notifications are actioned as appropriately.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>
407	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> Electricity Industry Metering Code clause 5.19(2)</p> <p><b>Details:</b></p> <p>Synergy recorded one incident resulting in 22,255 breaches in the 2014-15 period due to issues with accurately capturing customer addresses in the system. A system error arose where the customer details notification would not issue to Western Power if customers were also authorised contact persons on another customer's account due to a defect that was not identified during testing.</p>	<p>May 2015</p> <p>Management have advised that the system defect has been corrected and "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses.</p> <p>Management advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses. Coaching and training was also provided to the relevant staff members.</p>	<p>The breach issue has been resolved during the current audit period.</p> <p>No further action required.</p>



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