



Notice

22 June 2017

Electricity Generation and Retail Corporation trading as Synergy

2017 PERFORMANCE AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority (ERA) has published the [2017 performance audit report](#), [2017 asset management review report](#) and the [post-review implementation plan](#) for the electricity generation licence of the Electricity Generation and Retail Corporation, trading as Synergy.

Action by the ERA

The ERA considers that Synergy has achieved a high level of compliance with its licence and has an effective asset management system. It has decided to increase the audit and review period from 43 months to 48 months.

The next audit and review will cover 1 November 2016 to 31 October 2020, with the report due by 31 January 2021.

Background

Audit

The audit assessed 37 licence obligations. The auditor did not provide a rating for 18 of the obligations, because there was no relevant activity during the audit period.

Of the remaining 19 obligations, two received the highest rating of A1 (adequate controls, compliant), two were rated A2 (adequate controls, minor non-compliance), and 15 were rated NP/1 (controls adequacy not performed, compliant).

The first non-compliance was because Synergy paid its 2014 and 2015 annual licence fees late, and the second non-compliance was due to Synergy not reporting to the ERA a change in the description of its generating works. Both non-compliances were resolved during the audit period.

The auditor did not make any recommendations in the audit.

Review

The review assessed 12 asset management components,¹ all of which were rated A1 (fully effective).

The auditor made one recommendation in the review, to address an improvement opportunity. Synergy provided a post-review implementation plan that addresses the recommendation.

¹ The components are described in the ERA's [Audit and Review Guidelines: Electricity and Gas Licences](#).

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