

Electricity Generation and Retail Corporation trading as Synergy

Electricity Retail Licence (ERL1)

2017 Performance Audit Report

January 2018

Mr Simon Thackray
Manager Regulation and Compliance
Electricity Generation and Retail Corporation trading as Synergy
Forrest Centre, 219 St Georges Terrace
Perth WA 6000

11 January 2018

Dear Simon

**Electricity Generation and Retail Corporation trading as Synergy (Synergy) Electricity
Retail Licence (ERL1) 2017 Performance Audit Report**

We have completed the Electricity Retail Licence Performance Audit for Synergy for the period 1 July 2015 to 30 June 2017 and are pleased to submit our report to you.

I confirm that this report is an accurate presentation of the findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin on 0414 924 346 or me on 0411 603 644.

Yours sincerely



Richard Thomas
Partner
Deloitte Risk Advisory Pty Ltd

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1 Independent Auditor's report

With the approval of the Economic Regulation Authority (the **ERA**), Electricity Generation and Retail Corporation trading as Synergy (**Synergy**) engaged Deloitte Risk Advisory Pty Ltd (**Deloitte**) to conduct a performance audit of Synergy's compliance with the conditions of its Electricity Retail Licence ERL1 (the **Licence**), for the period 1 July 2015 to 30 June 2017 (**audit period**).

Deloitte conducted the performance audit as a reasonable assurance engagement and in accordance with the specific requirements of the Licence and the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* issued by the ERA (**Audit Guidelines**).

Synergy's responsibility for compliance with the conditions of the Licence

Synergy is responsible for:

- Ensuring that it has complied in all material respects with the requirements of the Licence
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA
- Implementing corrective actions for instances of non-compliance.

Deloitte's responsibility

Our responsibility is to express a conclusion in respect of Synergy's compliance with the conditions of the Licence based on our procedures. The reasonable assurance engagement has been conducted in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board, to state whether, in our opinion, based on the procedures performed, Synergy has complied, in all material respects, with its Licence conditions as outlined in the approved Audit Plan (dated August 2017) for the audit period.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the October 2016 Electricity Compliance Reporting Manual (the **Reporting Manual**) as a guide for development of a risk assessment and document review to assess controls
- Development of an Audit Plan for approval by the ERA and an associated work program, set out in Appendix A
- Interviews with and representations from relevant Synergy staff to gain an understanding of process controls
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness in accordance with Licence obligations
- Sample testing where relevant for obligations rated as an audit priority 3 and above in the approved Audit Plan.

Limitations of use

This report is intended solely for the information and internal use of Synergy, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner or for any purpose, on this report.

We understand that a copy of this report will be provided to the ERA for the purpose of reporting on the performance audit for the Licence. We agree that a copy of this report may be provided to the ERA in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, liability or responsibility to any party, other than Synergy, in connection with the report or this engagement.

Inherent limitations

Our engagement will provide reasonable assurance as defined in ASAE 3100. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the:

- Use of selective testing and testing as at a point of time
- Inherent limitations of internal controls
- Fact that much of the evidence available to us is persuasive rather than conclusive
- Use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis. Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

Independence

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

In our opinion, based on the procedures performed, except for the effect of the issues set out in the Basis for modified conclusion section below, Synergy has complied, in all material respects, with the conditions of the Licence as outlined in the approved Audit Plan (dated August 2017) for the period 1 July 2015 to 30 June 2017.

Basis for modified conclusion

The following Licence conditions were assessed as non-compliant (rating 2). Synergy had self-identified and disclosed these matters (other than where indicated as *) in its relevant 2015/16 and 2016/17 Annual Compliance reports to the ERA:

Reporting Manual number and Licence condition		Issue
100	Electricity Industry (Customer Contract) regulation 38 <i>If a 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 notify the customer within 5 days after becoming aware of it and provide specified information.</i>	In 30 instances during the audit period, Synergy failed to notify and provide customers with specified information upon becoming aware the customer was taking a supply of electricity Synergy deemed to be supplied under Synergy's standard form contract.
130	Code of Conduct clause 2.2(1) <i>A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1).</i>	<i>Obligations 130 and 131</i> In 693 instances during the audit period, Synergy failed to provide the required information upon entering into a standard contract within the required timeframe.

Reporting Manual number and Licence condition		Issue
131	Code of Conduct clause 2.2(2) <i>Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill.</i>	In 15 instances during the audit period, Synergy failed to read the standard declaration and obtain the consents required under the Code.
135	Code of Conduct clause 2.3(5) <i>Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.</i>	In nine identifiable instances during the audit period and a separate undeterminable amount of instances over a three-day period in the 2016/17 period, Synergy did not maintain the customer's verbal consent owing to failures in the call recording system.
137	Code of Conduct clause 2.4(2) <i>A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.</i>	On 23 January 2017, the Synergy contact centre was unavailable for a two-hour period.
144	Code of Conduct clause 3.1 (2) <i>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.</i>	In 3,250 instances during the audit period, Synergy forwarded online customer requests for connection beyond the prescribed timeframe without the appropriate consent. In a further 14 instances during the audit period, Synergy did not forward customer requests for connection to the distributor within the required timeframe because of manual user error.
145	Code of Conduct clause 4.1 <i>A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.</i>	During the audit period, Synergy reported the following instances of non-compliance: <ul style="list-style-type: none"> For 0.09% (in 2015/16) and 0.06% (in 2016/17) of its customers, Synergy failed to issue a bill within a three-month period without a customer's consent In 1.4% of its bills to customers, Synergy issued a bill more than once in a month without a customer's consent.
154	Code of Conduct clause 4.4 <i>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.</i>	In 961 instances during the audit period, Synergy did not issue a bill to a customer at the customer's supply address since the correct customer address had not been recorded.
155	Code of Conduct clause 4.5(1) <i>A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.</i>	Over the audit period, Synergy reported that less than 0.1% of its bills did not contain the minimum prescribed information on a bill. *Synergy's bills had not included the correct National Interpreter Symbol since November 2016.
156	Code of Conduct clause 4.5(3) <i>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.</i>	In five instances during the audit period, Synergy did not provide a customer with the required historical debt notification. In a further three instances during the audit period, Synergy issued a historical debt notification to the wrong customer address.

Reporting Manual number and Licence condition	Issue
<p>157 Code of Conduct clause 4.6(1) <i>A retailer must base a customer's bill on the following:</i></p> <ul style="list-style-type: none"> - 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 subclause 4.6(1)(b); or - if the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code, or as set out in any applicable law. 	<p>In 1,444 instances during the audit period, Synergy issued bills, which contained incorrect energy or standing data.</p>
<p>160 Code of Conduct clause 4.8(2) <i>In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under subclause 4.8(2).</i></p>	<p>In 4,469 instances during the audit period, Synergy issued a bill without disclosing the bill was derived from partial estimated data and partial actual data.</p> <p>In 9,192 instances during the audit period, Synergy issued final bills without disclosing the bills were estimated.</p>
<p>166 Code of Conduct clause 4.12(1) <i>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.</i></p>	<p>In nine instances during the audit period, Synergy failed to complete a customer change to an eligible alternative tariff within the required 10 business days.</p>
<p>169 Code of Conduct clause 4.14(2) <i>Subject to subclause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.</i></p>	<p>In one instance during the audit period, Synergy failed to obtain the customer's instructions to transfer a credit at the time of the account closure within the required timeframe.</p>
<p>172 Code of Conduct clause 4.16(1)(a) <i>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 retailers internal complaints handling processes and details of any applicable external complaints handling processes.</i></p>	<p>In one instance during the audit period, Synergy failed to advise a customer of their right to request a meter test during a bill review process.</p>
<p>176 Code of Conduct clause 4.17(2) <i>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 subclause 4.17(2).</i></p>	<p>In 68 instances during the audit period, Synergy recovered undercharges outside of the manner specified by the regulatory requirements.</p>

Reporting Manual number and Licence condition	Issue
<p>177 Code of Conduct clause 4.18(2) <i>If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. Subject to subclauses 4.18(6) and 4.18(7), the retailer must ask the customer for instructions if the amount should be credited to the customer's account or repaid to the customer directly.</i></p>	<p>In 5,830 instances during the audit period, Synergy did not provide customers with an explanatory note for a billing adjustment.</p>
<p>184 Code of Conduct clause 4.19(3) <i>If a retailer receives instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.</i></p>	<p>In five instances during the audit period, Synergy did not issue a refund within the required timeframe, one of which was subject to a formal complaint.</p>
<p>189 Code of Conduct clause 5.3 <i>Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.</i></p>	<p>In 32 instances during the audit period, Synergy did not provide the correct declaration to customers when obtaining verifiable consent prior to commencing a direct debit facility. Over a three day period during the audit period, Synergy did not maintain customers' verbal consent owing to failures in its call recording system.</p>
<p>192 Code of Conduct clause 5.6(1) <i>A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1).</i></p>	<p><i>Obligation 192 and 196</i> In 43 instances during the audit period, Synergy failed to retrospectively waive the late payment fee for customers identified as experiencing financial hardship.</p>
<p>196 Code of Conduct clause 5.6(5) <i>If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.</i></p>	
<p>197 Code of Conduct clause 5.7(1) <i>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 subclause 5.7(1).</i></p>	<p>In 677 instances during the audit period, Synergy incorrectly billed customers after the customer had vacated the nominated supply address.</p>
<p>199 Code of Conduct clause 5.7(4) <i>Notwithstanding subclauses 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 subclause 5.7(4).</i></p>	<p>In one instance during the audit period, Synergy charged a customer for consumption after establishing a contract with a new customer for the supply address.</p>
<p>201 Code of Conduct clause 5.8(2) <i>A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.</i></p>	<p>In 20 instances during the audit period, Synergy attempted to recover an outstanding debt from the wrong customer.</p>

Reporting Manual number and Licence condition		Issue
201A	Code of Conduct clause 5.9 <i>A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer.</i>	In eight instances during the audit period, Synergy did not record a customer's call as evidence of consent for the transfer of debt. Further, over a three-day period during the audit period, Synergy did not maintain customers' verbal consent relating to transfer of debt owing to failures in the call recording system.
202	Code of Conduct clause 6.1(1) <i>If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.</i>	In 21 instances during the audit period, Synergy did not assess customer payment difficulty or financial hardship within the correct timeframe. In 68 instances during the audit period, Synergy did not take steps to assess a customer for payment difficulties or financial hardship.
206	Code of Conduct clause 6.2(2) <i>A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.</i>	In 19 instances during the audit period, Synergy did not comply with its obligations to grant customers experiencing payment problems a temporary suspension of actions in line with the regulatory requirements.
210	Code of Conduct clause 6.3(1)(b) <i>If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.</i>	Obligations 210 and 212 In eight instances during the audit period, Synergy failed to offer alternative payment arrangements to a residential customer assessed as experiencing financial hardship.
212	Code of Conduct clause 6.4(1)(b) <i>If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements:</i> - additional time to pay a bill; and - 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.	
213	Code of Conduct clause 6.4(2) <i>When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).</i>	In one instance during the audit period, Synergy did not appropriately consider information on a customer's payment capacity or consumption history when arranging an alternative payment arrangement.

Reporting Manual number and Licence condition		Issue
214	Code of Conduct clause 6.4(3) <i>If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within 5 business days, and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.</i>	In 35 instances during the audit period, Synergy failed to provide customers on an instalment plan with the required information within the required timeframe.
218	Code of Conduct clause 6.8 <i>A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).</i>	In 90 instances during the audit period, Synergy failed to provide a customer experiencing financial hardship with the information as required by the Code.
229	Code of Conduct clause 7.1(1) <i>Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).</i>	In 60 instances during the audit period, Synergy wrongfully disconnected a customer for failure to pay without providing the required notifications.
230	Code of Conduct clause 7.2(1) <i>A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1)</i>	In one instance during the audit period, Synergy wrongfully disconnected a customer after the customer had agreed an alternative payment arrangement.
243	Code of Conduct clause 8.1(2) <i>A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).</i>	<p>In 151 instances during the audit period, Synergy failed to forward service reconnection requests to the distributor by the required timeframe.</p> <p>In a further 69 instances during the audit period, Synergy did not process a customer request for reconnection within the required timeframe because of a system outage.</p>
279	Code of Conduct clause 10.3 <i>On 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).</i>	In three instances during the audit period, Synergy did not provide a customer with concession information upon request.
294	Code of Conduct clause 10.11(1) <i>On request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).</i>	In 65 instances during the audit period, Synergy failed to provide special information services, when requested, during communications.

Reporting Manual number and Licence condition		Issue
295*	Code of Conduct clause 10.11(2) <i>For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.</i>	Synergy's bills had not included the correct National Interpreter Symbol since November 2016.
301	Code of Conduct clause 12.1(4) <i>On 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.</i>	In eight instances during the audit period, Synergy failed to acknowledge or respond to a written complaint within the required timeframe.
302*	Code of Conduct clause 12.2 <i>A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.</i>	In 17 instances during the audit period, Synergy incorrectly recorded a complaint as a query. Synergy's internal process for identifying a complaint does not fully align with the ERA's Customer Complaint Guidelines.
305	Code of Conduct clause 13.1 <i>A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.</i>	In its 2015/16 performance report to the ERA, Synergy failed to report 12 standard service payments.
310	Code of Conduct clause 14.2(1) <i>Subject to clause 14.6, a retailer must pay the specified compensation to a customer 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 the customer for failure to pay a bill, or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7.</i>	In 12 instances during the audit period, Synergy failed to pay the specified compensation to a customer subsequent to a wrongful disconnection.
373	Electricity Industry Metering Code clause 4.5(2) <i>Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or 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.</i>	Obligations 373 and 402 In 202 instances during the audit period, Synergy did not notify Western Power of incorrect standing data displayed on a customer's bill.
402	Electricity Industry Metering Code clause 5.17(1) <i>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.</i>	
405	Electricity Industry Metering Code clause 5.18 <i>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.</i>	Obligations 405 and 408 In approximately 14,000 instances during the audit period, Synergy did not notify Western Power of a relevant change via a Customer Detail Notification form (CDN) within the required timeframe of one business day.

Reporting Manual number and Licence condition		Issue
408	Electricity Industry Metering Code clause 5.19(3) <i>Subject to subclauses 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 subclause 5.19(2), notify the network operator of the change.</i>	
496	Electricity Industry (Customer Contracts) regulation 40 <i>Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.</i>	In four instances during the audit period, Synergy failed to offer to supply electricity under a standard form contract upon request.
<i>The following obligations were rated as non-compliant in the previous audit period (prior to 30 June 2015). As the action resolving the non-compliance occurred at some point during the current audit period (until 30 June 2017), the obligations are included below to reflect their non-compliance until the point of resolution.</i>		
54*	Electricity Industry (Customer Transfer Code) clause 6.6 <i>A network operator or a Retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.</i>	Synergy did not comply with the communication rules' requirements for electronic communication until November 2015, when an automated email response was implemented.
158*	Code of Conduct clause 4.7 <i>Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.</i>	Until February 2016 when system and process revisions were implemented, Synergy did not comply with requirements to obtain actual meter readings from customers' metering installations in a 12 month period.
161*	Code of Conduct clause 4.8(3) <i>On request, a retailer must inform a customer of the basis and the reason for the estimation.</i>	Synergy did not comply with the requirement to advise customers of the basis for a bill estimation in instances where Western Power categorised the reason for estimation as 'other'. Upon Synergy's request, in November 2016, Western Power agreed to not use the 'other' category.
182*	Code of Conduct clause 4.19(1) <i>If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with subclause 4.19(1).</i>	Synergy failed to comply with the requirement to provide an explanatory letter under subclause 4.19(1) until February 2016, when Synergy automated the letter notification process.
222*	Code of Conduct clause 6.10(3) <i>A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3).</i>	Synergy's financial hardship procedures failed to detail the requirements of clause 6.10(3), until its revision in October 2015.
240*	Code of Conduct clause 7.7(6) <i>A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).</i>	Synergy had not complied with its obligation to contact and confirm customers as life support customers within the required timeframe for the month of July 2015.

DELOITTE TOUCHE TOHMATSU

Richard Thomas

Partner

Perth, 11 January 2018

2 Executive summary

2.1 Introduction and background

The Economic Regulation Authority (**ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Electricity Generation and Retail Corporation trading as Synergy (**Synergy**) the Electricity Retail Licence No. 1 (the **Licence**).

Section 13 of the Act requires Synergy to provide the ERA with a performance audit (the **audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24-month period (or any longer period that the ERA allows). The ERA set the period to be covered by the audit as 1 July 2015 to 30 June 2017 (**audit period**).

At the request of Synergy, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has undertaken a reasonable assurance audit of Synergy's compliance with its Licence obligations.

Synergy has been granted a licence to sell electricity to customers throughout the South West Interconnected System (**SWIS**) network. Synergy is the largest licensed retailer in the SWIS network.

During the audit period Synergy:

- Issued more than 11 million bills
- Received more than 2.2 million telephone calls
- Managed more than 1 million customer accounts
- Facilitated 24,283 new customer connections
- Facilitated 211,792 and 196,864 customer movements in and out of premises.

The audit has been conducted in accordance with the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (the **Guidelines**).

2.2 Observations

In considering Synergy's internal control procedures, structure and environment, its compliance culture and its information systems specifically relevant to those licence obligations subject to audit, we observed that Synergy:

- Maintains a mature compliance framework, which is guided by a Board approved regulatory compliance policy
- Maintains a robust library of policies and procedures (KANA and DMS), which are designed to be user friendly and mitigate the risk of manual error associated with the high turnover call centre environment
- Continuously promotes a culture of self-reporting through its incident management system, Empower. In nearly all instances, Synergy self-identified and self-reported the non-compliances listed in this report
- Places a large reliance on call centre staff to meet the majority of its regulatory obligations. Monitoring of staff performance is performed through the QA function, which has a responsibility to:
 - Identify non-compliances arising through user error
 - Report non-compliances through the Empower system
 - Follow up on required actions
- Has the opportunity to enhance its QA monitoring function through further development of the governance and reporting process and increased involvement from compliance personnel in QA training and QA assessor calibration meetings
- Has an appetite for continuous improvement. In August 2017, Synergy appointed a Change Implementation Manager and is in the early stages of streamlining its Change Management Framework, which will enhance arrangements designed to ensure compliance requirements are adequately captured and reflected within documented procedures
- Has a further opportunity to enhance non-compliance action plans by adopting a more rigorous root cause analysis approach to incident management. Addressing the underlying cause of compliance breaches provides a more proactive approach to compliance at a higher level, which will further strengthen Synergy's current approach, which has focussed on matters at an individual obligation/incident level.

2.3 Findings

The following tables summarise the assessments made during the audit of Synergy's compliance and the adequacy of controls in place for Synergy to manage its compliance with the relevant obligations or conditions of the Licence.

Table 1 sets out the rating scale defined by the ERA in the Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Synergy was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

Table 1: Compliance and control adequacy rating scale

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties

Table 4 at section 3 of this report provides further detail on the compliance and control adequacy rating scales. The above rating scale is defined by the Guidelines.

Table 2: Summary of findings, by audit priority and compliance rating

Audit Priority	Compliance rating				NR	Total
	1	2	3	4		
Priority 1	-	-	-	-	-	-
Priority 2	6	19	4	-	1	30
Priority 3	-	-	-	-	-	-
Priority 4	129	26	1	-	52	208
Priority 5	27	3	-	-	15	45
Total:	162	48	5	-	68	283

Table 3: Summary of findings, by audit priority and control adequacy

Audit Priority	Control adequacy rating				NP ¹	Total
	A	B	C	D		
Priority 1	-	-	-	-	-	-
Priority 2	7	23	-	-	-	30
Priority 3	-	-	-	-	-	-
Priority 4	6	21	-	-	181	208
Priority 5	1	2	-	-	42	45
Total:	14	46	-	-	223	283

¹ Refers to the obligations for which a control assessment was not required to be performed (obligations with an audit priority of 4 or 5 and a compliance rating of 1, or which were not rateable).

Note that, in accordance with the current Guidelines, obligations assessed as being “not applicable” to Synergy’s operations have not been included within this report.

Specific assessments for each Licence obligation are summarised at **Table 4** in the “Summary of findings” section of this report.

Detailed findings, including relevant observations, recommendations and action plans are located in section 4 “Detailed findings, recommendations and action plans”.

2.4 Synergy’s response to previous audit recommendations

This audit considered Synergy’s progress in completing the action plans detailed in the 2015 performance audit report.

Based on our examination of relevant documents, discussion with staff and consideration of the results of our testing against the associated licence obligations, we determined Synergy has closed out all 40 post audit implementation plans detailed in the 2015 performance audit report, of which:

- 39 were actioned
- One was intentionally not actioned after commercial consideration (with the rationale that it would result in a duplication of processes).

Refer to section 5 “Previous audit non-compliances and recommendations” for further detail.

2.5 Recommendations and action plans

A. Resolved during current audit period

Reporting manual no. and Licence condition reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor’s comments
Obligation 54 <i>Electricity Industry Transfer Code clause 6.6</i>	A2 Synergy addressed an issue relating to its response to communications through the Western Power liaison mailbox, which was raised during the 2015 Performance Audit, part way through the current audit period. As a result, Synergy is assessed as non-compliant during the current audit period.	November 2015 Synergy implemented 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.	No further action required.
Obligation 158 <i>Code of Conduct clause 4.7</i>	A2 Synergy addressed an issue relating to actual meter readings being obtained from a customer’s meter installation in 12 months, which was raised during the 2015 Performance Audit, part way through the current audit period. As a result, Synergy is assessed as non-compliant during the current audit period.	February 2016 In February 2016, Synergy finalised its implementation of system and process revisions to address this matter.	No further action required.
Obligation 161 <i>Code of Conduct clause 4.8(3)</i>	A2 Synergy did not comply with the requirement to advise customers of the basis for a bill estimation in instances where Western Power categorised the reason for estimation as ‘other’. Upon Synergy’s request, in November 2016, Western Power agreed to not use the ‘other’ category.	November 2016 Synergy met with Western Power and requested that Western Power remove the ‘other’ data field. Western Power advised that the field could not be removed without reconfiguring the system build pack, but agreed not to use the field as part of its operations.	No further action required.

Reporting manual no. and Licence condition reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor's comments
Obligation 182 <i>Code of Conduct clause 4.19(1)</i>	A2 Synergy addressed an issue relating to its standard rebill letter not being manually included with the bill in error, which was raised during the 2015 Performance Audit, part way through the current audit period. As a result, Synergy is assessed as non-compliant during the current audit period.	February 2016 A system change request (2619) was implemented on 24 February 2016 to automate the issuing of the rebill letter to make sure customers are provided with the reason for the adjustment. Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by 30 June 2015.	No further action required.
Obligation 222 <i>Code of Conduct clause 6.10(3)</i>	A2 Synergy addressed an issue relating to its financial hardship procedures, which was raised during the 2015 Performance Audit, part way through the current audit period. As a result, Synergy is assessed as non-compliant during the current audit period.	October 2015 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. Financial hardship documented procedures were reviewed and updated and communicated to relevant staff during December 2015.	No further action required.
Obligation 240 <i>Code of Conduct clause 7.7(6)</i>	A2 Synergy addressed an issue relating to the annual renewal process for life support customers, which was raised during the 2015 Performance Audit, part way through the current audit period. As a result, Synergy is assessed as non-compliant during the current audit period.	July 2015 A system change was implemented in July 2015, which automated the annual contact process, reducing the risk associated with the manual process.	No further action required.

B. Unresolved at end current audit period

Reporting manual no. and Licence condition reference	Issue 1/2017
<p>Obligations 131, 135, 145, 189 and 201A</p> <p><i>Code of Conduct clauses 2.2(2), 2.3(5), 4.1, 5.3 and 5.9</i></p>	<p>Declarations (relating to provision of information and consent)</p> <p>Synergy has a number of obligations under the relevant Codes, which require it to obtain consent/ acknowledgement from customers in response to a range of specific requirements for Synergy to provide information or seek a customer's consent. We observed that the reading of relevant declarations is a manual process performed by the Customer Service Agent (CSA) using predefined scripts.</p> <p>Synergy's quality assurance (QA) evaluations of declarations made between 1 July 2016 and 30 June 2017, reported that for 509 (7.15%) of the 7,118 evaluations performed for residential customers, the declaration was not performed to the required standard and with an appropriate response from the customer. Synergy had not distinguished those declarations required under its regulatory compliance obligations.</p> <p>The declarations required under its regulatory compliance obligations, which were subject to QA evaluations relate to the following customer activities:</p> <ul style="list-style-type: none"> • New connection • Billing frequency • Direct debit (period, instalment and combination) • Authorised representative • Third Party enquiry. <p><i>Note: The QA evaluation reporting data made available to this audit did not distinguish the level of non-compliance between each declaration type.</i></p> <p>We recognise that CSAs will perform other tasks within the customer account while reading the script, which increases the risk of manual error (in terms of incorrect data entry, or misreads of the specified declaration).</p> <p><i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 1/2017</p> <p>Synergy consider:</p> <ol style="list-style-type: none"> Implementing automated declarations into the call centre process Enhancing its QA feedback review including compliance analysis to provide summary data on non-compliance levels across the range of declarations Periodically reporting to senior management (including regulatory) QA performance In the event that automated recordings are not implemented, reviewing the KPIs on the management of declarations. 	<p>Action Plan 1/2017</p> <p>Synergy currently has 41 declarations that are required to be communicated to customers.</p> <ol style="list-style-type: none"> Management has in the past investigated the option to automate declarations into the call centre process. Introduction of a fully automated declaration process within the current customer relationship management system will require significant capital investment and is not considered feasible under current system design due to the volume and complexity of declarations. However, Synergy is in the process of developing a business case for a new customer engagement platform including the introduction of automated statutory declarations. In the interim Synergy will conduct a review to consolidate and simplify customer declarations to improve the customer experience and reduce the likelihood of agent error Agreed. Management will initiate a review of the annual refresher training content for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively

Reporting manual no. and Licence condition reference	Issue 1/2017
	<p>(c) Agreed. This will be included within the retail compliance snapshot report quarterly and circulated to senior management</p> <p>(d) Agreed. Management will undertake a review of declaration KPI's. This review will be undertaken as part of the declaration review outlined in (a).</p> <p>Responsible person Manager Retail Operations</p> <p>Target date (a) By no later than 30 April 2018 (b) By no later than 31 January 2018 (c) By no later than 26 January 2018 (d) By no later than 30 April 2018.</p>

Issues 2, 3 and 4 below are general observations and recommendations relating to the same 43 obligations

Reporting manual no. and Licence condition reference	Issue 2/2017
<p>Obligation 100 <i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310 <i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 6.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p>Obligations 373, 402, 405 and 408 <i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p>Obligation 496 <i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p>QA: CSA performance</p> <p>During the audit period, Synergy self-reported non-compliances relating to 40 obligations, with the cause of the non-compliance attributed to manual user error and/or failure to follow standard operating procedure, where 'feedback and coaching' was a primary prescribed action plan.</p> <p>Synergy has engaged Stellar Asia Pacific (Stellar) to provide customer call centre activities, through a Customer Services and Processing – Outsourced Services Agreement (OSA), which defines Critical Service Levels and Key Measurements.</p> <p>Stellar's CSA performance is measured by the Stellar and Synergy QA teams via evaluation scoresheets (marked out of 100). Scores of between 2% and 6% are assigned to various elements relating to:</p> <ul style="list-style-type: none"> • Customer manner and interaction • Reference to customer notes • Following correct procedure • Regulatory compliance • Marketing of value add products. <p>We observed the following areas where Synergy should strengthen its QA processes to better manage its compliance performance:</p> <ul style="list-style-type: none"> • Stellar is required to maintain a whole-of-call centre score above 90%, but because of the average-based format of KPIs, there is a risk of failing to detect and remedy repeated non-compliance from underperforming agents • The OSA requires that each CSA has five calls reviewed by QA per month, yet we observed multiple instances during the audit period where the minimum five-call target was not reached, including for low scoring agents • Monthly quality reports do not give consideration to the root cause of repeated or systematic issues.

Reporting manual no. and Licence condition reference	Issue 2/2017
	<p>Monthly Stellar QA reports over the period June 2016 to June 2017 show a decrease in performance of front-of-house CSAs. The reports show the following percentages of CSAs scoring below 90%:</p> <ul style="list-style-type: none"> • 53% in June 2016 • 45% in March 2017 • 34% in April 2017 • 63% in May 2017 • 64% in June 2017. <p><i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 2/2017</p> <p>Synergy consider:</p> <ol style="list-style-type: none"> Undertaking further root cause analysis on high volume incidents relating to agent failure to follow standard operating procedure to identify root cause areas and where feasible automate tasks to reduce risk of agent error Reviewing standard operating procedures for compliance adequacy Revising the QA assessment criteria to place greater weighting on the content of the call and following procedure Raising the impact of regulatory non-compliance and performance scores to reduce the risk of systemic non-compliance being undetected under the 'average measurement method' Escalation to senior management (including regulatory) when low QA scores results in non-compliances Further opportunities to enhance the approach to training CSAs on Synergy's regulatory obligations. 	<p>Action Plan 2/2017</p> <ol style="list-style-type: none"> Agreed. Management will undertake further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error. Root cause analysis will include reviewing: screen captures; customer calls; agent interviews; customer relationship management interaction notes; training content; standard operation procedure design and implementation; system design; and the effectiveness of preventative actions taken to date Agreed Noted. Management undertook a review of the QA assessment criteria in FY2016/2017 and the current QA assessment criteria already has higher weighting on following procedure Agreed. Management will establish an internal QA target to monitor QA compliance through monthly reporting of variation from mean. This will enable the QA teams to deep dive into poor performing areas and address non-compliance root causes Agreed. Escalation to senior management is an established practice with review of contractual compliance KPIs at the quarterly business review meetings held between Synergy and call centre management. Going forward reporting of QA compliance performance will also be included within the monthly operations dashboard that is circulated to senior management Management will initiate a review of the annual refresher training material for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively. <p>Responsible person Manager Retail Operations</p> <p>Target date</p> <ol style="list-style-type: none"> By no later than 30 April 2018 Completed. 22 December 2017 Business as usual activity Completed. 22 December 2017 Completed. 15 December 2017 By no later than 31 January 2018.

Reporting manual no. and Licence condition reference	Issue 3/2017
<p>Obligation 100 <i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310 <i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 6.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p>Obligations 373, 402, 405 and 408 <i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p>Obligation 496 <i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p>QA - Calibration process</p> <p>As outlined in Issue 2/2017, Synergy and designated Stellar personnel perform a monthly QA on customer service calls from which the majority of non-compliances are detected and self-reported. As part of the QA process, Synergy hosts monthly calibration meetings with Stellar staff to compare QA assessment marks for a sample of CSAs, with any significant discrepancies further assessed. However, the calibration sessions could be improved in a number of respects:</p> <ul style="list-style-type: none"> • There is no formal framework in place for the governance and reporting of action items from calibration sessions • Meeting notes are captured on an ad hoc basis • Where they exist, meeting notes are stored in an unstructured manner on file or within the email accounts of attending personnel • In a calibration session attended by members of the audit team, we observed an instance where there was a discrepancy between staff scores • In the same session, we observed a variance in reviewers' opinion on whether an element should have been classified as a regulatory breach. <p>In summary, there is no reporting mechanism for:</p> <ul style="list-style-type: none"> • High-level variances identified in the calibration sessions • Action items derived from the session. <p><i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 3/2017 Synergy consider:</p> <p>(a) Drafting a formal calibration process document, which sets out:</p> <ul style="list-style-type: none"> • Agenda items • Appropriate actions for score variances • Instances where variances require escalation to senior or regulatory personnel <p>(b) Inviting a member from the compliance team to attend calibration sessions and provide feedback on key queries</p> <p>(c) Review regulatory training requirements for QA reviewers with focus on higher customer impact areas (e.g. financial hardship)</p> <p>(d) Regular reporting to senior management (including regulatory) on calibration action item progress</p> <p>(e) Undertaking root cause analysis on high volume incidents relating to agent failure to follow standard operating procedure to identify root cause areas</p>	<p>Action Plan 3/2017</p> <p>(a) Agreed. A formalised calibration process has been implemented as of 9 September 2017.</p> <p>(b) Agreed</p> <p>(c) Agreed. Retail Compliance and Risk are conducting a review of all compliance training in FY2017/18 including reviewer specific training. This will be focused on identifying knowledge gaps for reviewers and provide guidance for future training plans.</p> <p>(d) Agreed. This will be included within the retail monthly operations report</p> <p>(e) Management will undertake further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error. Root cause analysis will include reviewing: screen captures; customer calls; agent interviews; customer relationship management interaction notes; training content; standard operation procedure design and implementation; system design; and the effectiveness of preventative actions taken to date.</p> <p>(f)</p>

Reporting manual no. and Licence condition reference	Issue 3/2017
and where feasible automate tasks to reduce risk of agent error.	Responsible person Manager Retail Operations Target date (a) Completed. 9 September 2017 (b) Completed. 20 November 2017 (c) By no later than 30 April 2018 (d) By no later 26 January 2018 (e) By no later than 30 April 2018.

Reporting manual no. and Licence condition reference	Issue 4/2017
<p>Obligation 100 <i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310 <i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 6.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p>Obligations 373, 402, 405 and 408 <i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p>Obligation 496 <i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p>Call centre regulatory performance reporting</p> <p>Synergy's OSA contains Critical Service Levels and Key Measurement, which set out KPIs for Stellar to report on Type 1 and Type 2 regulatory breaches.</p> <p>Stellar provides the Retail Business Unit (RBU) Management Committee with monthly status reports, which provide an overview of:</p> <ul style="list-style-type: none"> • Call centre operational performance • Training activities • Action items from previous months. <p>We observed that</p> <ul style="list-style-type: none"> • Synergy is yet to enforce reporting on regulatory compliance KPIs as outlined in the OSA. The introduction of such reporting was recognised as an action item in the July 2017 report • There is limited regulatory reporting on higher impact areas (e.g. wrongful disconnection and financial hardship) • KPIs outlined in attachment 4a of the OSA appear to be percentages set against population totals, rather than measured as percentages of the QA testing population (from which Synergy reports the majority of its non-compliances). <p><i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 4/2017</p> <p>Synergy consider:</p> <ol style="list-style-type: none"> Enforcing the reporting of Type 1 and Type 2 regulatory breaches as part of the monthly reporting requirements Enhancing reporting requirements on obligation elements with higher customer impact (e.g. financial hardship and wrongful disconnections) Reviewing its KPI definitions at the next contract renewal to express percentages in terms of QA population tested, rather than total operational volumes Escalation to senior management (including regulatory) when contractual compliance KPIs are not being met As an alternative to reviewing KPI definitions within the OSA, applying a method of extrapolation to reported instances of non-compliance arising out of QA testing Undertaking root cause analysis on high volume incidents relating to agent failure to follow standard operating procedure to identify root cause areas and where feasible automate tasks to reduce risk of agent error. 	<p>Action Plan 4/2017</p> <ol style="list-style-type: none"> Noted. Management notes that type 1 and type 2 regulatory breaches are already included in the monthly performance reports within Synergy. The reporting captures all regulatory breaches recorded in the compliance reporting system Empower including breaches reported by the residential and business call centres. Agreed. Synergy will enhance Empower (incident management system) capability to improve reporting of incident root causes for material incidents. Agreed. Management will work towards establishing a contract variation with the vendor. Discussions commenced in October 2017 with expected close-out in January 2018. Agreed. Escalation to senior management is an established practice with review of contractual compliance KPI's at the monthly and quarterly business review meetings held between Synergy and call centre management. However, meeting documentation and minutes will now be circulated to senior management (including regulatory) Agreed. Management will establish an internal QA target to monitor QA compliance through monthly reporting of variation from mean. This will enable the QA teams to deep dive into poor performing areas and address non-compliance root causes. Management will undertake further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard

Reporting manual no. and Licence condition reference	Issue 4/2017
	<p>operating procedure and where feasible automate tasks to reduce risk of agent error. Root cause analysis will include reviewing: screen captures; customer calls; agent interviews; customer relationship management interaction notes; training content; standard operation procedure design and implementation; system design; and the effectiveness of preventative actions taken to date.</p> <p>Responsible person (a), (c), (d), (e) and (f) Manager Retail Operations (b) Manager Regulation and Compliance</p> <p>Target date (a) Business as usual activity (b) By no later than 31 March 2018 (c) By no later than 31 January 2018 (d) Completed.15 December 2017 (e) Completed.22 December 2017 (f) By no later than 30 April 2018.</p>

Reporting manual no. and Licence condition reference	Issue 5/2017
<p>Obligations 144, 155, 160, 176, 177, 229, 230, 243 and 295 <i>Code of Conduct clauses 3.1(2), 4.5(1), 4.8(2), 4.17(2), 4.18(2), 7.1(1), 7.2(1) 8.1(1), 8.1(3) and 10.11(2)</i></p> <p>Obligation 408 <i>Electricity Industry Metering Code clause 5.19(3)</i></p>	<p>Process/system change control During the audit period, Synergy self-reported non-compliances relating to 10 obligations, citing system set-up as a primary cause of the non-compliance. At the time of this audit, Synergy had not established a formal change management process, which required the compliance team to be consulted as part of any system change. For example, for obligations 160 (design of the bill template) and 229 (relating to a disconnection error, which was undetected in the test environment), the lack of consultation as part of a change management process was identified as the primary factor causing the system error and resulting non-compliance. Synergy appointed a Change Implementation Manager in August 2017 and is in the process of developing a streamlined change management framework to guide the change management process across all functions (including IT). This framework is expected to require compliance stakeholders to function as a sign-off point to manage the potential impact of changes on regulatory requirements. <i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 5/2017 Synergy: (a) Continue with the change management framework initiative (b) Include compliance personnel sign-off as a mandatory gateway to all process changes and IT system changes to RBU applications.</p>	<p>Action Plan 5/2017 Agreed. The change management framework was approved by retail leadership on 18 October 2017 with implementation now underway. An impact assessment template will cover requirements for sign-off by regulation and compliance personnel prior to process and system changes and will incorporate a gateway into the change process. Responsible person Manager Retail Operations</p>

Reporting manual no. and Licence condition reference	Issue 5/2017
	Target date Completed. 22 December 2017

Reporting manual no. and Licence condition reference	Issue 6/2017
<p>Obligation 145</p> <p><i>Code of Conduct clause 4.1</i></p> <p><i>A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.</i></p>	<p>Billing process</p> <p>During the audit period, Synergy reported:</p> <ul style="list-style-type: none"> • In the 2016/17 financial year, 3,082 instances where it failed to issue a bill within the required three-month timeframe (representing 0.06% of total bills issued) • In the 2015/16 financial year, 5,852 instances where it failed to issue a bill within the required three-month timeframe (representing 0.09% of total bills issued). <p>Both figures are an improvement on the 0.12% figure reported for the 2014/15 financial year.</p> <p>We observed that:</p> <ul style="list-style-type: none"> • Synergy has 76-89 day and 90+ day exception reports to identify bills on the verge of non-compliance or those that have recently become non-compliant • From sample testing of six issues appearing in sequential exception reports, we identified (for the month of April 2017) two instances where items in the 76-89 day could reasonably be expected to have been resolved prior to the 90 day deadline <p>While Synergy receives monthly Billing Process Exception Monitoring (BPEM) performance reports, it does not apply a structured process to address the number of bills detected in the 76-89 day period and any reasons for failure to issue the bill on time.</p> <p><i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 6/2017</p> <p>To further improve the BPEM process, Synergy consider:</p> <ol style="list-style-type: none"> Updating its procedures for using billing exception reports and to emphasise the need for close-out on items nearing the 90 day timeframe Reviewing billing procedures to ensure consistency with compliance obligations Providing feedback on the quality of notes in the customer account to allow for easy tracing of unresolved billing matters for independent users. 	<p>Action Plan 6/2017</p> <ol style="list-style-type: none"> Agreed. Immediate action has been taken to incorporate unbilled account items nearing the 90 day timeframe into daily work review and Synergy's procedures will be updated accordingly. For the current financial year late billing figures are well below last year's reported volumes (for year to date). Agreed. Noted. As part of the 2016/17 outsourcing project customer account note templates for billing were standardised. During the monthly QA and calibration processes no concerns have been raised in regard to the nature of billing account notes. However, continued attention during quality assurance will assist to identify and address any issues if they present. <p>Responsible person</p> <p>Manager Retail Operations</p> <p>Target date</p> <ol style="list-style-type: none"> Business as usual activity By no later than 28 February 2018 Business as usual activity.

Reporting manual no. and Licence condition reference	Issue 7/2017
<p>Obligation 155 <i>Code of Conduct clause 4.5(1)</i> <i>A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.</i></p> <p>Obligations 295 <i>Code of Conduct clause 10.11(2)</i> <i>For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.</i></p>	<p>National Interpreter Symbol in bill templates The Code of Conduct requires that billing templates and billing support documents contain the National Interpreter Symbol. In November 2016 Synergy's bill templates were amended, whereby the official National Interpreter Symbol was replaced with an alternative (but non-official) interpreter symbol. At the time of this audit, Synergy had not established a formal change management process, which would require the compliance team to be consulted as part of any system change. Refer to Issue 5/2017 above for further detail on the change management process. <i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 7/2017 Synergy update its billing templates where required to include the correct National Interpreter Symbol.</p>	<p>Action Plan 7/2017 Agreed. Synergy will revert to the correct national interpreter symbol on its billing templates.</p> <p>Responsible person Manager Marketing</p> <p>Target date Completed. 25 October 2017.</p>

Reporting manual no. and Licence condition reference	Issue 8/2017
<p>Obligation 302 <i>Code of Conduct clause 12.2</i> <i>A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.</i></p>	<p>Identification of Complaints The ERA's Customer Complaints Guidelines (December 2016 edition) require the recording of a complaint in the event where the action of the licensee is the source of the customer contact, the customer expresses dissatisfaction at any point and the customer expects a resolution (either explicitly or implicitly). Through discussions with Synergy call centre and QA reviewer staff and examination of Synergy's KANA documentation for "Identifying a Complaint", we determined Synergy's:</p> <ul style="list-style-type: none"> Internal processes imply that where a customer issue is resolved prior to the end of the call, the matter will not be recorded as a complaint if the customer is satisfied Interpretation of resolution mid-call does not preclude it from recording a complaint under the ERA guidelines. <p>Synergy's processes and practices can be strengthened to minimise the potential for a customer contact to be incorrectly recorded as an enquiry rather than as a complaint. <i>Refer to detailed findings for control and compliance ratings.</i></p>
<p>Recommendation 8/2017 Synergy update its internal processes to more closely align with the ERA guidelines, specifically detailing instances where first call resolution may still require the recording of a complaint.</p>	<p>Action Plan 8/2017 Agreed. A full review of the current standard operating procedures for complaint handling will be combined with a review of the training material for soft skills for agents. Following the review management will assess the findings</p>

Reporting manual no. and Licence condition reference	Issue 8/2017
	<p>and put an action plan in place if needed to change reporting processes and/or IT systems.</p> <p>Responsible person Manager Retail Operations</p> <p>Target date 31 January 2018</p>

2.6 Scope and objectives

As described in our contract with Synergy dated July 2017, we have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures, Synergy has complied, in all material respects, with the conditions of the Licence as outlined in the approved Audit Plan (dated August 2017) during the period 1 July 2015 to 30 June 2017.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides reasonable assurance as defined in ASAE 3100. The procedures we performed are described in more detail in section 2.7 below.

A reasonable assurance engagement in accordance with ASAE 3100 involves performing procedures to obtain evidence about the Licensee's compliance with the conditions of the Licence. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in compliance with the conditions of the Licence. In making those risk assessments, we considered internal controls designed to facilitate compliance and detect non-compliance with the conditions of the Licence.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The ERA has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its October 2016 Electricity Compliance Reporting Manual (**Reporting Manual**).

The Audit Plan approved by the ERA for this audit sets out the Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments and audit priority assigned to each licence obligation. Note that under the current Audit Guidelines, the audit report is not required to include reference to those obligations assessed as "Not Applicable" to Synergy's operations.

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken between July and October 2017:

- Utilising the Guidelines and Reporting Manuals (February 2013, January 2013, May 2014, July 2014, September 2014, July 2016, October 2016) as a guide, development of a risk assessment which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the ERA and an associated work program
- Interviews with relevant Synergy staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample testing for obligations assessed as an audit priority 3 (or above) and where there was relevant activity to determine whether transactions complied with the requirements of the obligation
- Reporting of findings to Synergy for review and response.

3 Summary of findings

Table 1 in section 2 above sets out the rating scale defined by the ERA in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Synergy was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at **Table 4** below)
- Detailed findings, including relevant observations, recommendations and action plans (at **Section 4**).

Table 4: Compliance Ratings

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations. Note that detailed findings are not presented for those obligations assessed to be not applicable to Synergy's operations for the audit period - refer to the Audit Plan at Appendix A for further explanation.

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations												
6	Clause 3.2(2)					✓	Priority 4	✓				
7	Clause 3.4(1)					✓	Priority 4	✓				
8	Clause 3.5(3)					✓	Priority 4	✓				
9	Clause 3.6(2)					✓	Priority 4					✓
16	Clause 3.9(1)					✓	Priority 4	✓				
17	Clause 3.9(2)					✓	Priority 4	✓				
18	Clause 3.9(3)					✓	Priority 4	✓				
19	Clause 3.9(4)					✓	Priority 4	✓				
23	Clause 4.2(2)					✓	Priority 4	✓				
24	Clause 4.3					✓	Priority 4	✓				
25	Clause 4.4(1)					✓	Priority 4	✓				
26	Clause 4.4(2)					✓	Priority 4	✓				
27	Clause 4.5(1)					✓	Priority 4	✓				
28	Clause 4.6(3)					✓	Priority 4	✓				
29	Clause 4.7					✓	Priority 4	✓				
30	Clause 4.8(2)					✓	Priority 4					✓
34	Clause 4.9(6)					✓	Priority 4	✓				
39	Clause 4.11(3)					✓	Priority 4	✓				
40	Clause 4.12(3)					✓	Priority 5	✓				
43	Clause 4.15					✓	Priority 5	✓				
44	Clause 4.16					✓	Priority 4	✓				
45	Clause 4.17					✓	Priority 4	✓				
48	Clause 5.2					✓	Priority 4	✓				
48A	Clause 6.1					✓	Priority 4	✓				
49	Clause 6.2					✓	Priority 4	✓				
52	Clause 6.4(1)					✓	Priority 4					✓
53	Clause 6.4(2)					✓	Priority 4					✓
54	Clause 6.6	✓					Priority 4		✓			
55	Clause 7.1(1)					✓	Priority 5					✓
56	Clause 7.1(2)					✓	Priority 5					✓
57	Clause 7.1(3)					✓	Priority 4					✓
58	Clause 7.2(4)					✓	Priority 5					✓
59	Clause 7.3(2)					✓	Priority 5					✓
10 Electricity Industry (Customer Contracts) Regulation – Licence Conditions and Obligations												
78	Electricity Industry Act section 51					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
79	Regulation 5					✓	Priority 4	✓				
80	Regulation 6					✓	Priority 4	✓				
81	Regulation 7					✓	Priority 4	✓				
82	Regulation 8					✓	Priority 4	✓				
83	Regulation 9					✓	Priority 4	✓				
84	Regulation 10					✓	Priority 4	✓				
85	Regulation 11					✓	Priority 4	✓				
86	Regulation 12					✓	Priority 4	✓				
87	Regulation 13					✓	Priority 4	✓				
88	Regulation 14					✓	Priority 4	✓				
89	Regulation 15					✓	Priority 4	✓				
90	Regulations 16 and 34					✓	Priority 4	✓				
91	Regulation 17					✓	Priority 4	✓				
92	Regulation 18					✓	Priority 5	✓				
93	Regulation 19					✓	Priority 5	✓				
94	Regulation 20					✓	Priority 4	✓				
95	Regulation 21					✓	Priority 4	✓				
96	Regulation 32					✓	Priority 4	✓				
97	Regulation 33(2)					✓	Priority 4	✓				
98	Regulation 33(3) & (4)					✓	Priority 4	✓				
100	Regulation 38		✓				Priority 4		✓			
11 Electricity Industry Act – Licence Conditions and Obligations												
101	Section 13(1)					✓	Priority 5	✓				
105	Section 17(1)					✓	Priority 4	✓				
106	Section 31(3)					✓	Priority 5					✓
107	Section 41(6)					✓	Priority 4					✓
108	Section 54(1)					✓	Priority 4	✓				
109	Section 54(2)					✓	Priority 4					✓
110	Section 76					✓	Priority 4					✓
111	Section 101					✓	Priority 4	✓				
113	Section 115(2)					✓	Priority 4	✓				
12 Electricity Licences – Licence Conditions and Obligations												
114	Licence condition 23.1					✓	Priority 4					✓
115	Licence condition 23.2					✓	Priority 4					✓
116	Licence condition 24.2					✓	Priority 5					✓
117	Licence condition 24.3					✓	Priority 5					✓
118	Licence condition 25.1					✓	Priority 4					✓
119	Licence condition 12.1					✓	Priority 4	✓				
120	Licence condition 13.4					✓	Priority 4					✓
121	Licence condition 14.2					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
123	Licence condition 15.1					✓	Priority 4					✓
124	Licence condition 16.1					✓	Priority 4	✓				
125	Licence condition 17.1 and 17.2					✓	Priority 4					✓
126	Licence condition 18.1					✓	Priority 4	✓				
13 Code of Conduct – Licence Conditions and Obligations												
Part 2 - Marketing												
129	Clause 2.1					✓	Priority 4					✓
130	Clause 2.2(1)		✓				Priority 2		✓			
131	Clause 2.2(2)		✓				Priority 4		✓			
132	Clause 2.3(1)					✓	Priority 4	✓				
133	Clause 2.3(2)					✓	Priority 4	✓				
134	Clause 2.3(4)					✓	Priority 4	✓				
135	Clause 2.3(5)		✓				Priority 2		✓			
136	Clause 2.4(1)					✓	Priority 4	✓				
137	Clause 2.4(2)	✓					Priority 4		✓			
138	Clause 2.5(1)					✓	Priority 4	✓				
139	Clause 2.5(2)					✓	Priority 4	✓				
140	Clause 2.6					✓	Priority 4					✓
141	Clause 2.9					✓	Priority 4					✓
142	Clause 2.10					✓	Priority 4					✓
Part 3 - Connection												
143	Clause 3.1(1)					✓	Priority 4	✓				
144	Clause 3.1(2)		✓				Priority 2		✓			
Part 4 - Billing												
145	Clause 4.1		✓				Priority 2		✓			
146	Clause 4.2(1)					✓	Priority 4					✓
147	Clause 4.2(2)					✓	Priority 4					✓
148	Clause 4.2(3)					✓	Priority 4					✓
149	Clause 4.2(4)					✓	Priority 4					✓
150	Clause 4.2(5)					✓	Priority 4					✓
151	Clause 4.2(6)					✓	Priority 4					✓
152	Clause 4.3(1)					✓	Priority 4					✓
153	Clause 4.3(2)					✓	Priority 4					✓
154	Clause 4.4		✓				Priority 2			✓		
155	Clause 4.5(1)		✓				Priority 2		✓			
156	Clause 4.5(3)		✓				Priority 2		✓			
157	Clause 4.6(1)		✓				Priority 2		✓			
158	Clause 4.7	✓					Priority 5		✓			
159	Clause 4.8(1)					✓	Priority 4	✓				
160	Clause 4.8(2)		✓				Priority 2		✓			

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
161	Clause 4.8(3)	✓					Priority 4		✓			
162	Clause 4.9					✓	Priority 4	✓				
163	Clause 4.10					✓	Priority 5	✓				
164	Clause 4.11(1)					✓	Priority 4	✓				
165	Clause 4.11(2)					✓	Priority 4	✓				
166	Clause 4.12(1)		✓				Priority 2		✓			
167	Clause 4.13	✓					Priority 2	✓				
168	Clause 4.14(1)					✓	Priority 5	✓				
169	Clause 4.14(2)		✓				Priority 4		✓			
170	Clause 4.14(3)					✓	Priority 4	✓				
171	Clause 4.15					✓	Priority 4	✓				
172	Clause 4.16(1)(a)		✓				Priority 2		✓			
173	Clause 4.16(1)(b)					✓	Priority 4	✓				
174	Clause 4.16(2)					✓	Priority 4	✓				
175	Clause 4.16(3)					✓	Priority 4	✓				
176	Clause 4.17(2)		✓				Priority 4		✓			
176A	Clause 4.17(3)					✓	Priority 5					✓
177	Clause 4.18(2)		✓				Priority 5		✓			
178	Clause 4.18(3)					✓	Priority 4	✓				
179	Clause 4.18(4)					✓	Priority 5	✓				
180	Clause 4.18(6)					✓	Priority 5	✓				
181	Clause 4.18(7)					✓	Priority 5	✓				
182	Clause 4.19(1)	✓					Priority 4		✓			
183	Clause 4.19(2)					✓	Priority 5	✓				
184	Clause 4.19(3)		✓				Priority 4		✓			
185	Clause 4.19(4)					✓	Priority 5	✓				
186	Clause 4.19(7)					✓	Priority 5	✓				
Part 5 - Payment												
187	Clause 5.1					✓	Priority 4	✓				
188	Clause 5.2					✓	Priority 4	✓				
189	Clause 5.3		✓				Priority 2		✓			
190	Clause 5.4					✓	Priority 4	✓				
191	Clause 5.5					✓	Priority 4	✓				
192	Clause 5.6(1)		✓				Priority 4		✓			
193	Clause 5.6(2)					✓	Priority 4	✓				
194	Clause 5.6(3)					✓	Priority 4	✓				
195	Clause 5.6(4)					✓	Priority 4	✓				
196	Clause 5.6(5)		✓				Priority 2		✓			
197	Clause 5.7(1)		✓				Priority 2		✓			
198	Clause 5.7(2)					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
199	Clause 5.7(4)		✓				Priority 4		✓			
200	Clause 5.8(1)					✓	Priority 4	✓				
201	Clause 5.8(2)		✓				Priority 2		✓			
201A	Clause 5.9		✓				Priority 5		✓			
Part 6 – Payment Difficulties and Financial Hardship												
202	Clause 6.1(1)		✓				Priority 2			✓		
203	Clause 6.1(3)					✓	Priority 5	✓				
204	Clause 6.1(4)					✓	Priority 4	✓				
205	Clause 6.2(1)	✓					Priority 2	✓				
206	Clause 6.2(2)		✓				Priority 2		✓			
207	Clause 6.2(3)	✓					Priority 2	✓				
208	Clause 6.2(4)					✓	Priority 5	✓				
209	Clause 6.3(1)(a)					✓	Priority 4	✓				
210	Clause 6.3(1)(b)		✓				Priority 2		✓			
211	Clause 6.4(1)(a)					✓	Priority 4	✓				
212	Clause 6.4(1)(b)		✓				Priority 4		✓			
213	Clause 6.4(2)		✓				Priority 4		✓			
214	Clause 6.4(3)		✓				Priority 2		✓			
215	Clause 6.6(1)					✓	Priority 5	✓				
216	Clause 6.6(2)					✓	Priority 4	✓				
217	Clause 6.7					✓	Priority 5	✓				
218	Clause 6.8		✓				Priority 4		✓			
219	Clause 6.9(1)					✓	Priority 4	✓				
220	Clause 6.10(1)					✓	Priority 4	✓				
221	Clause 6.10(2)					✓	Priority 4	✓				
222	Clause 6.10(3)	✓					Priority 4		✓			
223	Clause 6.10(4)					✓	Priority 4	✓				
225	Clause 6.10(6)					✓	Priority 4					✓
226	Clause 6.10(7)					✓	Priority 4	✓				
227	Clause 6.10(8)					✓	Priority 4					✓
228	Clause 6.11					✓	Priority 4	✓				
Part 7 - Disconnection												
229	Clause 7.1(1)		✓				Priority 2			✓		
230	Clause 7.2(1)		✓				Priority 4			✓		
231	Clause 7.3					✓	Priority 4					✓
232	Clause 7.4(1)					✓	Priority 4					✓
234	Clause 7.6	✓					Priority 2	✓				
235	Clause 7.7(1)	✓					Priority 2	✓				
236	Clause 7.7(2)	✓					Priority 2	✓				
240	Clause 7.7(6)	✓					Priority 4		✓			

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
241	Clause 7.7(7)					✓	Priority 4	✓				
Part 8 - Reconnection												
242	Clause 8.1(1)					✓	Priority 4	✓				
243	Clause 8.1(2)		✓				Priority 2			✓		
Part 9 – Pre-payment meters												
245	Clause 9.1(2)					✓	Priority 4	✓				
246	Clause 9.2(1)					✓	Priority 4					✓
247	Clause 9.2(2)					✓	Priority 4					✓
249	Clause 9.3(1)					✓	Priority 4					✓
250	Clause 9.3(2)					✓	Priority 4					✓
251	Clause 9.3(3)					✓	Priority 4	✓				
252	Clause 9.3(4)					✓	Priority 4					✓
253	Clause 9.3(5)					✓	Priority 4					✓
254	Clause 9.4(1)					✓	Priority 4					✓
255	Clause 9.4(2)					✓	Priority 4					✓
257	Clause 9.5(1)	✓					Priority 2					✓
259	Clause 9.6					✓	Priority 4	✓				
260	Clause 9.7(a), (b) & (d)					✓	Priority 4	✓				
261	Clause 9.8					✓	Priority 4					✓
262	Clause 9.9(1)					✓	Priority 4					✓
264	Clause 9.9(4)					✓	Priority 4	✓				
265	Clause 9.10(1)					✓	Priority 4					✓
266	Clause 9.10(2)					✓	Priority 5					✓
267	Clause 9.10(3)					✓	Priority 4					✓
268	Clause 9.10(4)					✓	Priority 5					✓
269	Clause 9.10(6)					✓	Priority 4					✓
270	Clause 9.11(1)					✓	Priority 4					✓
271	Clauses 9.11(2) & (3)					✓	Priority 5					✓
Part 10 – Information and Communication												
272	Clause 10.1(1)					✓	Priority 4	✓				
273	Clause 10.1(2)					✓	Priority 4	✓				
274	Clause 10.1(3)					✓	Priority 4	✓				
275	Clause 10.2(1)					✓	Priority 4	✓				
276	Clause 10.2(2)					✓	Priority 4	✓				
277	Clause 10.2(3)					✓	Priority 4	✓				
278	Clause 10.2(4)					✓	Priority 4	✓				
279	Clause 10.3		✓				Priority 4		✓			
280	Clause 10.3A					✓	Priority 4	✓				
281	Clause 10.4					✓	Priority 4	✓				
282	Clause 10.5					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
290	Clause 10.9					✓	Priority 5	✓				
291	Clause 10.10(1)					✓	Priority 4	✓				
292	Clause 10.10(2)					✓	Priority 4	✓				
294	Clause 10.11(1)		✓				Priority 4		✓			
295	Clause 10.11(2)		✓				Priority 4		✓			
297	Clause 10.12(2)					✓	Priority 4	✓				
Part 12 - Complaints												
298	Clause 12.1(1)					✓	Priority 4	✓				
299	Clause 12.1(2)					✓	Priority 4	✓				
300	Clause 12.1(3)					✓	Priority 4	✓				
301	Clause 12.1(4)		✓				Priority 4		✓			
302	Clause 12.2		✓				Priority 2		✓			
303	Clause 12.3					✓	Priority 4	✓				
304	Clause 12.4					✓	Priority 4	✓				
Part 13 - Reporting												
305	Clause 13.1		✓				Priority 4		✓			
306	Clause 13.2					✓	Priority 4	✓				
307	Clause 13.3					✓	Priority 4	✓				
Part 14 – Service Standard Payment												
308	Clause 14.1(1)					✓	Priority 4	✓				
310	Clause 14.2(1)		✓				Priority 4		✓			
312	Clause 14.3(1)					✓	Priority 4	✓				
315	Clause 14.7(1)					✓	Priority 4	✓				
Electricity Industry Metering Code – Licence Conditions and Obligations												
324	Clause 3.3B					✓	Priority 4					✓
339	Clause 3.11(3)					✓	Priority 4	✓				
354	Clause 3.18(1)					✓	Priority 4					✓
364	Clause 3.27					✓	Priority 4	✓				
371	Clause 4.4(1)					✓	Priority 5	✓				
372	Clause 4.5(1)					✓	Priority 5	✓				
373	Clause 4.5(2)		✓				Priority 4		✓			
388	Clause 5.4(2)					✓	Priority 4	✓				
401	Clause 5.16					✓	Priority 4					✓
402	Clause 5.17(1)		✓				Priority 4		✓			
405	Clause 5.18		✓				Priority 4		✓			
406	Clause 5.19(1)					✓	Priority 5	✓				
407	Clause 5.19(2)					✓	Priority 5	✓				
408	Clause 5.19(3)		✓				Priority 2		✓			
410	Clause 5.19(6)					✓	Priority 5	✓				
416	Clause 5.21(5)					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
417	Clause 5.21(6)					✓	Priority 4	✓				
435	Clause 5.27					✓	Priority 4	✓				
448	Clause 6.1(2)					✓	Priority 4	✓				
451	Clause 7.2(1)					✓	Priority 5	✓				
453	Clause 7.2(4)					✓	Priority 4					✓
454	Clause 7.2(5)					✓	Priority 4					✓
455	Clause 7.5					✓	Priority 4	✓				
456	Clause 7.6(1)					✓	Priority 4	✓				
457	Clause 8.1(1)					✓	Priority 5					✓
458	Clause 8.1(2)					✓	Priority 5					✓
459	Clause 8.1(3)					✓	Priority 5					✓
460	Clause 8.1(4)					✓	Priority 4					✓
461	Clause 8.3(2)					✓	Priority 5					✓
Electricity Licences – Licence Conditions and Obligations												
486	Regulation 8					✓	Priority 4					✓
487	Regulation 8					✓	Priority 4					✓
488	Regulation 6					✓	Priority 4	✓				
489	Regulation 7					✓	Priority 4	✓				
496	Regulation 40		✓				Priority 4		✓			
Obligations removed from the July 2016 Reporting Manual and applicable from 1 July 2015 to 30 June 2016												
224	Code of Conduct, clause 6.10(5)					✓	Priority 4	✓				
248	Code of Conduct, clause 9.2(3)					✓	Priority 4	✓				
293	Code of Conduct, clause 10.10(3)					✓	Priority 4	✓				
Obligations removed from the October 2016 Reporting Manual and applicable from 1 July 2015 to 30 September 2016												
68	Customer Transfer Code, Annex 6, clause A6.2(a)					✓	Priority 5	✓				
69	Customer Transfer Code, Annex 6, clause A6.2(b)					✓	Priority 4	✓				
70	Customer Transfer Code, Annex 6, clause A6.6					✓	Priority 5	✓				
71	Customer Transfer Code, Annex 6, clause A6.7					✓	Priority 5	✓				

4 Detailed findings, recommendations and action plans

This section has been structured in subsections for the relevant Codes and Regulations against which we assessed Synergy's compliance. The sections are:

- 4.1 Electricity Industry Customer Transfer Code
- 4.2 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations
- 4.3 Electricity Industry Act – Licence Conditions and Obligations
- 4.4 Electricity Licences – Licence Conditions and Obligations
- 4.5 Code of Conduct
- 4.6 Electricity Industry Metering Code – Licence Conditions and Obligations
- 4.7 Licence specific obligations

Each section contains:

- **Assessment of compliance and control adequacy** – the conclusions from our audit procedures and our assessment of Synergy's compliance with the applicable obligations. These tables include:
- **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
- **Recommendations** – for improvement or enhancement of the process or control
- **Action plans** – Synergy's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit, assignment of the actions to appropriate staff and corresponding completion dates for the actions.

The compliance and control adequacy ratings have been summarised below for each sub-section.

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
4.1 Electricity Industry Customer Transfer Code											
1	-	-	-	32	33	23	1	-	-	9	33
4.2 Electricity Industry (Customer Contracts)											
-	1	-	-	21	22	21	1	-	-	-	22
4.3 Electricity Industry Licence Conditions and Obligations											
-	-	-	-	9	9	5	-	-	-	4	9
4.4 Electricity Licences – Licence Conditions and Obligations											
-	-	-	-	12	12	4	-	-	-	8	12
4.5 Code of Conduct											
Part 2 Marketing											
1	3	-	-	10	14	6	4	-	-	4	14
Part 3 Connection											
-	1	-	-	1	2	1	1	-	-	-	2
Part 4 Billing											
4	12	-	-	27	43	19	14	1	-	9	43
Part 5 Payment											
-	7	-	-	9	16	9	7	-	-	-	16
Part 6 Payment difficulties and financial hardship											

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
3	7	-	-	16	26	16	7	1	-	2	26
Part 7 Disconnection											
4	2	-	-	3	9	4	1	2	-	2	9
Part 8 Reconnection											
-	1	-	-	1	2	1	-	1	-	-	2
Part 9 Pre-Payment Meters											
1	-	-	-	22	23	5	-	-	-	18	23
Part 10 Information & Communication											
-	3	-	-	14	17	14	3	-	-	-	17
Part 12 Complaints & Dispute Resolution											
-	2	-	-	5	7	5	2	-	-	-	7
Part 13 Reporting											
-	1	-	-	2	3	2	1	-	-	-	3
Part 14 Service Standard Payments											
-	1	-	-	3	4	3	1	-	-	-	4
4.6 Electricity Industry Metering Code											
-	4	-	-	25	29	15	4	-	-	10	29
4.7 Electricity Licences - Licensee Specific Conditions and Obligations											
-	1	-	-	4	5	2	1	-	-	2	5
Obligations removed during the audit period											
-	-	-	-	7	7	7	-	-	-	-	7
TOTALS											
14	46	-	-	223	283	162	48	5	-	68	283

4.1 Electricity Industry Customer Transfer Code

No.	Obligation under Condition	Findings	
6	A Retailer must submit a separate data request for each connection point unless otherwise agreed. <i>Electricity Industry Customer Transfer Code Clause 3.2(2)</i>	Obligations 6 and 7 Through examination of Synergy's "Sales Team Nomination Log" and consideration of Synergy's use of the Metering Service Centre web portal, we determined: <ul style="list-style-type: none"> Synergy submits a separate data request for each exit point through the Metering Service Centre web portal (maintained by Western Power), for which a unique identification is assigned (National Meter Identifier (NMI) is 10-digit unique number assigned to an electricity network connection point for the purpose of identifying it) The web portal has been configured to limit data requests submissions to the prescribed 20 requests per day. However, more can be submitted to Western Power provided Synergy makes advance arrangements with Western Power Western Power Portal only accepts requests for one NMI at a time. 	
	Priority 4	Controls Rating: NP	Compliance Rating: 1
7	A retailer 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, unless otherwise agreed. <i>Electricity Industry Customer Transfer Code Clause 3.4(1)</i>		
	Priority 4	Controls Rating: NP	Compliance Rating: 1
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. <i>Electricity Industry Customer Transfer Code Clause 3.5(3)</i>	Obligations 8 and 9 Through discussion with the Customer Fulfilment Team Leader and examination of Synergy's "Pre-Churn in Process", "Standard Form Consent" and "Pre-Churn in Meter Data Request", we determined Synergy's processes provide for: <ul style="list-style-type: none"> The requirement for a contestable customer's verifiable consent before submitting a request for historical consumption data. Each Verifiable Consent Form (VCF) is checked for validity and a data request is only put through the Western Power portal when Synergy has a valid VCF from the customer or broker including the Letter of Agreement (LOA) The Sales Team to only request 12 months' data, for which Western Power does not levy a charge. For those instances during the audit period, where contestable customers' consent ceased to apply before Western Power provided the historical consumption data, Synergy's processes required the pending request to be withdrawn.	
	Priority 4	Controls rating: NP	Compliance Rating:1
9	A Retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn. <i>Electricity Industry Customer Transfer Code Clause 3.6(2)</i>		
	Priority 4	Controls rating: NP	Compliance Rating: NR
16	A Retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the Retailer; or to initiate a transfer of that contestable customer. <i>Electricity Industry Customer Transfer Code Clause 3.9(1)</i>	Through discussion with the Customer Fulfilment Team Leader and examination of "Pre-Churn in Process", "Standard Form Consent" and "Pre-Churn in Meter Data Request", we determined, for those instances where a contestable customer's data was used to provide that customer with a quotation for supply of electricity, or to initiate a transfer of that customer, Synergy's processes provided for the: <ul style="list-style-type: none"> Contestable customer's verifiable consent to be obtained before submitting a request for historical consumption data. Each VCF is 	

No. Obligation under Condition				Findings
				checked for validity and a data request is only put through the Western Power portal when Synergy has a valid VCF from the customer or broker including LOA <ul style="list-style-type: none"> Request for obtaining the customer's consumption to be submitted to Western Power before providing a quotation Quotation to be prepared only after Synergy received the historical consumption data from Western Power.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 3.9(2)</i>			Through discussion with the Customer Fulfilment Team Leader and examination of Synergy's "Pre-Churn in Process", "Standard Form Consent" and "Networks Process and Procedures", we determined: <ul style="list-style-type: none"> There were instances during the audit period where customers had requested historical consumption data not to be aggregated with other contestable customers Synergy's processes provided for the use of data relating to a contestable customer only for either or both of the following purposes: <ul style="list-style-type: none"> Providing the contestable customer with a quotation for the supply of electricity by Synergy to the contestable customer Initiating a transfer in relation to the contestable customer. Unless otherwise requested by a contestable customer, Synergy may aggregate a contestable customer's historical consumption data with other contestable customers' historical consumption data and may use the aggregated data for internal business development purposes.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 3.9(3)</i>			<i>Obligations 18 and 19</i> Through discussions with the Customer Fulfilment Team Leader and examination of Synergy's "Pre-Churn in Process", "Standard Form Consent", and "Networks Process and Procedures", we determined, for those instances during the audit period where a contestable customer's data was obtained, Synergy processes provided for: <ul style="list-style-type: none"> Non-disclosure of customer information to any other person or entity without the customer's consent Maintaining records of customer consent in Nomination Log and Salesforce Customer consent records to be retained indefinitely.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
19	A Retailer must keep a copy of the verifiable consent received from a contestable customer for two years. <i>Electricity Industry Customer Transfer Code Clause 3.9(4)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	
23	A Retailer must submit a separate customer transfer request for each connection point unless otherwise agreed. <i>Electricity Industry Customer Transfer Code Clause 4.2(2)</i>			Through examination of Synergy's "Pre-Churn in Process" and "Networks Process and Procedures", we determined, for those instances during the audit period where a customer had requested a transfer, Synergy's processes provided for a

No. Obligation under Condition				Findings
	Priority 4	Controls rating: NP	Compliance Rating: 1	separate customer transfer request for each exit point to be submitted through the Metering Service Centre web portal, for which an NMI is assigned.
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. <i>Electricity Industry Customer Transfer Code Clause 4.3</i>			Through discussion with the Customer Fulfilment Team Leader and examination of Synergy's "Networks Process and Procedures", we determined, for those instances during the audit period where a contestable customer was transferred, Synergy's processes provided for the customer's "transfer type" to be nominated as either a new customer transfer or as a reversal of an erroneous transfer on Western Power's web portal.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 4.4(1)</i>			Through examination of Synergy's Electricity Transfer Access Contract (ETAC) with Western Power, we determined Synergy has maintained an ETAC with Western Power, for the supply of electricity to customers, during the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 4.4(2)</i>			Through discussion with the Customer Fulfilment Team Leader and examination of Synergy's "Network Process & Procedures", we determined, for those instances during the audit period where Synergy was required to reverse an erroneous transfer, Synergy's processes and procedures provided for: <ul style="list-style-type: none"> • All customer transfer requests (CTR) to reverse an erroneous transfer to be processed through the Western Power portal once the Customer Service Representative (CSR) has confirmed the erroneous transfer • If an incoming retailer, an automated notification to be sent from Western Power to Synergy confirming the transfer • If the retailer's identity is unknown, Synergy to contact Western Power for assistance in identifying the incoming retailer.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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, unless otherwise agreed. <i>Electricity Industry Customer Transfer Code Clause 4.5(1)</i>			Through examination of Synergy's "Networks Process & Procedures", we determined Synergy's processes mandate: <ul style="list-style-type: none"> • A standard transfer request to be submitted at any time on any business day, up to a limit of 20 requests on any business day • Standard transfer requests to be submitted for each exit point separately • Verifiable consent from the customer to be obtained for each transfer request and a copy retained for 2 years after the consent was given.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
28	A Retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs. <i>Electricity Industry Customer Transfer Code Clause 4.6(3)</i>			Through examination of Synergy's "Standard Form Consent" and "Networks Process & Procedures", we determined, for those instances during the audit

No. Obligation under Condition				Findings
				period where a customer's verifiable consent ceased to apply before the transfer occurred, Synergy's processes provided for: <ul style="list-style-type: none"> • Withdrawals (as requested by the customer) to be documented and saved in DMS • Customer consents to be obtained by means of the consent form • The consent form to be signed before a customer transfer request can be acted upon.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 4.7</i>			Through examination of Synergy's "Networks Process & Procedures", we determined Synergy's processes required nominated Transfer Dates to be provided for each standard transfer under the following parameters: <ul style="list-style-type: none"> • Metro area – at least three business days after the request date and no more than 50 business days after the request date • Non metro area - at least five business days after the request date and no more than 50 business days after the request date • No more than 50 business days prior to the Nominated Transfer Date. These minimum and maximum parameters can be varied by agreement with other retailers and/or Western Power, for example if a visit to the premises is required.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 4.8(2)</i>			Through examination of Synergy's "Networks Process & Procedures", we determined internal procedures require Synergy to pay the reasonable costs to Western Power for either or both of providing and installing a meter until the earlier of the: <ul style="list-style-type: none"> • Time Networks receives and is reasonably able to act upon the notification of the CTR withdrawal • End of the business day that Networks receives the notification of the CTR withdrawal. The Manager, Regulation and Compliance confirmed Synergy has not been required to pay reasonable costs incurred by the network operator for installing a meter on a request, which has been subsequently withdrawn, for the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
34	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances. <i>Electricity Industry Customer Transfer Code Clause 4.9(6)</i>			<i>Obligations 34 and 39</i> Through examination of Synergy's "Networks Process & Procedures" and discussion with the Customer Fulfilment Team Leader, we determined, for those instances during the audit period where a contestable customer was not
	Priority 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings		
39	<p>A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</p> <p><i>Electricity Industry Customer Transfer Code Clause 4.11(3)</i></p>	<p>transferred on the Nominated Transfer Date due to circumstances outlined in Clause 4.9(6) or 4.11(3), Synergy's processes provided for:</p> <ul style="list-style-type: none"> • Synergy to work collaboratively with Western Power to confirm a revised transfer date • If the Transfer cannot take place on the Nominated Transfer Date, Western Power to propose, by email, a new Transfer Date giving the reasons (a prior informal consultation with the retailers can be expected) • If the proposed Transfer Date is accepted, Synergy to return an email acceptance by COB next business day and cc: the email to: <ul style="list-style-type: none"> ○ Contract Manager ○ Billing team ○ cc: WP Liaison/Per/Synergy. 		
	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>			
40	<p>The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.</p> <p><i>Electricity Industry Customer Transfer Code Clause 4.12(3)</i></p>	<p>Through examination of Synergy's "WP: Governance Structure Model", we determined:</p> <ul style="list-style-type: none"> • Synergy has a defined governance framework in place with set meeting dates/times that allow it to negotiate in good faith amendments to the access contract, foreseeing a specific escalation process through several levels (i.e. BAU, B2B Steering Committee, Joint Initiative Steering Committee, Managing Director/ CEO meeting) to solve contractual potential issues • The framework corresponds to elements of the dispute process and includes joint consultation. 		
	<p>Priority 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>			
43	<p>In the case of a transfer to reverse an erroneous transfer, a network operator and all affected Retailers (and if applicable AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.</p> <p><i>Electricity Industry Customer Transfer Code Clause 4.15</i></p>	<p>Through examination of Synergy's "WP: Governance Structure Model", we determined, for those instances during the audit period where a transfer was performed to reverse an erroneous transfer, Synergy's processes provided for the required actions, specifically:</p> <ul style="list-style-type: none"> • Synergy's Metering and Access Arrangement function is involved when an erroneous transfer is disputed by Western Power or not actioned in the correct way. Metering and Access Arrangement acts as an escalation avenue in these instances and follows the documented governance framework • Synergy has a defined governance framework in place with set meeting dates/times that allow for issues to be escalated to the next level (i.e. BAU, B2B Steering Committee, Joint Initiative Steering Committee, Managing Director/CEO meeting) 		

No. Obligation under Condition				Findings
				<ul style="list-style-type: none"> The framework corresponds to elements of the dispute process and includes joint consultation in the event of an erroneous transfer Synergy is required to act in good faith, while working with Western Power and the other retailer to maintain the customer's rights and obligations and to submit a customer transfer request dated when the customer was erroneously churned.
	Priority 5	Controls rating: NP	Compliance Rating: 1	
44	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer. <i>Electricity Industry Customer Transfer Code Clause 4.16</i>			Through examination of Synergy's "Networks Process & Procedures", we determined, for those instances during the audit period where customer verifiable consent was obtained for the lodgement of a customer transfer request, Synergy's processes provided for a copy of the customer's verifiable consent for each exit point to be retained for two years after the consent was given.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Customer Transfer Code Clause 4.17</i>			Through examination of Synergy's "Networks Process & Procedures", we determined, for those instances during the audit period where charges were incurred after the transfer time, Synergy's processes provided for: <ul style="list-style-type: none"> When Western Power informs Synergy of a customer transfer request (to another retailer), Synergy to proceed with finalising the customer account. In general, the customer has 10 days' notice and is billed accordingly. If the customer does not provide a notice, the customer is billed up to 10 days later or up to the meter read, whichever comes first If the last read is before the Churn Out date, a Provide Meter Data (PMD) request to be sent to Western Power to supply the missing reading/s up to the Churn Out date, then through the SAP CRM a "move out process" to be followed to close the account When a customer has a pending transfer flagged on their account, a billing services representative manually applies a billing lock to the customer account to prevent further billing.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
48	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code. <i>Electricity Industry Customer Transfer Code Clause 5.2</i>			<i>Obligations 48 and 48A</i> Through examination of Synergy's "Networks Process & Procedures", we determined Synergy maintained the following processes during the audit period in order to manage communications with Western Power: <ul style="list-style-type: none"> The communication rules set out the methods and protocols approved for use by Western Power and Synergy to exchange or provide information and data as required under the Code. Synergy has supporting SOPs, technical designs and guideline documents in compliance with the rules
	Priority 4	Controls rating: NP	Compliance Rating: 1	
48A	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).			

No.	Obligation under Condition	Findings	
	<i>Electricity Industry Customer Transfer Code Clause 6.1</i> <div> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<ul style="list-style-type: none"> Network transactions are communicated and processed via: <ul style="list-style-type: none"> Networks Web Portal or Western Power Metering Services Centre – a web based application that allows retailers to submit and monitor transaction requests Dedicated email addresses for the Synergy and Western Power contact points. 	
49	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates. <i>Electricity Industry Customer Transfer Code Clause 6.2</i> <div> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	Through examination of Synergy's "Networks Process & Procedures", we determined, for those instances during the audit period where Synergy had provided notice to Western Power in relation to a data request or customer transfer, Synergy's processes provided for the relevant connection point to be identified via the relevant NMI number and site address.	
52	A Retailer must notify its contact details to a network operator within three business days of a request. <i>Electricity Industry Customer Transfer Code Clause 6.4(1)</i> <div> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div> </div>	<i>Obligations 52 and 53</i> Through examination of Synergy's "ETAC Authorised Officer Listing", we determined Synergy's Metering and Access Arrangement team maintains a list of Authorised Officers and is required to advise Western Power of any changes. The Manager, Regulation and Compliance confirmed Synergy had not changed its contact details during the audit period.	
53	A Retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect. <i>Electricity Industry Customer Transfer Code Clause 6.4(2)</i> <div> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div> </div>		

No.	Obligation under Condition	Findings	
54	A network operator or a Retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules. <i>Electricity Industry Customer Transfer Code Clause 6.6</i>	<p>Through examination of Synergy's "Networks Process & Procedures", we determined Synergy's documentation details the following communication electronic communication methods and details in accordance with the communication rules:</p> <ul style="list-style-type: none"> • Networks Web Portal or Western Power Metering Services Centre – A web based application that allows retailers to submit and monitor transaction requests • Email addresses of the Synergy and Western Power contact points. <p>Through discussion with the Regulation and Compliance Officer and examination of the 2015 performance audit report and screenshot of the automated email response from the Synergy's Western Power liaison mailbox, we determined:</p> <ul style="list-style-type: none"> • In the previous audit period, Synergy's processes did not meet the requirement for providing a response indicating that written communication had been received (in accordance with the communication rules) from the Western Power liaison inbox • Synergy remedied the process gap in November 2015, when it implemented an automated email response. <p>As the change in process occurred in November 2015, Synergy remained non-compliant with this obligation for part of the audit period.</p>	
	Priority 4	Controls rating: A	Compliance Rating: 2
	Recommendation Not applicable – resolved during audit period.		Action plan Not applicable.
55	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, the disputing parties must meet within five business days of a request by one of those parties and attempt to resolve the dispute through negotiations that are conducted in good faith. <i>Electricity Industry Customer Transfer Code Clause 7.1(1)</i>	<p><i>Obligations 55 to 59</i></p> <p>Through examination of Synergy's "Networks Process & Procedures", we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • Alternative dispute measures and escalation steps in the event of a dispute in accordance with the relevant Transfer Code clauses • Expected conduct of participating parties • Documentation of resolutions. 	
	Priority 5	Controls rating: NP	Compliance Rating: NR
56	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 through negotiations that are conducted in good faith. <i>Electricity Industry Customer Transfer Code Clause 7.1(2)</i>	<p>The Manager, Regulation and Compliance confirmed Synergy has not been involved in a clause 7.1(1) customer transfer dispute during the audit period.</p>	
	Priority 5	Controls rating: NP	Compliance Rating: NR

No.	Obligation under Condition	Findings	
57	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution. <i>Electricity Industry Customer Transfer Code Clause 7.1(3)</i>		
	Priority 4		Controls rating: NP
58	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute. <i>Electricity Industry Customer Transfer Code Clause 7.2(4)</i>		
	Priority 5		Controls rating: NP
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. <i>Electricity Industry Customer Transfer Code Clause 7.3(2)</i> [Only applicable for the period 1 July 2015 to 30 September 2016]		
	Priority 5		Controls rating: NP
68	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. <i>Electricity Industry (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)</i> [Only applicable for the period 1 July 2015 to 30 September 2016]		Through examination of Synergy’s IT policies we determined Synergy has processes and controls in place to facilitate continuity in its electronic communications including: <ul style="list-style-type: none">• Continuous monitoring and SMS notification on disruption• Disaster recovery• ICT support.
	Priority 5		Controls rating: NP
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. <i>Electricity Industry (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)</i> [Only applicable for the period 1 July 2015 to 30 September 2016]		Obligations 69 to 71 Through discussion with the Customer Fulfilment Team Leader, we determined Synergy has the following framework in place for managing web portal communications. <ul style="list-style-type: none">• The Metering Service Centre web portal acts as the electronic communication mechanism for acknowledging and recording all customer transfer communications. The web portal provides for:<ul style="list-style-type: none">○ Issue of automated email alerts to confirm transactions○ All communication information, including the originator of the communication, to be loaded on to a market transaction list, which indicates where information has been changed or updated and by whom
	Priority 4	Controls rating: NP	Compliance Rating: 1
70	The originator of an electronic communication must be identified in the communication. <i>Electricity Industry (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.6</i>		

No.	Obligation under Condition	Findings	
	<i>[Only applicable for the period 1 July 2015 to 30 September 2016]</i>		<ul style="list-style-type: none"> ○ A consistent data format to facilitate automated processing of information.
	Priority 5	Controls rating: NP	
		Compliance Rating: 1	
71	<p>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.</p> <p><i>Electricity Industry (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.7</i> <i>[Only applicable for the period 1 July 2015 to 30 September 2016]</i></p>		
	Priority 5	Controls rating: NP	
		Compliance Rating: 1	

4.2 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations

No	Obligation under Condition	Findings	
78	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website. <i>Code of Conduct Electricity Industry Act section 51</i>	<p>Through discussions with the Compliance Officer, Residential Segment Manager and Customer Fulfilment Team Leader and the examination of Synergy's ERA approved standard form contract (referred to as the "Standard Electricity Agreement"), we determined:</p> <ul style="list-style-type: none"> • Synergy supplies electricity to residential customers under the Standard Electricity Agreement • Terms and conditions of the Standard Electricity Agreement are available on Synergy's Website. <p>The "Standard Electricity Agreement" published on the ERA website contains:</p> <ul style="list-style-type: none"> • Standard Electricity Contract, which clearly states in case of unsolicited agreements, the customer has the right to cancel the agreement within 10 business days and specifies that additional information on the customer's rights to cancel the agreement are set out in attachments A and B • Attachments: <ul style="list-style-type: none"> ○ A - Notice of Information under Section 79 of the Australian Consumer Law) ○ B - Standard Electricity Terms and Conditions. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
79	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language. <i>Electricity Industry (Customer Contracts) Regulation 5</i>	<p>Through discussion with the Compliance Officer and examination of Synergy's "Electricity non-standard form contracts" and "Business terms and conditions", we determined:</p> <ul style="list-style-type: none"> • Synergy's non-standard form contract and its accompanying terms and conditions are presented in clear, simple and concise language • Synergy obtains guidance from its legal team when preparing any communication materials or any amendments to non-standard form contract template. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
80	A non-standard contract must specify when it comes into effect and the period for which it has effect. <i>Electricity Industry (Customer Contracts) Regulation 6</i>	<p><i>Obligations 80 to 83</i></p> <p>Through examination of Synergy's non-standard form contract and its accompanying terms and conditions, we confirmed that the contract template includes:</p>	
	Priority 4	Controls rating: NP	Compliance Rating: 1

No	Obligation under Condition			Findings
81	A non-standard contract must specify certain information about the Retailer. <i>Electricity Industry (Customer Contracts) Regulation 7</i>			<ul style="list-style-type: none">• The contact start date and end date• The information required by Regulation 7 of the Electricity Industry (Customer Contracts) Regulations (Customer Contract Regulations)• Description of the goods and services Synergy will provide under the contract• The requirement for the customer to pay, together with:<ul style="list-style-type: none">○ Timeframes for payment○ How electricity usage is calculated along with the price (per kwh)○ Additional fees.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
82	A non-standard contract must give an exact description of the goods and services that the Retailer will provide under the contract. <i>Electricity Industry (Customer Contracts) Regulation 8</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	
83	A non-standard contract must require the customer to pay for electricity supplied under the contract. <i>Electricity Industry (Customer Contracts) Regulation 9</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	
84	A non-standard contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so. <i>Electricity Industry (Customer Contracts) Regulation 10</i>			Through examination of clause 10.3 of Synergy’ Business Terms and Conditions, we determined the non-standard contract states the customer must not: <ul style="list-style-type: none">• Tamper, bypass, circumvent or otherwise interfere with the meter or do anything that will prevent Synergy or Western Power from accessing the meter, or allowing anyone else to do so• Interfere with the supply of electricity or cause loss to anyone else.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
85	A non-standard contract must describe the circumstances under which a Retailer has the right to disconnect supply and is required to reconnect supply. <i>Electricity Industry (Customer Contracts) Regulation 11</i>			Through examination of clause 12 of Synergy’s Business Terms and Conditions, we determined there is a list of instances where Synergy has the right to disconnect customer’s electricity supply and is required to reconnect a customer.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
86	A non-standard contract must require the Retailer to deal with security deposits and the payment of interest in the manner that is specified. <i>Electricity Industry (Customer Contracts) Regulation 12</i>			Through examination of clause 20 of Synergy’s Business Terms and Conditions, we determined Synergy’s non-standard contract includes the following required information regarding security deposits: <ul style="list-style-type: none">• How Synergy will hold the security deposits• How the transaction is identified in Synergy’s accounting records. We note that Synergy is exempt from outlining interest payments within its non-standard contract as a “relevant corporation” under Regulation 12(5).
	Priority 4	Controls rating: NP	Compliance Rating: 1	

No	Obligation under Condition			Findings
87	A non-standard contract must describe the Retailer's obligations in relation to the provision of prices and tariff information. <i>Electricity Industry (Customer Contracts) Regulation 13</i>			Clause 5 of Synergy's Business Terms and Conditions outlines Synergy's obligation to use reasonable endeavours to provide the customer reasonable information on any change in price or tariff (to the extent the information is available to Synergy) either before the date the change in charge takes effect, or as soon as practicable after that date.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry (Customer Contracts) Regulation 14</i>			Through examination of clause 8 and clause 9 of Synergy's Business Terms and Conditions, we determined procedures on how Synergy bills its customers are clearly stated.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
89	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation. <i>Electricity Industry (Customer Contracts) Regulation 15</i>			Through examination of clause 18 of Synergy's Business Terms and Conditions, we determined the non-standard contract includes the information related to the termination of the contract and post termination processes.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
90	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 amending 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. <i>Electricity Industry (Customer Contracts) Regulations 16 and 34</i>			Obligations 90 and 91 Clause 22 of Synergy's Business Terms and Conditions outlines Synergy's: <ul style="list-style-type: none"> • Right to change the terms and conditions if required by any applicable laws or other regulatory requirements • Obligation to notify the customer of any changes to these terms and conditions before the date the change takes effect or as soon as practical after that date • Obligation to not unreasonably withhold its consent or assign or novate the agreement without giving notice to the customer and to another licensed retailer Synergy believes has the commercial and technical capability to perform Synergy's obligations under the agreement.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
91	A non-standard contract must specify the assignment of rights and obligations including assignment without the customer's consent. <i>Electricity Industry (Customer Contracts) Regulation 17</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	
92	A non-standard contract must describe the procedures that must be followed by the Retailer in responding to a complaint made by a customer. <i>Electricity Industry (Customer Contracts) Regulation 18</i>			Through examination of clause 16 of Synergy's Business Terms and Conditions, we determined the clause details the availability of Synergy's customer complaints channel and its policy.
	Priority 5	Controls rating: NP	Compliance Rating: 1	

No	Obligation under Condition			Findings
93	A non-standard contract must specify the process that must be taken by the Retailer to ensure information held by the Retailer is treated confidentially. <i>Electricity Industry (Customer Contracts) Regulation 19</i>			Through examination of clause 15 of Synergy's Business Terms and Conditions, we determined instances where Synergy will or will not uphold the confidentiality of the customer's information are clearly indicated.
	Priority 5	Controls rating: NP	Compliance Rating: 1	
94	A non-standard contract must specify the governing legislation, 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. <i>Electricity Industry (Customer Contracts) Regulation 20</i>			Through examination of clause 22 of Synergy's Business Terms and Conditions, we determined Synergy's terms detail: <ul style="list-style-type: none"> Western Australia as the governing jurisdiction to the agreement The effect of invalid terms on the remainder of the agreement Synergy's right to use electronic communication, with customer consent, to provide information to the customer.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry (Customer Contracts) Regulation 21</i>			Through examination of the non-standard form contracts and Business Terms and Conditions, we determined there are no provisions in the contract, which are designed to exclude, restrict or modify the Code of Conduct for the Supply of Electricity to Small Use Customers, unless it is authorised by the Code.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
96	A non-standard contract must include details about the cooling off period specified in the regulation. <i>Electricity Industry (Customer Contracts) Regulation 32</i>			Through examination of Synergy's Business Terms and Conditions, we determined Synergy includes the following information regarding the cooling off period: <ul style="list-style-type: none"> Beginning Duration Definition Fees.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
97	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days' notice. <i>Electricity Industry (Customer Contracts) Regulation 33(2)</i>			<i>Obligations 97 and 98</i> Through examination of Synergy's non-standard form contracts and clause 18 of its Business Terms and Conditions, we determined Synergy's non-standard form contract: <ul style="list-style-type: none"> Allows the customer to terminate the contract if the customer had provided at least: <ul style="list-style-type: none"> Five days' notice, if the termination is after the end date of the contract 20 days' notice, if the termination is before the end date of the contract.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry (Customer Contracts) Regulation 33(3) and (4)</i>			

No	Obligation under Condition			Findings
				<ul style="list-style-type: none"> • Outlines potential early termination charges the customer is to pay in the event that the customer terminates the contract before the expiry of the term of the contract.
100	If a 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 notify the customer within 5 days after becoming aware of it and provide specified information. <i>Electricity Industry (Customer Contracts) Regulation 38</i>			<p>Through discussion with Revenue Assurance Team Leader and examination of Vacant Premise & Backdated Move in procedure, we determined Synergy has processes in place to establish an account with the customer when electricity consumption is identified in a vacant premise.</p> <p>Through the examination of Synergy's annual compliance reports submitted to the ERA for FY 15-16 and FY 16-17, we observed that Synergy had self-reported a breach.</p> <p>In 30 instances during the audit period, Synergy failed to notify and provide customers with the specified information upon becoming aware that the customer was taking a supply of electricity Synergy deemed to be supplied under Synergy's standard form contract.</p> <p>The main causes of the above issues were:</p> <ul style="list-style-type: none"> • Human error when entering customer details into Synergy's system • Staff not following Synergy's process documentation correctly.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
	Recommendation <i>Refer to Recommendation 2/2017, 3/2017 and 4/2017</i>			Action Plan <i>Refer to Action Plan 2/2017, 3/2017 and 4/2017</i>

4.3 Electricity Industry Act – Licence Conditions and Obligations

No	Obligation under Condition	Findings	
101	<p>A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.</p> <p><i>Electricity Industry Act section 13(1)</i></p>	Synergy has appointed Deloitte, with the ERA's approval, to undertake this audit for the period 1 July 2015 to 30 June 2017.	
	<div>Priority 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		
105	<p>A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licencing Funding) Regulations 2014.</p> <p><i>Electricity Industry Act, section 17(1)</i></p>	<p>Through examination of Synergy's Regulation and Compliance Operation Manual, regulatory compliance calendar and payment register, we determined Synergy:</p> <ul style="list-style-type: none"> • Has processes in place for the payment of the licence fees • Has diarised payment on a yearly basis in the Regulatory Compliance calendar • Paid its annual licence fee for 2016 and 2017 before the April due date. 	
	<div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		
106	<p>A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.</p> <p><i>Electricity Industry Act section 31(3)</i></p>	<p>Through discussion with the Regulation and Compliance Officer and examination of Synergy's "Network Process and Procedures" document, we determined:</p> <ul style="list-style-type: none"> • Synergy has an Access Arrangement with Western Power • As a network operator, it is Western Power's obligation to minimise the extent or duration of interruption or restriction of supply • While Synergy can liaise with Western Power and provide information to its customers, it is beyond Synergy's control to minimise the extent or duration of a disruption • Synergy provides a link to Western Power's supply outage map • Notification of planned outages conducted by Western Power is provided to life support customers. 	
	<div>Priority 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>		
107	<p>A licensee must pay the costs of taking an interest in land or an easement over land.</p> <p><i>Electricity Industry Act section 41(6)</i></p>	The Manager, Regulation and Compliance confirmed Synergy did not take an interest in land or an easement over land applicable to the Licence for the audit period.	
	<div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>		
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 that complies with the Act.	Through discussion with the Compliance and Risk Coordinator and Residential Segment Manager, we determined Synergy predominantly	

No	Obligation under Condition			Findings
	<i>Electricity Industry Act section 54(1)</i>			supplies electricity to a small use customer under a standard form contract and to a lesser extent a non-standard contract.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
109	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified. <i>Electricity Industry Act section 54(2)</i>			Through discussion with the Compliance and Risk Coordinator and examination of the ERA website, we determined Synergy has not been directed by the ERA to update its standard form contract during the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
110	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act. <i>Electricity Industry Act section 76</i>			In July 2009, Synergy was designated as the supplier of last resort for the area covered by the SWIS. The Manager, Regulation and Compliance confirmed Synergy has not been required to carry out the supplier of last resort plan for the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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. <i>Electricity Industry Act section 101</i>			Through examination of Synergy's Regulation and Compliance Operation Manual and the Energy and Water Ombudsman's website, we determined Synergy was an industry member of the Energy Industry Ombudsman scheme throughout the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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 that hinders or prohibits access. <i>Electricity Industry Act section 115(2)</i>			Through discussion with the Compliance and Risk Coordinator and examination of documents available on the ERA's website, we determined Synergy acts consistently with the processes set out in the following documents which govern unhindered access to service: <ul style="list-style-type: none"> • The applications and queuing policy (AQP) approved by the ERA • Technical rules approved by the ERA • Western Power covered service • Customer Transfer Code.
	Priority 4	Controls rating: NP	Compliance Rating: 1	

4.4 Electricity Licenses – Licence Conditions and Obligations

No	Obligation under Condition			Findings
114	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes. <i>Retail Licence condition 23.1</i>			<i>Obligations 114 and 115</i> The Manager, Regulation and Compliance confirmed Synergy: <ul style="list-style-type: none">Considers an “electricity marketing agent” to be an external contractor under the licence condition who transacts as an independent party (i.e. does not undertake activities in Synergy’s name)Has not engaged any Electricity Marketing Agent for the audit period and has therefore not had to report any breaches by an electricity marketing agent.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
115	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe. <i>Retail Licence condition 23.2</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
116	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified. <i>Retail Licence condition 24.2</i>			<i>Obligations 116, 117 and 118</i> Through examination of the ERA website, we determined no review of the standard form contract has been required or performed during the audit period.
	Priority 5	Controls rating: NP	Compliance Rating: NR	
117	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review. <i>Retail Licence condition 24.3</i>			
	Priority 5	Controls rating: NP	Compliance Rating: NR	
118	A licensee can only amend the standard form contract with the ERA's approval. <i>Retail Licence condition 25.1</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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. <i>Retail Licence condition 12.1</i>			Through examination of Synergy’s 2015, 2016 and 2017 Annual Reports, we determined: <ul style="list-style-type: none">The Annual Independent Audit Reports were unqualifiedSynergy’s financial information is prepared in accordance with the Australian Accounting and Auditing Standards.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
120	A licensee must comply with any individual performance standards prescribed by the ERA. <i>Retail Licence condition 13.4</i>			Through discussion with Regulation and Compliance Officer, we determined there were no individual performance standards applicable to Synergy prescribed by the ERA during the audit period.

No	Obligation under Condition			Findings
	Priority 4	Controls rating: NP	Compliance Rating: NR	
121	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit. <i>Retail Licence condition 14.2</i>			Through examination of the 2017 Performance Audit Plan, we determined: <ul style="list-style-type: none"> • Specific reference to the 2014 issue of the Audit Guidelines: Electricity, Gas and Water Licences issued by the ERA was considered • The audit plan was subsequently approved and accepted by the ERA • Deloitte's standard methodology has been designed using the Audit Guidelines and is updated when there are changes to the guidelines.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
123	The licensee must report to the ERA: (a) if the licensee is under external administration, as defined by the Corporations Act 2001 (Cwlth), within 2 business days of such external administration occurring; or (b) if the licensee: (i) experiences a change in the licensee's corporate, financial or technical circumstances upon which this licence was granted; and (ii) the change may materially affect the licensee's ability to perform its obligations under this licence, within 10 business days of the change occurring; or (c) if the: (i) licensee's name; (ii) licensee's ABN; or (iii) licensee's address, change, within 10 business days of the change occurring. <i>Retail Licence condition 15.1</i>			Through examination of Synergy's Regulation and Compliance Operation Manual and discussion with the Regulation and Compliance Officer, we determined: <ul style="list-style-type: none"> • Synergy cannot be placed under external administration, as Synergy is not considered a company under the Corporations Act 2001 • None of the other changes in circumstances relevant to the Licence condition occurred during the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
124	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act. <i>Retail Licence condition 16.1</i>			Through discussion with the Manager, Regulation and Compliance and examination of Synergy's annual compliance reporting and performance reporting processes, we determined that, during the audit period, Synergy: <ul style="list-style-type: none"> • Submitted its annual compliance reports to the ERA by 31 August each year • Submitted annual performance datasheets to the ERA by the due date • Maintained processes to respond to requests for information from the ERA.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
125	A licensee must publish any information as directed by the ERA to publish within the timeframes specified. <i>Retail Licence condition 17.1 and 17.2</i>			The Manager, Regulation and Compliance confirmed Synergy has not been required by the ERA to provide any information to the ERA outside of its standard annual compliance and performance reporting requirements for the audit period.

No	Obligation under Condition			Findings
				Through examination of Synergy’s reports and discussion with the Regulation and Compliance Officer, we determined Synergy published the 2015/16 and 2016/17 Annual Performance Report for its retail licences in accordance with the ERA requirements.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
126	All notices must be in writing unless otherwise specified. <i>Retail Licence condition 18.1</i>			Through discussion with the Regulation and Compliance Officer and examination of relevant communications, we determined Synergy has processes in place to formally respond in writing and retain records to evidence formal communication with the ERA.
	Priority 4	Controls rating: NP	Compliance Rating: 1	

4.5 Code of Conduct

No.	Obligation under Condition	Findings	
Part 1 Marketing			
129	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct. <i>Code of Conduct clause 2.1</i>	The Manager, Regulation and Compliance confirmed Synergy: <ul style="list-style-type: none">Considers an “electricity marketing agent” to be an external contractor under the licence condition who transacts as an independent party (i.e. does not undertake activities in Synergy’s name)Has not engaged any Electricity Marketing Agent for the period subject to audit and has therefore not had to report any breaches by an electricity marketing agent.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
130	A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1). <i>Code of Conduct clause 2.2(1)</i>	Obligations 130 and 131 Through discussion with the Compliance Officer and the Sales Support Manager, examination of Synergy’s Standard Form Contract, and examination of Synergy’s Website and SAP system supporting billing documentation, we determined Synergy has processes in place to: <ul style="list-style-type: none">Record the date the standard form contract was entered intoObtain and record verbal consents (which are stored in Verint)Provide and/or make readily available the information in the standard form contract to the customersProvide and make readily available details on all relevant tariffs, fees, charges, alternative tariffs and service level that may apply to the customerProvide the customer with the Network Operator’s 24-hour telephone number to report faults and emergencyOffer customer access to multi-lingual services, TTY services and payment extension.	
	Priority: 2	Controls rating: B	Compliance Rating: 2
131	Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill. <i>Code of Conduct clause 2.2(2)</i>	<p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches:</p> <ul style="list-style-type: none">In 693 instances, Synergy failed to provide the required information upon entering into a standard contract within the required timeframeIn 15 instances, Synergy failed to read the standard declaration and obtain the consents required under the Code. <p>Synergy attributed the non-compliances to individual staff not following the established procedure or to system error.</p>	

No.	Obligation under Condition	Findings	
		<p><i>Refer to Issue 1/2017</i> in relation to an opportunity for Synergy to improve its processes for obtaining customers' verifiable consent through its use of declarations.</p> <p>Sample testing of new connections (which included the process for entering into a standard form contract) identified no further exceptions.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017</i>. 	
	Priority: 4	Controls rating: B	Compliance Rating: 2
	Recommendation <i>Refer to Recommendations 1/2017, 2/2017, 3/2017 and 4/2017</i>		Action Plan <i>Refer to Action Plans 1/2017, 2/2017, 3/2017 and 4/2017</i>
132	A retailer or electricity marketing agent must ensure that non-standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.3(1). <i>Code of Conduct clause 2.3(1)</i>	<p><i>Obligations 132 to 134</i></p> <p>Through discussion with the Business Sales Manager, system walkthrough with Customer Fulfilment Team Leader and the examination of Synergy's supporting contract and process documentation, we determined Synergy had the following processes in place to manage its establishment of non-standard contracts during the audit period, in accordance with the Code requirements:</p> <ul style="list-style-type: none"> • Prior to entering the contract, advising the customer of the difference between a standard and non-standard contract • Providing contestable customers with a copy of a non-standard form contract • Informing the customer of the option of entering into a standard form contract • Obtaining a completed verifiable consent form prior to entering into a non-standard contract • Storing verifiable consents within Salesforce under the customer account. A copy of the verifiable consent is also stored in DMS, which is assessable via a link in SAP • Terms and Conditions, Synergy Electricity Customer Charter and Frequently Asked Questions to be emailed to the contestable customer together with the contract 	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
133	A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract. <i>Code of Conduct clause 2.3(2)</i>		
	Priority: 4	Controls rating: NP	Compliance Rating: 1
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 subclause 2.3(4) is provided to the customer before arranging a non-standard contract. <i>Code of Conduct clause 2.3(4)</i>		

No.	Obligation under Condition	Findings
	<div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<ul style="list-style-type: none"> • Hard copies of the Terms and Conditions, Synergy Electricity Customer Charter and Contract to be mailed to the customer via registered post upon a customer's request • Renewal of non-standard contracts using Salesforce. The process includes issuing a reminder notice to the customer (as the renewal date approaches) containing links to Synergy's Terms and Conditions, Website and Contract Renewal.
135	<p>Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.</p> <p><i>Code of Conduct clause 2.3(5)</i></p>	<p>Through discussion with CSAs, Customer Service Team Leaders and the QA Team Leader and examination of Synergy's processes, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • CSAs to read the required declarations to customers where consent is required • Recordings of the CSA and customer exchange of declaration and consent to be maintained within Verint • Quality Assurance (QA) reviews to be conducted for a minimum of five calls per agent each month. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported that in nine identifiable instances and a separate undeterminable amount of instances over a three-day period in the FY17 period, Synergy did not maintain the customer's informed consent</p> <p>Synergy attributed the non-compliances to:</p> <ul style="list-style-type: none"> • Unavailability of the call recording system • Process error in failing to set up the CSA's call recording function. <p><i>Refer to Issue 1/2017</i> in relation to an opportunity for Synergy to improve its processes for obtaining customers' verifiable consent through its use of declarations.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>In order to identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p>

No.	Obligation under Condition	Findings
	<div> <div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div> </div>	<ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its Call centre regulatory performance reporting – <i>refer to Issue 4/2017</i>.
	Recommendation <i>Refer to Recommendations 1/2017, 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 1/2017, 2/2017, 3/2017 and 4/2017</i>
136	<p>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.</p> <p><i>Code of Conduct clause 2.4(1)</i></p>	<p>Through discussion with CSAs, and examination of Synergy's Concession policies, we determined, for those instances during the audit period where concessions were made available, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Information about available concessions and eligibility to be outlined on Synergy's website A CSA to inform the customer of the available concession and include the customer's concession details (if any) in SAP during the account establishment process Synergy's website portal to allow customers to log on to "My Account" and update their concession details.
	<div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	
137	<p>A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.</p> <p><i>Code of Conduct clause 2.4(2)</i></p>	<p>Through discussion with CSAs and examination of customer bills, Synergy's Electricity Customer Charter and website, we determined:</p> <ul style="list-style-type: none"> Synergy's contact details are made available to the customer The Customer Service Call Centre for residential customers operates between 7am and 7pm from Monday to Friday (excluding Public Holidays) The Customer Service Call Centre for business customers operates from 8am to 5pm from Monday to Friday (excluding Public Holidays). <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported:</p> <ul style="list-style-type: none"> One instance on 23 January 2017, where the contact centre was unavailable for 2 hours and 5 minutes because of an outage at Synergy's telephone service provider A non-compliance with Synergy's call flow, where residential customers were incorrectly directed to the self-service telephone options and website between 5.30pm and 6.30pm on 16 December 2016. The breach was caused by an incorrect link of the business call flow variable to the residential call centre number. Synergy resolved the call flow and incorrect message on the same day.
	<div> <div>Priority: 4</div> <div>Controls rating: A</div> <div>Compliance Rating: 2</div> </div>	
	Recommendation Not applicable – resolved during the audit period.	Action Plan Not applicable – resolved during the audit period.

No.	Obligation under Condition	Findings	
138	<p>A retailer or electricity marketing agent must, on request, provide a customer with the information specified in sub-clause 2.5(1). <i>Code of Conduct clause 2.5(1)</i></p>	<p>Through discussion with Customer Support SME and Complaints & Life Support Officer and examination of Synergy's Complaint Resolution Policy, Customer Charter and website, we determined:</p> <ul style="list-style-type: none"> As part of its general operations, Synergy has received requests from customers during the audit period, seeking guidance on the complaints process Synergy's customer-available documentation outlines how a customer can lodge, escalate and, if necessary, raise a complaint with the Ombudsman. 	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
139	<p>A retailer or electricity marketing agent who meets with a customer face to face must:</p> <ul style="list-style-type: none"> wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and provide the written information specified in subclause 2.5(2)(b) as soon as practicable following a request by the customer. <p><i>Code of Conduct clause 2.5(2)</i></p>	<p>Through discussion with the Business Sales Manager and the Business Development Manager, we determined Synergy sales personnel are aware of their obligation to wear appropriate identification when attending appointments with customers.</p> <p>The Business Sales Manager confirmed Synergy had not used third party agents for door-to-door or other marketing purposes during the audit period.</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
140	<p>A retailer or electricity marketing agent who visits a person's premises for the purposes of marketing must comply with any clearly visible signs indicating that canvassing is not permitted at the premises, or no advertising is to be left at the premises. <i>Code of Conduct clause 2.6</i></p>	<p>Through discussion with the Business Sales Manager and Business Sales personnel, we determined:</p> <ul style="list-style-type: none"> The Business Sales team is aware of the requirement of not canvassing or leaving marketing material where there are clearly visible signs to the contrary on the premises During the audit period, although sales personnel attended business premises as part of the general contracting process, records are not retained to establish whether the premises had visible signage. Therefore, a compliance rating has not been provided. 	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
141	<p>An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information. <i>Code of Conduct clause 2.9(1)</i></p>	<p>The Manager, Regulation and Compliance confirmed Synergy:</p> <ul style="list-style-type: none"> Considers an "electricity marketing agent" to be an external contractor under the licence condition who transacts as an independent party (i.e. does not undertake activities in Synergy's name) Has not engaged any Electricity Marketing Agents for the audit period and has therefore not had to report any breaches by an electricity marketing agent. 	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
142	<p>An electricity marketing agent must keep a record, or other information, required under the Code for at least 2 years after the last time that a customer or person was contacted by, or on behalf of, the electricity</p>		

No.	Obligation under Condition	Findings	
	marketing agent, or after receipt of the last contact from, or on behalf of, the electricity marketing agent, whichever is later. <i>Code of Conduct clause 2.10</i>		
	Priority: 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under Condition	Findings
Part 2 Connection		
143	<p>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.</p> <p><i>Code of Conduct clause 3.1(1)</i></p>	<p>Through discussion with CSAs and walkthrough of Synergy's system design in relation to customer connections, we determined Synergy has the following processes in place to manage new connections:</p> <ul style="list-style-type: none"> • An automated process within SAP to send a new connection service request to Western Power as the CSA creates or updates a customer account within SAP • CSAs can manually create the Service Notification within SAP should the automated SAP process fail • The status of the new connection Service request can be monitored via the Service Notification Display window within SAP. <p>Through discussion with the Compliance and Risk Coordinator we determined Synergy has the following processes in place to manage new connection sign-ups through its website:</p> <ul style="list-style-type: none"> • System controls to request the customer to acknowledge and accept the Terms and Conditions before an application is accepted • CSAs are trained to advise customers that Synergy will forward the customer's request for new connection within three business days, provided the customer has entered their details correctly. The consent to this timeframe from the customer is a mandatory step to progress in the web application • SAP automatically creates the "Due date" to complete the task in three business days from the date the web application is submitted.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	

No.	Obligation under Condition	Findings
144	<p>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.</p> <p><i>Code of Conduct clause 3.1(2)</i></p>	<p><i>Refer to obligation 143 for overview of new connection process.</i></p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches with its obligation to connect:</p> <ul style="list-style-type: none"> In 3,250 instances during the audit period, Synergy forwarded online customer requests beyond the prescribed timeframe without the appropriate customer consent. Synergy has now updated the online process to obtain customer consent for an online connection to be performed within three business days. As described at <i>Issue 5/2017</i>, a contributing cause of the system error was a lack of consultation as part of a change management process In a further 14 instances during the audit period, Synergy did not forward customer requests for connection to the distributor within the required timeframe. Synergy attributed the non-compliances to individual staff not following the established procedure or to system error. <p>Sample testing of new connections did not identify any further instances of non-compliance with the connection timeframes.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA, and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating:2</div>	
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017, 4/2017 and 5/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017, 4/2017 and 5/2017</i></p>

No.	Obligation under Condition	Findings
Part 3 Billing		
145	<p>A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.</p> <p><i>Code of Conduct clause 4.1</i></p>	<p>Through discussion with the Customer Processing Partner Lead and examination of Synergy's "Implausible Rebill Guide" and "Unbilled SOP" documents, we determined:</p> <ul style="list-style-type: none"> • Synergy has a dedicated team to manage unbilled accounts over 90 days • Daily reports are used to identify all unbilled accounts over 90 days • Where Synergy bills outside of the one month or 3 month parameters, Synergy's processes provide for obtaining the customer's consent. <i>Refer to Issue 1/2017</i> in relation to an opportunity for Synergy to improve its processes for obtaining customers' verifiable consent through its use of declarations • Incidents are reported within the Empower system and individuals are given training/coaching as required. <p>During the audit period, Synergy reported:</p> <ul style="list-style-type: none"> • In the 2015/16 financial year, 5,852 instances where it failed to issue a bill within the required three month timeframe (representing 0.09% of total bills issued). • In the 2016/17 financial year, 3,082 instances where it failed to issue a bill within the required three month timeframe (representing 0.06% of total bills issued) • In the 2016/17 financial year, 80,836 instances where Synergy issued bills more than once a month (representing 1.4% of total bills issued) <p>We observed that:</p> <ul style="list-style-type: none"> • Synergy has 76-89 day and 90+ day exception reports to identify bills on the verge of non-compliance or those that have recently become non-compliant • From sample testing of six issues appearing in sequential exception reports, we identified (for the month of April 2017) two instances where items in the 76-89 day could reasonably be expected to have been resolved prior to the 90 day deadline • While Synergy receives monthly Billing Process Exception Monitoring (BPEM) performance reports from Stellar, it does not apply a structured process to address the number of bills detected in the 76-89 day period and any reasons for failure to issue the bill on time

No.	Obligation under Condition	Findings
		<ul style="list-style-type: none"> Bills issued more than once a month have been largely attributed to a system set up where bills are automatically sent once metering data is received from Western Power. Where customers are billed on a monthly basis, there are instances where data may come earlier in the cycle. Synergy has self reported: <ul style="list-style-type: none"> 65% were sent 1-2 days early 19% were 3-4 days early <p><i>Note: Synergy remains in the process of examining the remaining instances of non-compliance. This matter has been considered by the ECCC and the ECCC has recommended to the ERA amendments to clause 4.1(a) of the code of conduct that will address the matter.</i></p>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendations 1/2017 and 6/2017</i>	Action Plan <i>Refer to Action Plans 1/2017 and 6/2017</i>
146	<p>For the purposes of subclause 4.1(a)(ii), a retailer has given a customer notice, if, prior to placing a customer on a shortened billing cycle, the retailer advises the customer of the information specified in subclause 4.2(1). <i>Code of Conduct clause 4.2(1)</i></p>	<p><i>Obligations 146 to 151</i></p> <p>The Customer Processing Partnering Lead (and Synergy's "Placing Customers on Shortened Billing Cycles" policy) confirmed that Synergy had not placed a customer on a shortened billing cycle during the audit period.</p>
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>	
147	<p>If a residential customer informs a retailer that the customer is experiencing payment difficulties or financial hardship and the customer is assessed as experiencing payment difficulties or financial hardship, the retailer must not place that customer on a shortened billing cycle without that customer's verifiable consent. <i>Code of Conduct clause 4.2(2)</i></p>	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>	
148	<p>A retailer must give a customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision. <i>Code of Conduct clause 4.2(3)</i></p>	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>	
149	<p>A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.</p>	

No.	Obligation under Condition	Findings	
	<i>Code of Conduct clause 4.2(4)</i>		
	Priority: 4 Controls rating: NP Compliance Rating: NR		
150	On request, a retailer must return a customer who is subject to a shortened billing cycle to the billing cycle that previously applied if the customer has paid 3 consecutive bills by the due date. <i>Code of Conduct clause 4.2(5)</i>		
	Priority: 4 Controls rating: NP Compliance Rating: NR		
151	A retailer must inform a customer, who is subject to a shortened billing cycle, at least every 3 months about the conditions upon which the customer can be returned to the previous billing cycle. <i>Code of Conduct clause 4.2(6)</i>		
	Priority: 4 Controls rating: NP Compliance Rating: NR		
152	In respect of any 12-month period, on receipt of a request by a customer, a retailer may provide a customer with a bill which reflects a bill-smoothing arrangement. <i>Code of Conduct clause 4.3(1)</i>		
	Priority: 4 Controls rating: NP Compliance Rating: NR		
153	If a retailer provides a customer with a bill under a bill smoothing arrangement, the retailer must ensure that the conditions specified in subclause 4.3(2) are met. <i>Code of Conduct clause 4.3(2)</i>		
	Priority: 4 Controls rating: NP Compliance Rating: NR		
		<i>Obligations 152 and 153</i> Through discussion with the Customer Processing Partner Lead and confirmation from the Compliance Risk Coordinator, we determined Synergy did not offer bill-smoothing arrangements during the audit period.	

No.	Obligation under Condition	Findings
154	<p>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><i>Code of Conduct clause 4.4</i></p>	<p>Through discussion with the Compliance Risk Coordinator, examination of Synergy's "Step 9. Mailing Address & Contact Details" procedure and conducting a system walkthrough of the customer account set up process, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> Updating the customer's mailing address and contact details upon receiving notification If the mailing address is different to the premise address, a pop-up will display asking the agent to confirm the right address for billing purposes. While the control mitigates an address discrepancy it does not remove risk where the premises address and mailing address are both incorrect Reporting non-compliances within the Empower system. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 961 instances during the audit period, Synergy did not issue a bill to a customer at the customer's supply address since the correct customer address had not been captured.</p> <p>Synergy attributed the non-compliances to individual staff not following the established procedure or to human error.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA, and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 3</div>	
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>

No.	Obligation under Condition	Findings
155	<p>A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.</p> <p><i>Code of Conduct clause 4.5(1)</i></p>	<p>Through discussion with the Compliance Risk Coordinator and Business Implementation Manager and examination of Synergy's billing exception reporting (BPEM reports) and Synergy's billing templates, we determined:</p> <ul style="list-style-type: none"> • Synergy uses a billing exception reporting framework to identify: <ul style="list-style-type: none"> ○ Length between bills ○ Metering data issues ○ High bills. • Over the audit period, Synergy reported that less than 0.1% of its bills did not contain the minimum prescribed information on a bill. Synergy attributed these breaches to: <ul style="list-style-type: none"> ○ Incorrect design of the billing template within the billing system ○ User error : <ul style="list-style-type: none"> ▪ For bills containing incorrect customer details (e.g. address) ▪ On manually processed bills containing incorrect account data. <p>Sample testing of bills did not identify further non-compliances relating to minimum information prescribed.</p> <p>Additionally, the Code of Conduct requires that billing templates and billing support documents contain the National Interpreter Symbol.</p> <p>In November 2016 Synergy's bill templates were amended, whereby the official National Interpreter Symbol was replaced with an alternative (but non-official) interpreter symbol. <i>Refer to Issue 7/2017.</i></p> <p>At the time of this audit, Synergy had not established a formal change management process, which would require the compliance team to be consulted as part of any system change.</p> <p>As described at <i>Issue 5/2017</i>, a contributing cause of the system error was a lack of consultation as part of a change management process.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating:2</div>	

No.	Obligation under Condition	Findings
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017, 4/2017, 5/2017 and 7/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017, 4/2017, 5/2017 and 7/2017</i>
156	<p>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.</p> <p><i>Code of Conduct clause 4.5(3)</i></p>	<p>Through discussion with Synergy's Credit Strategy Manager and Credit Team Lead and examination of Synergy's "Debt transfer" procedure, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> Any debts over the statute of limitations (six years) cannot be transferred to a current account without the request of the customer. The date is taken from the final due date not the date the account was established All transfers to current accounts must have a copy of the outstanding account and a letter advising of the transfer sent to the new address. In this case a standard letter is available in SAP to be dispatched Reporting of non-compliances within the Empower system. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches:</p> <ul style="list-style-type: none"> In five instances during the audit period, Synergy did not provide a customer with the required historical debt notification In three instances during the audit period, Synergy issued a historical debt notification to the wrong customer address. <p>Synergy attributed the non-compliances to individual staff not following the established procedure or incorrectly entering the customer's address.</p> <p>Our sample testing of historical debt bills did not identify any instances where the letter was not despatched within the required timeframe.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div> <div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div> </div>	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>

No.	Obligation under Condition	Findings
157	<p>A retailer must base a customer's bill on the following:</p> <ul style="list-style-type: none"> - 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 subclause 4.6(1)(b); or - if the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code, or as set out in any applicable law. <p><i>Code of Conduct clause 4.6(1)</i></p>	<p>Through discussion with the Customer Processing Partner Lead and examination of the Synergy's "Unbilled SOP" and "Billing Services Business Rules" process documents, we determined Synergy's:</p> <ul style="list-style-type: none"> • System control is designed to generate bills on estimated or actual meter readings supplied by Western Power • Processes provide for: <ul style="list-style-type: none"> ○ Using alternate methods (such as self-reads or previous data to populate the bill) ○ In the event no read is available, generating a Meter Data Verify (MDV) Service Notification for a 'Scheduled Reading Required', which must be issued for the missing bill order • Exception reporting process identifies bills that are approaching the billing deadline and require priority action. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in approximately 1,444 instances during the audit period, it issued bills, which contained incorrect energy or standing data.</p> <p>Synergy attributed the non-compliances to individual staff not following the established procedure or incorrectly applying the supply address.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>
158	<p>Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.</p> <p><i>Code of Conduct clause 4.7</i></p>	<p>The 2015 performance audit report found that Synergy's procedures did not comply with clause 4.7 of the Code. System and process revisions were implemented by February 2016 to address this matter. As the revisions were implemented part way through the period subject to this audit, Synergy's procedures remained non-compliant until that time.</p>

No.	Obligation under Condition	Findings
		Through discussion with the Regulation and Compliance Officer and the Customer Processing Partner Lead, and examination of Synergy's Meter Access procedure exception reporting and Customer Information initiative, we determined that since March 2016, Synergy now has appropriate processes in place, which provide for: <ul style="list-style-type: none"> Identifying customers who require a meter read Methods for contacting the customer Coordinating with Western Power to arrange an actual read.
	<div>Priority: 5</div> <div>Controls rating: 1</div> <div>Compliance Rating: 2</div>	
	Recommendation Not applicable – resolved during the audit period.	Action Plan Not applicable – resolved during the audit period.
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. <i>Code of Conduct clause 4.8(1)</i>	Through discussion with the Customer Processing Partner Lead and Billing team personnel, and examination of Synergy's billing procedures and estimated billing template, we determined, for instances during the audit period where an actual meter reading was unavailable, Synergy's processes provided for issuing a bill on a substitute reading provided by Western Power.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	
160	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under subclause 4.8(2). <i>Code of Conduct clause 4.8(2)</i>	Through discussion with the Regulation and Compliance Officer and Synergy billing team personnel and examination of Synergy's estimated bill template, we determined the estimated bill contains: <ul style="list-style-type: none"> On page 1, a reference that the bill is an estimate. On the first page, the graph bar is white and there is a message underneath, which states the bill has been estimated and provides a possible reason for such estimation On page 2, the process by which a customer can: <ul style="list-style-type: none"> Request information about the basis and reason for the estimation Submit an enquiry or contact Synergy's call centre Request a meter reading. In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches: <ul style="list-style-type: none"> In 4,469 instances during the audit period, Synergy issued a bill without disclosing that the bill was derived from partial estimated data and partial actual data In 9,192 instances during the audit period, Synergy issued final bills without disclosing that the bills were estimated.

No.	Obligation under Condition	Findings
		<p>Synergy attributed the breach to the billing system (SAP) technical design process failing to consider the regulatory requirements.</p> <p>Our sample testing of estimated bills did not identify any instances where the bill did not display the appropriate identifiers as an estimated bill.</p> <p>As described at <i>Issue 5/2017</i>, a contributing cause of the system error was a lack of consultation as part of a change management process.</p>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation Refer to Recommendation 5/2017	Action Plan Refer to Action Plan 5/2017
161	<p>On request, a retailer must inform a customer of the basis and the reason for the estimation.</p> <p><i>Code of Conduct clause 4.8(3)</i></p>	<p>Through discussion with the Regulation and Compliance Officer and Synergy billing team personnel and examination of Synergy's estimated bill template, we determined the estimated bill contains:</p> <ul style="list-style-type: none"> On page 1, a message that states the bill has been estimated and provides a possible reason for the estimate On page 2, the process by which a customer can: <ul style="list-style-type: none"> Request information about the basis and reason of the estimation Submit an enquiry or contact Synergy's call centre Request a meter reading. <p>The 2015 Performance Audit report identified that Synergy could not provide a customer with a reason for an estimated bill where Western Power had marked the estimate data as 'other'.</p> <p>The Metering & Access Arrangement Manager confirmed that in November 2016, Western Power agreed to not use the 'other' category. Prior to this update, Synergy was still not able to provide customers with the basis for estimation in instances where 'other' was listed in the data field.</p>
	<div>Priority: 4</div> <div>Controls rating: A</div> <div>Compliance Rating: 2</div>	
	Recommendation Not applicable – resolved during the audit period.	Action Plan Not applicable – resolved during the audit period.
162	<p>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.</p> <p><i>Code of Conduct clause 4.9</i></p>	<p>Through discussion with the Customer Processing Partner Lead and examination of Synergy's estimated billing procedures and Synergy's terms and conditions in its standard and non-standard form contracts, we determined, for those instances during the audit period where the estimated read did not match a subsequent actual read and an adjustment to the customer bills was required, Synergy's processes provided for an adjustment to be made to the estimated bill on the next bill, in accordance with the meter reading data, unless the estimated read was used to finalise the customer's account.</p>
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	

No.	Obligation under Condition	Findings	
163	<p>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 subclause 4.10</p> <p><i>Code of Conduct clause 4.10</i></p>	<p>Through discussion with the Customer Processing Partner Lead and Synergy Billing Services team, and examination of Synergy's billing procedures, we determined for instances during the audit period where a customer had requested an actual read after initially failing to provide access to the meter, Synergy's processes provided for:</p> <ul style="list-style-type: none"> • The review of the customer's bill • A special meter read to be arranged with Western Power • Adjustments, if any, to be made in accordance with the customer's instructions. 	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
164	<p>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.</p> <p><i>Code of Conduct clause 4.11(1)</i></p>	<p><i>Obligations 164 and 165</i></p> <p>Through discussion with the Customer Processing Partner Lead and Synergy Billing Services team and examination of Synergy's "Customer Requests Meter Test" document and Synergy's terms and conditions in its standard and non-standard form contracts, we determined:</p> <ul style="list-style-type: none"> • During the audit period, as part of its general operations, Synergy had received requests for a meter test • Synergy's processes and contractual requirements provide for: <ul style="list-style-type: none"> ○ If a customer requests a meter test, Synergy to send the request to Western Power ○ Synergy to obtain the customer's consent to the meter being tested, including acceptance of Synergy's fee conditions ○ The Billing Services team to manually raise the meter test charge based on the results of the completed meter test (the customer is not charged if the meter test results are failed/faulty) ○ The customer to be informed of the result of the meter test in writing via standard letters, which are available in SAP. 	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
165	<p>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.</p> <p><i>Code of Conduct clause 4.11(2)</i></p>		
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
166	<p>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.</p> <p><i>Code of Conduct clause 4.12(1)</i></p>	<p>Through discussion with Billing Services Subject Matter Expert and examination of Synergy's "Step 4. Confirm product and tariff" and "Meter Reconfiguration Training Guide", we determined for those instances during the audit period where a customer had applied to receive an alternate tariff, Synergy's processes provided for:</p> <ul style="list-style-type: none"> • Basing products and tariffs on how the customer will be using the property • If the CSA identifies the customer no longer meets the eligibility criteria, the CSA is to perform a product change 	

No.	Obligation under Condition	Findings
		<ul style="list-style-type: none"> Where applicable, initiating a request for a meter reconfiguration to be performed by Western Power A specific declaration to be read to the customer Performing tariff changes within 10 business days of receiving a customer request Details of the tariff change to be included on the next customer invoice. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in nine instances during the audit period, Synergy failed to complete a customer change to an eligible alternative tariff within the required 10 business days.</p> <p>Synergy attributed the non-compliances to individual staff not following the established procedure or to human error.</p> <p>Our sample testing of changes to retail tariffs identified one instance where the customer requested (via web) to change the tariff from "Home Plan" (A1) to "Smart Home Plan" on 20 August 2016. Synergy sent the Service Notification to Western Power on 30 November 2016. The delay was attributed to human error. As Synergy can backdate the request (in terms of billing) the impact to the customer was minimal.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
167	<p>If a customer's electricity use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.</p> <p>Code of Conduct clause 4.13</p>	<p>Through discussion with Billing Services Subject Matter Expert and examination of Synergy's "Step 4. Confirm product and tariff" and "Meter Reconfiguration Training Guide", we determined for those instances during the audit period where a customer was no longer eligible to continue to receive an existing, more beneficial tariff, Synergy's processes provided for:</p>

No.	Obligation under Condition	Findings	
		<ul style="list-style-type: none"> The CSAs to be trained to identify instances where the customer no longer meets the eligibility criteria and to initiate a product change (if necessary) A specific notification of the tariff change to be issued to the customer prior to the alternative tariff taking effect. 	
	Priority: 2	Controls rating: A	Compliance Rating: 1
168	<p>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.</p> <p><i>Code of Conduct clause 4.14(1)</i></p>	<p>Through discussion with Synergy's Billing Services team and examination of Synergy's "Move Out Guided Process Landing Page", we determined for those instances during the audit period where a customer requested Synergy to issue a final bill, Synergy's processes provided for a final:</p> <ul style="list-style-type: none"> Meter read service order to be arranged Bill to be generated following receipt of the meter reading. 	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
169	<p>Subject to sub-clause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.</p> <p><i>Code of Conduct clause 4.14(2)</i></p>	<p>Through discussion with the Revenue & Credit Manager and examination of Synergy's Customer Care Guide, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> Issuing a final bill upon receiving notification from a customer of a move out If the final bill is in credit after the customer has paid all amounts payable under clause 9.3(b), (c), (d) or (e), then the customer can choose to have the credit transferred to their new account or repaid to their bank account Synergy to complete the credit or refund within 12 business days of the customer giving the instructions. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported an instance where it failed to obtain the customer's instructions to transfer a credit at the time of the account closure within the required timeframe.</p> <p>Synergy attributed the breach to human error.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017.</i> 	
	Priority: 4	Controls rating: B	Compliance Rating: 2

No.	Obligation under Condition	Findings	
	Recommendation <i>Refer to Recommendation 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plan 2/2017, 3/2017 and 4/2017</i>	
170	<p>If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset 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). <i>Code of Conduct clause 4.14(3)</i></p>	<p>Through discussion with the Revenue & Credit Manager and examination of Synergy's customer support process documentation, we determined, for those instances during the audit period where a customer's account was in credit at the time of account closure, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Billing a customer for remaining usage upon performing a final reading If there is an outstanding debt, transferring it to a new account or alternative account held by the customer. 	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		
171	<p>A retailer must review a customer's bill on request by the customer, subject to the customer paying that portion of the bill under review that the 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. <i>Code of Conduct clause 4.15</i></p>	<p>Through discussion with the Customer Processing Partner Lead and examination of Synergy's standard form contract and non-standard form contract terms and customer support processes documentation, we determined:</p> <ul style="list-style-type: none"> During the audit period, Synergy has had instances where a customer has requested a bill review Synergy's processes and contractual terms appropriately provide for Synergy's obligations to perform the review and review types available to the customer. 	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		

No.	Obligation under Condition	Findings			
172	<p>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.</p> <p><i>Code of Conduct clause 4.16(1)(a)</i></p>	<p>Through discussion with Billing Services personnel and CSAs and examination of Synergy's "MDV Letter" and "Check read letter" procedures and templates, we determined Synergy's processes provide for informing the customer:</p> <ul style="list-style-type: none"> • That a meter test can be requested • The processes and fees involving a meter test. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported an instance where it failed to advise a customer of their right to request a meter test during a bill review process.</p> <p>Synergy attributed these instances of non-compliance to a staff member not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017.</i> 			
	<table> <tr> <td>Priority: 2</td><td>Controls rating: B</td><td>Compliance Rating: 2</td></tr> </table>	Priority: 2	Controls rating: B	Compliance Rating: 2	
Priority: 2	Controls rating: B	Compliance Rating: 2			
	<p>Recommendation</p> <p><i>Refer to Recommendation 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plan 2/2017, 3/2017 and 4/2017</i></p>			
173	<p>If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.</p> <p><i>Code of Conduct clause 4.16(1)(b)</i></p>	<p><i>Obligations 173 to 175 and 183</i></p> <p>Through examination of Synergy's "Rebill letters" and "Rebill invoice wording letter" and Customer Care Guide, we determined, for those instances during the audit period where Synergy had reviewed a customer's bill and an adjustment was required, Synergy's processes provided for:</p> <ul style="list-style-type: none"> • Issuing a Standard Rebill Letter advising the customer that their account has been adjusted based on revised meter information from Western Power 			
	<table> <tr> <td>Priority: 4</td><td>Controls rating: NP</td><td>Compliance Rating: 1</td></tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
174	<p>A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.</p> <p><i>Code of Conduct clause 4.16(2)</i></p>				

No.	Obligation under Condition	Findings			
	<table border="1"> <tr> <td data-bbox="248 260 546 300">Priority: 4</td><td data-bbox="546 260 846 300">Controls rating: NP</td><td data-bbox="846 260 1149 300">Compliance Rating: 1</td></tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	<ul style="list-style-type: none"> Enclosing an updated invoice advising of the update from the previous invoice. The letter outlines: <ul style="list-style-type: none"> If the enclosed invoice is higher than the previous invoice and the customer would like more time to pay, the customer can contact Synergy to discuss a payment arrangement If the balance of the invoice is in credit, Synergy carries forward this credit amount to the next invoice unless the customer contacts Synergy within 20 business days to arrange a refund Informing the customer as soon as practicable, or in the event the matter has not been resolved, providing an update within 20 business days.
Priority: 4	Controls rating: NP	Compliance Rating: 1			
175	<p>If a 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.</p> <p><i>Code of Conduct clause 4.16(3)</i></p> <table border="1"> <tr> <td data-bbox="248 550 546 595">Priority: 4</td><td data-bbox="546 550 846 595">Controls rating: NP</td><td data-bbox="846 550 1149 595">Compliance Rating: 1</td></tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
176	<p>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).</p> <p><i>Code of Conduct clause 4.17(2)</i></p>	<p>Through discussion with Synergy's Billing Services personnel and examination of Synergy's billing procedures, we determined, for those instances during the audit period where Synergy proposed to recover an undercharged amount, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Only rebilling customers for any undercharges within the last 365 days prior to the date of Synergy's notification of the undercharge to the customer Notifying the customer by the next billing date (i.e. outlining the undercharge on the net bill) Offering a payment plan for a minimum length of the period of the undercharge. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported that in 68 instances during the audit period, it recovered undercharges outside of the manner specified by the regulatory requirements.</p> <p>Synergy attributed these breaches to:</p> <ul style="list-style-type: none"> Staff not following the standard procedure (e.g. incorrect setting of length of the payment term) Incorrect programming of the billing system, causing a non-compliant bill to be processed. <p>As described at <i>Issue 5/2017</i>, a contributing cause of the system error was a lack of consultation as part of a change management process.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p>			

No.	Obligation under Condition	Findings
		<p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 4</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendation 2/2017, 3/2017, 4/2017 and 5/2017</i>	Action Plan <i>Refer to Action Plan 2/2017, 3/2017, 4/2017 and 5/2017</i>
176A	<p>A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met.</p> <p><i>Code of Conduct clause 4.17(3)</i></p>	The Manager, Regulation and Compliance confirmed Synergy has not charged interest or late fees on undercharged amounts for the audit period.
	<div>Priority: 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>	
177	<p>If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. Subject to sub-clauses 4.18(6) and 4.18(7), the retailer must ask the customer for instructions if the amount should be credited to the customer's account or repaid to the customer directly.</p> <p><i>Code of Conduct clause 4.18(2)</i></p>	<p>Through examination of Synergy's standard form contract terms and conditions and bill adjustment letter template, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • If Synergy overcharges the customer due to an error, then, subject to the code of conduct (where applicable) and to clause 22, Synergy will credit the amount to the customer account or provide the customer with the option of having the amount repaid to them • Another bill to be issued to the customer with an adjustment letter advising the customer that the credit has been carried forward to their next invoice or they can contact Synergy and request a refund. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 5,830 instances during the audit period, it did not provide customers with an explanatory note for a billing adjustment.</p> <p>Synergy attributed the breach to an error in the billing system set up.</p> <p>As described at <i>Issue 5/2017</i>, a contributing cause of the system error was a lack of consultation as part of a change management process.</p>
	<div>Priority: 5</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendation 5/2017</i>	Action Plan <i>Refer to Action Plan 5/2017</i>
178	<p>A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.</p>	Through discussion with CSAs and examination of Synergy's Customer Care Guide, we determined, for those instances during the audit period where

No.	Obligation under Condition	Findings
	<i>Code of Conduct clause 4.18(3)</i> <div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<p>Synergy was required to refund an overcharge amount to a customer, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Adhering to the customer's instructions for refunding the overcharge within the 12 business day timeframe Offering customers multiple methods of refunds (credit card, Electronic, BPay refunds, cheque) to make it more convenient for the customer.
179	<p>If instructions regarding repayment of an overcharged bill are not received within 5 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to a customer's account.</p> <p><i>Code of Conduct clause 4.18(4)</i></p> <div> <div>Priority: 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<p><i>Obligations 179, 180, 185 and 186</i></p> <p>Through examination of Synergy's Rebill invoice letter template and billing procedures, we determined, for those instances during the audit period where Synergy was required to refund an overcharge amount to a customer and the customer's instructions had not been received with five business days of Synergy's request, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Issuing rebill invoices to the customer with an adjustment letter (for amounts over and under \$100), which advise the customer that: <ul style="list-style-type: none"> If the balance of this invoice is in credit, Synergy has carried forward this credit amount to the customer's next Synergy invoice Alternatively, the customer can contact Synergy within 20 business days should the customer wish to arrange a refund for this credit. Where applicable, offsetting the adjustment against a previous debt owed by the customer.
180	<p>Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in sub-clause 4.18(6).</p> <p><i>Code of Conduct clause 4.18(6)</i></p> <div> <div>Priority: 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	
181	<p>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 \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.18(6). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.18(2).</p> <p><i>Code of Conduct clause 4.18(7)</i></p>	<p>Through discussion with CSAs and examination of "Transferring credits between accounts" document and Rebill invoice letter template, we determined, for those instances during the audit period where Synergy used an amount overcharged to set off a debt owed by the customer, Synergy's processes provided for:</p> <ul style="list-style-type: none"> The system automatically completing a credit transfer from an inactive account to an active account based on customers having multiple contracts of specific account criteria Issuing rebill invoices to the customer with an adjustment letter (for amounts over and under \$100), which advises the customer that: <ul style="list-style-type: none"> Where applicable, the overcharged amount has been used to offset a previous debt

No.	Obligation under Condition	Findings	
		<ul style="list-style-type: none"> ○ If the balance of this invoice is in credit, Synergy has carried forward this credit amount to the customer's next Synergy invoice ○ Alternatively, the customer can contact Synergy within 20 business days should the customer wish to arrange a refund for this credit • Such adjustments or transfers not to be applied to residential customers experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. 	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
182	<p>If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with sub-clause 4.19(1).</p> <p><i>Code of Conduct clause 4.19(1)</i></p>	<p>Through discussion with the Regulation and Compliance Officer and examination of Synergy's 2015 performance audit report, we determined:</p> <ul style="list-style-type: none"> • Synergy failed to comply with the requirement to provide an explanatory letter under sub-clause 4.19(1) until February 2016, when Synergy automated the letter notification process • A system change was implemented on 24 February 2016 to automate the issuing of the rebill letter to make sure customers are provided with the reason for the adjustment. <p>We sighted evidence of the revised processes being applied in instances where Synergy was required to notify customers of a billing adjustment.</p>	
	Priority: 4	Controls rating: A	Compliance Rating: 2
	<p>Recommendation</p> <p><i>Not applicable – resolved during the audit period.</i></p>		<p>Action Plan</p> <p><i>Not applicable – resolved during the audit period.</i></p>
183	<p>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 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.</p> <p><i>Code of Conduct clause 4.19(2)</i></p>	<p><i>Refer to obligation 173.</i></p>	
	Priority: 5	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings	
184	<p>If a retailer receives 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.</p> <p><i>Code of Conduct clause 4.19(3)</i></p>	<p>Through discussion with CSAs and examination of the Customer Care Guide, we determined, Synergy has the same processes in place for refunding adjustments as it does for overcharges (<i>refer to obligation 178</i>).</p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in five instances during the audit period, it did not issue a refund within the required timeframe, one of which was subject to a formal complaint. Synergy attributed the breach to staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its Call centre regulatory performance reporting – <i>refer to Issue 4/2017</i>. 	
	<p>Priority: 4</p> <p>Controls rating: B</p> <p>Compliance Rating: 2</p>		
	<p>Recommendation</p> <p><i>Refer to Recommendation 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plan 2/2017, 3/2017 and 4/2017</i></p>	
185	<p>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.</p> <p><i>Code of Conduct clause 4.19(4)</i></p>	<p><i>Refer to obligation 179.</i></p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
186	<p>The retailer may, by giving the customer written notice, use and 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 \$100.00 remains, the retailer must deal with that amount in accordance with sub-clause 4.19(5). If the amount is \$100.00 or more, the retailer must deal with it in accordance with sub-clause 4.19(2).</p> <p><i>Code of Conduct clause 4.19(7)</i></p>		
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		

No.	Obligation under Condition	Findings			
Part 4 Payment					
187	<p>The due date on the bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer. <i>Code of Conduct clause 5.1</i></p> <table> <tr> <td>Priority: 4</td><td>Controls rating: NP</td><td>Compliance Rating: 1</td></tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	Through discussion with the Customer Processing Partner Lead and examination of several bills, we determined Synergy's processes provide for bills to have a due date that is at least 12 business days from the dispatch date of that bill.
Priority: 4	Controls rating: NP	Compliance Rating: 1			
188	<p>Unless otherwise agreed with the customer, a retailer must offer the customer at least the following payment methods:</p> <ul style="list-style-type: none"> - 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 or debit card. <p><i>Code of Conduct clause 5.2</i></p> <table> <tr> <td>Priority: 4</td><td>Controls rating: NP</td><td>Compliance Rating: 1</td></tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	Through examination of Synergy's "Bill Sample" document and website (dedicated section), we determined Synergy's processes provide for all the minimum payment methods to be offered as prescribed in clause 5.2 of the Code of Conduct.
Priority: 4	Controls rating: NP	Compliance Rating: 1			
189	<p>Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits. <i>Code of Conduct clause 5.3</i></p>	<p>Through an examination of Synergy's "Direct Debit Declaration – Periodic", "Direct Debit Declaration – Instalments" and "Step 12. Direct Debt" documents, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • A declaration to be read to the customer for them to give their verifiable consent to the direct debit facility. <i>Refer to Issue 1/2017</i> in relation to an opportunity for Synergy to improve its processes for obtaining customers' verifiable consent through its use of declarations • An updated call recording system (which closes out a recommendation from the previous audit report). <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches:</p> <ul style="list-style-type: none"> • In 32 instances during the audit period, Synergy did not provide the correct declaration to customers when obtaining verifiable consent prior to commencing a direct debit facility • Over a three-day period during the audit period, Synergy did not maintain customers' verbal consent owing to failures in the call recording system. <p>Synergy attributed the non-compliances to:</p>			

No.	Obligation under Condition	Findings
		<ul style="list-style-type: none"> Staff not following the established procedure Unavailability of the call recording system. <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017</i>.
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendations 1/2017, 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 1/2017, 2/2017, 3/2017 and 4/2017</i>
190	<p>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 \$20.00.</p> <p><i>Code of Conduct clause 5.4</i></p>	<p>Through discussion with Regulation and Compliance Officer, we determined:</p> <ul style="list-style-type: none"> Synergy's processes provide for customers to make payments in advance online or via phone, Centrelink, or a remittance slip at the local Post Office) Synergy issued a communication to Australia Post on 21 September 2015 reiterating the minimum payment amount to address the recommendation from the 2015 audit report.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	
191	<p>If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.</p> <p><i>Code of Conduct clause 5.5</i></p>	<p>Through examination of Synergy's "Debt Transfer between accounts with different names" document, we determined, for those instances during the audit period where customers were unable to utilise the payment methods offered, Synergy's processes provide for:</p> <ul style="list-style-type: none"> Debt transfer between accounts with different names to be requested by the (i) Account holder or (ii) Authorised contact Verifiable consent to be obtained by the customer taking responsibility for the debt An interaction note to be placed on the account from which the debt originated to record its redirection No charge to be levied for such redirections.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	

No.	Obligation under Condition	Findings	
192	<p>A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1). <i>Code of Conduct clause 5.6(1)</i></p>	<p>Through discussion with the Credit Strategy Manager, walkthrough of Synergy's systems and examination of Synergy's "Late Payment Charge" and "Financial Hardship Procedure – Credit Management" document, we determined Synergy has the following processes and procedures in place to manage the application of late payment fees:</p> <ul style="list-style-type: none"> • If a customer is assessed as experiencing financial hardship the account is flagged with "FH" in the account class and a lock is applied to the customer's account • When a customer has made a complaint to Synergy, the account has locks applied to ensure no fees are charged on the amount outstanding in dispute, if any • When a customer is assessed as experiencing payment difficulties the customer is put on a payment arrangement and not charged any late fees • Any incidents where CSAs do not follow the correct procedure are reported within the Empower system and individuals are given training/coaching as required. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 43 instances during the audit period, Synergy failed to waive the late payment fee retrospectively for customers identified as experiencing financial hardship.</p> <p>Synergy attributed the non-compliances to staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i> 	
	<p>Priority: 4</p> <p>Controls rating: B</p> <p>Compliance Rating: 2</p>		
	<p>Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>	
193	<p>If a retailer has charged a late payment fee in the circumstances set out in subclause 5.6(1)(c) because the retailer was not aware of the</p>	<p>Through examination of Synergy's "Miscellaneous Credits Matrix" and "Miscellaneous Credits Guidelines" documents, we determined Synergy's</p>	

No.	Obligation under Condition	Findings
	<p>complaint, the retailer must refund the late payment fee on the customer's next bill.</p> <p><i>Code of Conduct clause 5.6(2)</i></p> <p>Priority: 4 Controls rating: NP Compliance Rating: 1</p>	processes provide for a customer to be refunded on the next bill if Synergy has charged a late payment fee in error (of which there were occasions during the audit period).
194	<p>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.</p> <p><i>Code of Conduct clause 5.6(3)</i></p> <p>Priority: 4 Controls rating: NP Compliance Rating: 1</p>	<p>Through discussion with Credit team staff and consideration of Synergy's late payment process, we determined, for those instances during the audit period where Synergy charged late payment fees, Synergy's SAP system was configured to perform the following:</p> <ul style="list-style-type: none"> Control the application of late payment fees and customers to be charged only when they meet the relevant criteria Not charge an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice Not charge a customer more than two late payment fees in relation to the same bill or more than 12 late payment fees in a year.
195	<p>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.</p> <p><i>Code of Conduct clause 5.6(4)</i></p> <p>Priority: 4 Controls rating: NP Compliance Rating: 1</p>	
196	<p>If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.</p> <p><i>Code of Conduct clause 5.6(5)</i></p>	<p>Through discussion with the Credit Strategy Manager, walkthrough of SAP CRM and examination of Synergy's "Financial Hardship Procedure – Credit Management", we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> Once a customer has been assessed as a Financial Hardship (FH) customer, they must not have late payment fees applied to their last bill In cases of late payment fees being charged prior to the assessment being made, late payment fees must be reversed at the time of call, during which the customer is assessed as being in a Financial Hardship situation. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 43 instances during the audit period, Synergy failed to waive the late payment fee retrospectively for customers identified as experiencing financial hardship.</p> <p>Synergy attributed the non-compliances to staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA, and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in</p>

No.	Obligation under Condition	Findings
		<p>monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
197	<p>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 subclause 5.7(1).</p> <p><i>Code of Conduct clause 5.7(1)</i></p>	<p>Through discussion with the Credit Strategy Manager and examination of Synergy's "Electricity Standard Form Contract", we determined:</p> <ul style="list-style-type: none"> • Customers are required to notify Synergy of their intention to terminate a contract for the supply of electricity • Upon receipt of a notification, Synergy is required to initiate the account finalisation process • Customers are charged for consumption up to the day they vacate the premises, if in line with the time specified in the notice, or up to five days after the vacation of the premises if the customer has not given at least five days' notice in advance. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 677 instances during the audit period, it incorrectly billed customers after the customer had vacated the nominated supply address. Synergy attributed the non-compliances to staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p>

No.	Obligation under Condition	Findings
		<ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its Call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
198	<p>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 the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.</p> <p><i>Code of Conduct clause 5.7(2)</i></p>	<p>Through discussion with the Credit Strategy Manager and examination of Synergy's Electricity Standard Form Contract and Customer Charter, we determined, for those instances during the audit period where a customer was evicted or was required to vacate a supply address, Synergy's processes provided for the customer to not be required to pay for electricity consumed at the premises if the customer was able to demonstrate to Synergy that they were evicted from or otherwise required to vacate the premises.</p>
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	
199	<p>Notwithstanding subclauses 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 subclause 5.7(4).</p> <p><i>Code of Conduct clause 5.7(4)</i></p>	<p>Through discussion with the Credit Strategy Manager and consideration of Synergy's move out procedures, we determined Synergy's processes provide for the previous account to be automatically finalised when a customer opens an account at a supply address where an existing account is still open. In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in one instance during the audit period, Synergy charged a customer for consumption after establishing a contract with a new customer for the supply address.</p> <p>Synergy attributed the non-compliances to staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	<div>Priority: 4</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	

No.	Obligation under Condition	Findings
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
200	<p>A retailer must not commence proceedings to recover of a debt from a residential customer who meets the criteria in subclause 5.8(2). <i>Code of Conduct clause 5.8(1)</i></p>	<p>Through discussion with the Credit Strategy Manager, walkthrough of Synergy's systems and examination of Synergy's "Collections strategy" document, we determined Synergy's processes provide for Synergy not to commence proceedings for recovery of a debt from a residential customer who has informed Synergy in accordance with clause 6.1(1) that the residential customer is experiencing payment difficulties or financial hardship, unless and until Synergy has assessed the customer directly or has waited for them to be assessed by a financial counsellor; and while a residential customer continues to make payments under an alternative payment arrangement.</p>
	<div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	
201	<p>A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address. <i>Code of Conduct clause 5.8(2)</i></p>	<p>Through discussion with the Credit Strategy Manager and examination of Synergy's "Electricity Standard Form Contract", "Debt Transfer between accounts with different names" and "Collections Strategy" documents, we determined Synergy's processes provide for Synergy to only hold the account holder liable for the collection of outstanding debt related to the electricity supply object of the contract unless otherwise requested by a customer and agreed to by the relevant third party.</p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 20 instances during the audit period, Synergy attempted to recover an outstanding debt from the wrong customer.</p> <p>Synergy attributed the non-compliances to staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>

No.	Obligation under Condition	Findings	
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>		
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>	
201A	<p>A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer.</p> <p><i>Code of Conduct clause 5.9</i></p>	<p>Through discussion with the Credit Strategy Manager and examination of Synergy's "Debt Transfer between accounts with different names" procedure, we determined Synergy's processes provide for Synergy to transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer.</p> <p><i>Refer to Issue 1/2017</i> in relation to an opportunity for Synergy to improve its processes for obtaining customers' verifiable consent through its use of declarations.</p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches relating to transfer of debt in accordance with clause 5.9:</p> <ul style="list-style-type: none"> Over a three-day period during the audit period, Synergy did not maintain the customers' verbal consent owing to failures in the call recording system In eight separate instances during the audit period, Synergy did not record a customer's call. <p>Synergy attributed the non-compliances to unavailability of the call recording system, which was promptly addressed.</p>	
	<div>Priority: 5</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>		
	Recommendation <i>Refer to Recommendation 1/2017</i>	Action Plan <i>Refer to Action Plan 1/2017</i>	

No.	Obligation under Condition	Findings
Part 5 Payment difficulties and Financial Hardship		
202	<p>If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.</p> <p><i>Code of Conduct clause 6.1(1)</i></p>	<p><i>Obligations 202 to 204</i></p> <p>Through discussion with the Customer Support SME and examination of Synergy's "Credit Management Assessment Guidelines" and "Financial Hardship Procedures – Credit Management" documents, we determined, in those instances during the audit period where Synergy was advised of a residential customer experiencing payment problems, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Customers to be assessed for payment difficulties or financial hardship immediately. If such an approach is not possible because of volume of calls, the Financial Hardship task is automatically converted to an outbound call assigned to a CSA with a priority assigned Consideration to be given to information provided by the customer, the customer's nominated representative or other information held by Synergy A customer's call to be escalated to Customer Support when the customer experiencing payment difficulties does not meet the payment requirements defined in the Guidelines Upon a customer's request, details of the outcome of the assessment to be provided to the customer. We note there were such requests made by customers during the audit period. <p><u>Obligation 202 only</u></p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported the following breaches:</p> <ul style="list-style-type: none"> In 21 instances during the audit period, Synergy did not assess customer payment difficulty or financial hardship within the correct timeframe In 68 instances during the audit period, Synergy did not take steps to assess a customer for payment difficulties or financial hardship. <p>Synergy attributed the non-compliances to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA</p>
	<p>Priority: 2</p> <p>Controls rating: B</p> <p>Compliance Rating: 3</p>	
203	<p>When undertaking an assessment under subclause 6.1(1)(a), a retailer must give reasonable consideration to the information prescribed in subclause 6.1(3)(a), or advice prescribed in 6.1(3)(b), unless a retailer adopts an assessment from a relevant consumer representative.</p> <p><i>Code of Conduct clause 6.1(3)</i></p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
204	<p>Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under subclause 6.1(1).</p> <p><i>Code of Conduct clause 6.1(4).</i></p>	

No.	Obligation under Condition	Findings	
		<p>process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i> 	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>	
205	<p>If a residential customer is referred to a relevant consumer representative under subclause 6.1(1)(b), a retailer must grant a temporary suspension of actions for that customer.</p> <p><i>Code of Conduct clause 6.2(1)</i></p>	<p><i>Obligations 205 to 208</i></p> <p>Through discussion with the Customer Support SME and examination of Synergy's "Financial Hardship Procedures – Credit Management", "HUGS Guidelines" and "Financial Hardship Policy" documents, we determined, for those instances during the audit period where Synergy had granted a temporary suspension of action to a customer, Synergy's processes provided for:</p> <ul style="list-style-type: none"> Assessments on customers' financial situation to be completed within three business days of Synergy being made aware of the customer's financial hardship situation Customers to be given 15 business days to obtain the appointment if the customer has been referred to a Financial Counsellor for assessment and any action for disconnection or debt recovery to be suspended during this time Should the customer call back and advise the appointment date is outside of the original 15 business days' period, a second moratorium period of a further 15 business days is required to be placed on the account. In these circumstances, Synergy representatives are required to give full consideration to requests for additional time to assess the customer's capacity to pay debts owing Late payment fees to be waived if incorrectly applied. <p>We sighted examples of temporary suspensions being placed on customer accounts for periods of 15 business days and a further 15 days upon a customer request.</p>	
	<div>Priority: 2</div> <div>Controls rating: A</div> <div>Compliance Rating: 1</div>		
206	<p>A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.</p> <p><i>Code of Conduct clause 6.2(2)</i></p>		
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>		
207	<p>A retailer must allow a temporary suspension of actions for a period of at least 15 business days.</p> <p><i>Code of Conduct clause 6.2(3)</i></p>		
	<div>Priority: 2</div> <div>Controls rating: A</div> <div>Compliance Rating: 1</div>		
208	<p>A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.</p> <p><i>Code of Conduct clause 6.2(4)</i></p>		

No.	Obligation under Condition	Findings	
		<u>Obligation 206 only</u> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in 19 instances during the audit period, it did not comply with its obligations to grant customers who informed Synergy that they were experiencing payment problems a temporary suspension of actions.</p> <p>Synergy attributed the non-compliances to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i> 	
	<div>Priority: 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>	
209	<p>If a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1) and advise the residential customer that additional assistance may be available if the prescribed circumstances apply.</p> <p><i>Code of Conduct clause 6.3(1)(a)</i></p>	<p><i>Obligations 209 to 212</i></p> <p>Through discussion with the Customer Support SME and examination of Synergy's "Financial Hardship Procedures – Credit Management", "Residential P2P Guidelines for Stellar, "Promise to pay fulfilment", "Keeping Connected SOP", "Debt waiver process" and "Late Payment Charge" documents, we determined, for those instances during the audit period where the customer was assessed as experiencing payment difficulties or financial hardship, Synergy's processes provided for:</p> <ul style="list-style-type: none"> • The customer to be offered an alternative payment arrangement by extending the time or to pay in instalments, without interest or fees, and while continuing consumption 	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>		
210	<p>If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.</p> <p><i>Code of Conduct clause 6.3(1)(b)</i></p>		
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>		

No.	Obligation under Condition	Findings	
211	<p>If a residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> - 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. <p><i>Code of Conduct clause 6.4(1)(a)</i></p>	<ul style="list-style-type: none"> • Customers who adhere to agreed promises to pay to be offered the opportunity to establish further promises to pay • Late payment fees to be waived by applying a lock on the customer account • A debt waiver to be considered by Synergy according to specific terms and conditions when all other assistance alternatives have been considered or exhausted • General information to be made available to the customer in Synergy's Financial Hardship Policy available on its website. <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures.</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
212	<p>If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> - additional time to pay a bill; and - 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. <p><i>Code of Conduct clause 6.4(1)(b)</i></p>	<p><u>Obligations 210 and 212 only</u></p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported in eight instances during the audit period, it failed to offer alternative payment arrangements to a residential customer assessed as experiencing financial hardship.</p> <p>Synergy attributed the non-compliances to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its Call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i> 	
	<p>Priority: 4</p> <p>Controls rating: B</p> <p>Compliance Rating: 2</p>		
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>	

No.	Obligation under Condition	Findings	
213	<p>When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).</p> <p><i>Code of Conduct clause 6.4(2)</i></p>	<p>Through discussion with the Customer Support SME and consideration of Synergy's payments arrangements, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> A customer assessed as experiencing financial hardship to be offered to apply for the Hardship Utility Grant Scheme (HUGS). If the customer is eligible, the CSA is to lodge the application for HUGS and arrange a payment plan for the remaining balance to be paid in the following six months. In this case, the CSA completes a promise to pay (P2P) letter in SAP CRM, which automatically triggers a reconnection order if a disconnection occurred or if there is a pending disconnection A customer assessed as experiencing financial hardship but not eligible for HUGS to be offered to join the Synergy "Keeping Connected" program. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported one instance during the audit period where it did not appropriately consider information on a customer's payment capacity or consumption history when arranging an alternative payment arrangement. Synergy attributed the non-compliance to an individual staff member not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017</i>. 	
	<div>Priority: 4</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>		
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>	

No.	Obligation under Condition	Findings		
214	If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within 5 business days, and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect. <i>Code of Conduct clause 6.4(3)</i>	<p>Through discussion with the Customer Support SME and consideration of Synergy’s payments arrangements, we determined Synergy’s processes provide for the following:</p> <ul style="list-style-type: none">When a customer enters into an instalment plan, a P2P is created in SAP CRM and automatically emailed to the customer’s registered email address or via post if an email address is not registered. The P2P contains the required informationEach time a P2P is modified, the revised version will follow the same process. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported 35 instances during the audit period where it failed to provide customers on instalment with the required information within the required timeframe.</p> <p>Synergy attributed the non-compliance to a staff member not following the established procedure.</p> <p>Synergy’s annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy’s compliance with relevant licence obligations.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none">Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i>Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>		
	Priority: 2	Controls rating: B	Compliance Rating: 2	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>		Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>	
	215	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative, for a reduction of the customer’s fees, charges or debt. <i>Code of Conduct clause 6.6(1)</i>	<i>Obligations 215 and 216</i> <p>Through examination of Synergy’s Financial Hardship Policy and financial hardship arrangements, we determined, for those instances during the audit period where Synergy received a request for a reduction of a customer’s fees, charges or debt, Synergy’s processes provided for:</p>	
Priority: 5		Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings
216	<p>In giving reasonable consideration under subclause 6.6(1), a retailer should refer to the hardship procedures referred to in subclause 6.10(3). <i>Code of Conduct clause 6.6(2)</i></p> <p>Priority: 4 Controls rating: NP Compliance Rating: 1</p>	<ul style="list-style-type: none"> The Financial Hardship Policy to mirror the values contained in the internal procedures Synergy to give consideration to the request from a customer who is experiencing financial hardship, or a relevant consumer representative.
217	<p>If it is reasonably demonstrated to a retailer that a customer experiencing financial hardship is unable to meet the customer's obligations under a previously elected payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan. <i>Code of Conduct clause 6.7</i></p> <p>Priority: 5 Controls rating: NP Compliance Rating: 1</p>	<p>Through discussion with the Customer Support SME, consideration of Synergy's financial hardship arrangements and examination of Synergy's "Residential P2P Guidelines for Stellar" document, we determined:</p> <ul style="list-style-type: none"> Synergy's processes provide for several levels of protection for the customer, including offering instalment plans or revision of an existing plan before Synergy requires payment of the full arrears There were occasions during the audit period where Synergy offered alternative payment arrangements after giving reasonable consideration to the customer's circumstances.
218	<p>A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1). <i>Code of Conduct clause 6.8</i></p>	<p>Through discussion with the Customer Support SME, consideration of Synergy's financial hardship arrangements and examination of Synergy's Financial Hardship Policy, we determined:</p> <ul style="list-style-type: none"> The Financial Hardship Policy contains all of the information specified in subclause 6.8(1) and is available on Synergy's website Synergy's processes provide for CSAs to guide customers to the relevant information. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported 90 instances during the audit period, when Synergy failed to provide a customer with the financial hardship information as required by the Code.</p> <p>Synergy attributed these instances of non-compliance to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - refer to Issues 2/2017 and 3/2017

No.	Obligation under Condition	Findings
	<div>Priority: 4</div> <div>Controls Rating: B</div> <div>Compliance Rating: 2</div>	<ul style="list-style-type: none"> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
219	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives as referred to in subclause 5.4(3). <i>Code of Conduct clause 6.9(1)</i> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	Through discussion with the Customer Support SME, consideration of Synergy's financial hardship arrangements and examination of Synergy's financial hardship policies and procedures, we determined Synergy has determined the minimum payment in arrears amount in conjunction with WACOSS and other relevant consumer representatives.
220	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer. <i>Code of Conduct clause 6.10(1)</i> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	Obligations 220 to 222 Through discussion with the Compliance and Risk Coordinator and examination of Synergy's Financial Hardship Policy and ancillary references related to financial hardship and payment difficulties, we determined: <ul style="list-style-type: none"> Synergy has developed a hardship policy and hardship procedures to assist customers experiencing financial hardship Synergy's Financial Hardship Policy and Procedures were developed in consultation with WACOSS and other relevant consumer representative organisations Synergy's Financial Hardship Policy complies with all of the criteria listed in the sub-clause 6.10(2) of the Code of Conduct Synergy's hardship procedures include appropriate guidance to adequately assess residential customers who are experiencing financial hardship, to assist them to reduce consumption and to offer alternative payment plans to avoid disconnection Staff are specifically trained to manage financial hardship considerations. Through examination of the 2015 performance audit report and the updated financial hardship procedures, we determined Synergy's financial hardship procedures failed to detail the requirements of clause 6.10(3), until its revision in October 2015.
221	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2). <i>Code of Conduct clause 6.10(2)</i> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	
222	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3). <i>Code of Conduct clause 6.10(3)</i> <div>Priority: 4</div> <div>Controls rating: A</div> <div>Compliance Rating: 2</div>	
	Recommendation Not applicable – resolved during audit period.	Action plan Not applicable.

No.	Obligation under Condition	Findings	
223	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's hardship policy, including by post, at no charge. <i>Code of Conduct clause 6.10(4)</i>	Through discussion with Compliance and Risk Coordinator and examination of Synergy's "Standard Letter Matrix" document and website, we determined, for those instances during the audit period where a customer had requested a copy of Synergy's Financial Hardship Policy, Synergy's processes provided for: <ul style="list-style-type: none"> • CSA to issue an electronic copy of the hardship policy to the customer via the SAP system • Synergy's Financial Hardship Policy to be published on its website • Hardcopies to be available (including via post) on request, at no charge. 	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
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 <i>Code of Conduct clause 6.10(5) [Only applicable for the period 1 July 2015 – 30 June 2016]</i>	Through discussion with the Regulation and Compliance Officer, we determined Synergy has maintained records of the following: <ul style="list-style-type: none"> • Relevant consumer representative organisations consulted • Dates the hardship policy and hardship procedures were established • Dates the hardship policy and hardship procedures were reviewed • Dates the hardship policy and hardship procedures were amended. 	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
225	If directed by the ERA, a retailer must review its hardship policy and hardship procedures and submit the results of that review to the ERA within 5 business days after it is completed. <i>Code of Conduct clause 6.10(6)</i>	<i>Obligations 225 and 227</i> Through discussion with the Regulation and Compliance Officer and examination of Synergy's Financial Hardship Policy and the ERA website, we determined during the audit period the ERA had not directed Synergy to review its Policy and that the Policy had not been reviewed.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
226	A retailer must comply with the ERA's Financial Hardship Policy guidelines. <i>Code of Conduct clause 6.10(7)</i>	Through examination of Synergy's "Financial Hardship Policy" and internal procedures related to financial hardship and payment difficulties, we determined the Policy complies with ERA Guidelines.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
227	If a retailer makes material amendment to its hardship policy, the retailer must submit a copy of the retailer's amended hardship policy to the ERA within 5 business days of the amendment. <i>Code of Conduct clause 6.10(8)</i>	<i>Refer to obligation 225</i> – no such amendment made during the audit period.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under Condition	Findings	
228	<p>A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.</p> <p><i>Code of Conduct clause 6.11</i></p>	<p>Through discussion with the Customer Support SME and consideration of Synergy's Business SME Standard P2P Guidelines, we determined, for those instances during the audit period where a business customer had requested alternative payment arrangements, Synergy's processes provided for:</p> <ul style="list-style-type: none"> • Full consideration to be given to the circumstances of small use business customers who are experiencing payment difficulties • Where those customers are assessed as genuinely experiencing payment difficulties, alternative payment arrangements to be offered. 	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings		
Part 7 Disconnection				
229	<p>Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).</p> <p><i>Code of Conduct clause 7.1(1)</i></p>	<p><i>Obligations 229 and 230</i></p> <p>Through discussion with the Credit Strategy Manager and consideration of Synergy's end-to-end disconnection process, collection strategy and financial hardship procedure, we determined during the audit period:</p> <ul style="list-style-type: none"> • Synergy's automated collection processes configured in SAP provided customers with the following notices: <ul style="list-style-type: none"> ◦ Proactive SMS or email reminders given to customers two days prior to invoice due date ◦ Reminder notices given to customers 15 business days after issue of the bill ◦ "First" SMS or email reminders given to customers 21 business days after issue of the bill ◦ Verbal reminders via phone call to active residential/SME customers and low risk industrial and commercial customers ◦ Disconnection warning notices given to customers, 24 business days after issue of the bill ◦ Second SMS or email reminders given to customers, 31 business days after issue of the bill ◦ Final disconnection warning letters issued to customers, 40 business days after issue of the bill • Synergy had the following processes and systems in place for managing the disconnection of customers: <ul style="list-style-type: none"> ◦ Synergy uses its best endeavours to contact customers and only disconnects a customer as a last resort ◦ The disconnection work item (last step of the automated collection process) is to be raised only if the customer has not made a payment after repeated reminders and not before one business day after the expiry of the period in the final disconnection notice ◦ For customers who are being assessed for financial hardship, a Dunning lock, which prevents the customer account from proceeding through the automated collection process, is placed on the customer account for a period of 15 days ◦ The disconnection function within SAP is disabled for Life Support customer accounts who have provided medical specialist certification 		
	<table> <tr> <td>Priority: 2</td><td>Controls rating: B</td><td>Compliance Rating: 3</td></tr> </table>		Priority: 2	Controls rating: B
Priority: 2	Controls rating: B	Compliance Rating: 3		
230	<p>A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1)</p> <p><i>Code of Conduct clause 7.2(1)</i></p>			

No.	Obligation under Condition	Findings
		<ul style="list-style-type: none"> ○ Standard procedure requires a customer's account to be reviewed for a complaint directly related to a proposed disconnection prior to a disconnection notice being issued ○ CSAs are required to complete the disconnection checklist, which specifically references Synergy's Licence obligations under clause 7.2(1) (including ensuring that the customer has not entered into a payment plan or has not applied for a concession and that the amount owing relates to the supply of electricity at a supply address of the customer), prior to issuing a disconnection service request to Western Power ○ Agents are aware of Synergy's Licence obligations and limitations in relation to disconnection of customers. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported that in:</p> <ul style="list-style-type: none"> • 60 instances during the audit period, Synergy wrongfully disconnected a customer for failure to pay without providing the required notifications (obligation 229) • One instance during the audit period, Synergy wrongfully disconnected a customer after the customer had agreed an alternative payment arrangement (obligation 230). <p>Synergy attributed these instances of non-compliance to one or a combination of the following:</p> <ul style="list-style-type: none"> • Human error • Individual staff not following the established procedure • Errors in processing direct debt instalments, resulting in payments not being recognised. As described at <i>Issue 5/2017</i>, a contributing cause of the system error was a lack of consultation as part of a change management process. <p>Sample testing of disconnections performed during the audit period for failure to pay a bill indicated that Synergy had not acted outside of the limitations outlined in clauses 7.1 and 7.2 of the Code.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i>

No.	Obligation under Condition	Findings	
	<div>Priority: 4</div> <div>Controls rating: B</div> <div>Compliance Rating: 3</div>	<ul style="list-style-type: none"> Strengthen its Call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i> 	
	Recommendation <i>Refer to Recommendation 2/2017, 3/2017, 4/2017 and 5/2017</i>	Action Plan <i>Refer to Action Plan 2/2017, 3/2017, 4/2017 and 5/2017</i>	
231	<p>In relation to dual fuel contracts, a retailer must not arrange for disconnection of a residential customer's supply address for failure to pay a bill within 15 business days from the date of disconnection of that customer's gas supply.</p> <p><i>Code of Conduct clause 7.3</i></p> <div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div> </div>	<p>During the audit period, as Synergy was precluded from supplying gas to residential customers, Synergy had not entered into a dual fuel contract with a residential customer.</p>	
232	<p>Unless the conditions specified in subclause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter.</p> <p><i>Code of Conduct clause 7.4(1)</i></p> <div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div> </div>	<p>Through discussion with Credit Strategy Manager and walk through of Synergy's disconnection process, we determined during the audit period Synergy did not arrange for a disconnection of a customer's supply address for denying access to the meter.</p>	
234	<p>Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1) and (2) when arranging for disconnection or disconnecting a customer's supply address.</p> <p><i>Code of Conduct clause 7.6.</i></p> <div> <div>Priority: 2</div> <div>Controls rating: A</div> <div>Compliance Rating: 1</div> </div>	<p>Through discussion with Credit Strategy Manager and consideration of Synergy's disconnection procedures, we determined Synergy's processes are designed to be in compliance with clause 7.6 of the Code, which requires:</p> <ul style="list-style-type: none"> Customers' supply addresses to not be disconnected until all required communication has been made regarding the cause of disconnection Disconnections not to be arranged if the customer had made a complaint directly related to the reason for the proposed disconnection, and the matter is unresolved Disconnections not to be arranged for after 12 noon on a Friday, Saturday, Sunday, public holiday, the business day before a public holiday or after 3pm on all other business days. <p>Our sample testing of disconnections service requests submitted to Western Power during the audit period, identified that in all instances, the:</p> <ul style="list-style-type: none"> Customer did not have an open complaint logged in SAP Disconnection was not performed after 12 noon on a Friday, Saturday, Sunday, public holiday, the business day before a public holiday or after 3pm on all other business days. 	

No.	Obligation under Condition	Findings
235	<p>If 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 subclause 7.7(1).</p> <p><i>Code of Conduct clause 7.7(1)</i></p>	<p><i>Obligations 235 and 236</i></p> <p>Through discussion with the Life Support Officer, examination of Synergy's Life Support Equipment policy and procedure, Synergy's website and the SAP system's provisions for life support customers, we determined Synergy has the following processes in place to accommodate customers who require life support equipment (Life Support Customers):</p> <ul style="list-style-type: none"> • Synergy has dedicated resources to manage life support customers • A Life Support registration form is made readily available to customers on Synergy's website or provided upon request. Customers are advised: <ul style="list-style-type: none"> ◦ To complete the form along with a medical practitioner confirmation within six weeks ◦ Of the consequences of not returning the form or returning an incomplete form ◦ Of Synergy's 12 monthly life support confirmation process and the requirement for which requires medical recertification every three years • Synergy's Life Support Officer maintains a spreadsheet of Life Support Customers, which records all new Life Support Customer registrations and change requests • The Life Support Officer is required to submit a copy of the spreadsheet (via email) to Western Power the same day if the customer's request was received before 3pm, or the next business day if the request was received after 3pm or on a Saturday, Sunday or public holiday • In addition a system generated customer data notification is sent to Western Power each night advising of life support notifications • Synergy performs a monthly "data wash" with Western Power to reconcile Life Support Customer data • Synergy's SAP system is designed to: <ul style="list-style-type: none"> ◦ Flag the customer's account as a Life Support Customer if the registration form was sent through SAP ◦ Create a reminder notification to follow up on the life support registration form with the customer ◦ Generate an automatic notification to Western Power on all new registrations and changes made to a Life Support Customer account. <p>From sample testing of Life Support customers, we determined:</p>
	<p>Priority: 2</p> <p>Controls rating: A</p> <p>Compliance Rating: 1</p>	
236	<p>A retailer must undertake the actions specified in subclauses 7.7(2)(e)-(g), if a customer registered with a retailer under subclause 7.7(1) notifies the retailer:</p> <ul style="list-style-type: none"> - that the person requiring life support equipment is changing supply address; - that the customer, but not the person requiring life support equipment, is changing supply address; - of the change in contact details; or <p>that the address no longer requires registration as life support equipment address.</p> <p><i>Code of Conduct clause 7.7(2)</i></p>	

No.	Obligation under Condition	Findings	
		<ul style="list-style-type: none"> All required notifications were submitted to Western Power on the same day, in instances where Synergy received the notification before 3pm, otherwise on the following business day The customer account was flagged as a life support equipment supply address and the disconnection function within SAP was disabled. 	
	Priority: 2	Controls rating: A	Compliance Rating: 1
240	<p>A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).</p> <p><i>Code of Conduct clause 7.7(6)</i></p>	<p>Through discussion with the Life Support Officer and examination of Synergy's Life Support Standard Operation Procedure, we determined Synergy has the following processes in place to manage re-certification of life support equipment customers:</p> <ul style="list-style-type: none"> Synergy requires the Life Support application form to be completed with a medical practitioner's confirmation to register and maintain a Life Support Customer The Life Support Officer advises the customer of: <ul style="list-style-type: none"> The consequences of not returning the form within six weeks or returning an incomplete form Synergy's 12 monthly life support confirmation process, which requires medical recertification every three years An automated task is raised in SAP to remind the Life Support Officer to obtain a completed "Life Support Equipment Renewal" document from customers. (Note: Prior to the implementation of the automated process, Synergy had not complied with its obligation to contact and confirm customers as life support customers within the required timeframe for the month of July 2015.) 	
	Priority: 4	Controls rating: A	Compliance Rating: 2
	Recommendation Not applicable – resolved during audit period.		Action plan Not applicable.

No.	Obligation under Condition	Findings
241	<p>A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).</p> <p><i>Code of Conduct clause 7.7(7).</i></p>	<p>Through discussion with the Life Support Officer and examination of Synergy's Life Support Standard Operation Procedure, we determined, for those instances during the audit period where Synergy was required to remove a customer's details from the life support equipment register, Synergy processes provided for:</p> <ul style="list-style-type: none"> Life support flags to be removed from the customer's account in SAP and from the life support equipment register (i.e. Synergy's Life Support Customer spreadsheet) in the following circumstances: <ul style="list-style-type: none"> The customer or an authorised person advises (in writing or verbally) that the life support equipment is no longer required at the supply address A removal slip provided by Western Power and signed by the customer account holder advises that the life support equipment is no longer required at the supply address The Life Support Officer is to advise Western Power of changes relating to Synergy's Life Support Customers by submitting a copy of the updated spreadsheet on the same day if Synergy was advised of the required change before 3pm, or the next business day if the advice of change was received after 3pm or on a Saturday, Sunday or public holiday.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	

No.	Obligation under Condition	Findings
Part 8 Reconnection		
242	<p>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.</p> <p><i>Code of Conduct clause 8.1(1)</i></p>	<p>Through discussion with the Credit Strategy Manager and Credit Management Analyst and consideration of Synergy's reconnection procedures, we determined Synergy has the following processes in place to arrange for a customer to be reconnected:</p> <ul style="list-style-type: none"> • An automated re-energisation task is generated by the SAP system when the customer has paid the majority of the balance owing, has agreed to a payment plan, or has been assessed as financial hardship • Customer interaction notes are updated automatically as a reversal of the relevant disconnection notes • An automated service order for re-energisation is submitted to Western power via SAP. Obligation 243 below addresses Synergy's obligations for forwarding the service order within the required timeframe.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	
243	<p>A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).</p> <p><i>Code of Conduct clause 8.1(2)</i></p>	<p>Through discussion with the Credit Support Officer, examination of Synergy's re-energisation processes and walkthrough of Synergy's SAP billing system, we determined:</p> <ul style="list-style-type: none"> • An automated service order for re-energisation is submitted to Western power via SAP • Service orders are required to be submitted to Western Power the same day if the request was received before 3pm, or the next business day if the request was received after 3pm or on a Saturday, Sunday or public holiday • CSAs monitor the status of re-energisation service orders via "Service Notification - Display outage" screen within SAP • Exception reports are run at 7am, 11am and 2pm to identify instances where the service order had failed and required action • The status of re-energisation service orders received between 2 pm and 3pm is monitored to ensure the submission is made on the same day. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported a total of 220 instances during the audit period where it did not forward service reconnection requests to Western Power by the required timeframe. The causes of these instances related to one of the following:</p> <ul style="list-style-type: none"> • System outages, which were promptly addressed

No.	Obligation under Condition	Findings
		<ul style="list-style-type: none"> Specific defects in the SAP billing system, which required technical changes to be implemented as a matter of priority A defect in the SAP billing system resulting from changes to system code written for a change request, where the defect was not picked up in testing performed. As described at <i>Issue 5/2017</i>, a contributing cause of the system defect was a lack of consultation as part of a change management process Individual staff not following established procedures, resulting in the unintended consequence of the automated service order failing to send. <p>Our walk through of the reconnection process and sample testing of reconnection requests did not identify any further instances of non-compliance with the obligation to forward service reconnection requests to Western Power by the required timeframe.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its Call centre regulatory performance reporting – <i>refer to Issue 4/2017</i>.
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 3</div>	
	Recommendation <i>Refer to Recommendation 2/2017, 3/2017, 4/2017 and 5/2017</i>	Action Plan <i>Refer to Action Plan 2/2017, 3/2017, 4/2017 and 5/2017</i>

No.	Obligation under Condition	Findings	
Part 9 Pre-payment meters			
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. <i>Code of Conduct clause 9.1(2)</i>	<div>Through discussion with the Residential Segment Manager and Customer Support Officer, and examination of Synergy’s pre-payment meter procedures, we determined:</div> <ul style="list-style-type: none">Synergy’s pre-payment meter customers are located only in Ninga MiaNo additional locations have been declared by the Minister (by notice published in the Government Gazette).	
	Priority: 4		
246	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative. <i>Code of Conduct clause 9.2(1)</i>	The Residential Segment Manager confirmed no new pre-payment meter services have been provided by Synergy during the audit period.	
	Priority: 4		
247	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address. <i>Code of Conduct clause 9.2(2)</i>	<div>Through discussion with the Residential Segment Manager and Customer Applications SME, and examination of Synergy’s pre-payment meter procedures, we determined Synergy’s processes appropriately provide for an account to be maintained for each residential customer with a pre-payment meter operating at their address.</div> <div>The Residential Segment Manager confirmed no new pre-payment meter services were established during the audit period.</div>	
	Priority: 4		
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. <i>Code of Conduct clause 9.2(3) [Only applicable for the period 1 July 2015 – 30 June 2016]</i>	<div>Through discussion with the Residential Segment Manager and examination of Synergy’s pre-payment meter procedures, we determined, for those pre-payment services provided by Synergy during the period subject to audit (1 July 2015 to 30 June 2016 for this obligation), Synergy processes provided for:</div> <ul style="list-style-type: none">Pre-payment meter services to be provided only in Minga Mia, as the only in location listed in the Government GazetteSynergy staff to avoid exerting undue pressure on a pre-payment meter customer, nor to harass or coerce those customersSynergy staff to otherwise display professional and ethical conduct when dealing with pre-payment meter customers.	
	Priority: 4		
249	If a residential customer requests information on the use of a pre-payment meter, a retailer must advise the information specified in subclause 9.3(1) at no charge, and in clear, simple and concise language. <i>Code of Conduct clause 9.3(1)</i>	The Residential Segment Manager confirmed Synergy did not receive a request for information on the use of a pre-payment meter (requiring the information specific in subclause 9.3(1) to be provided) during the audit period.	

No.	Obligation under Condition	Findings	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
250	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give or make available to that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge. <i>Code of Conduct clause 9.3(2)</i>	The Residential Segment Manager confirmed no new customers entered into a pre-payment meter service during the audit period.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
251	A retailer must ensure that the following information is shown, on or directly adjacent to, a residential customer's pre-payment meter: the positive or negative financial balance of the pre-payment meter within one dollar (\$1) of the actual balance; whether the pre-payment meter is operating on normal credit or emergency credit; a telephone number for enquiries; and the distributor's 24- hour telephone number for faults and emergencies. <i>Code of Conduct clause 9.3(3)</i>	Through discussion with the Residential Segment Manager and examination of a pre-payment meter image, we determined all information appears to be displayed as per the Code requirement.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
252	On request and at no charge, a retailer must give a pre-payment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous 2 years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments. <i>Code of Conduct clause 9.3(4)</i>	The Residential Segment Manager confirmed Synergy did not receive any such request during the audit period.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
253	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause 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. <i>Code of Conduct clause 9.3(5)</i>	Through discussion with the Residential Segment Manager and Customer Applications SME, and examination of the "Pre-Payment Meters BAU Process", we determined there was no change in the recharge facilities during the audit period.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under Condition	Findings	
254	<p>If a pre-payment meter customer notifies a retailer that it wants to replace or switch a pre-payment meter to a standard meter, 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 within 1 business day of the request.</p> <p><i>Code of Conduct clause 9.4(1)</i></p>	<p>The Residential Segment Manager confirmed Synergy did not receive a request from the customer requesting a switch from a pre-payment meter to a standard meter during the audit period.</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
255	<p>A retailer must not charge for reversion to a standard meter if a 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 later.</p> <p><i>Code of Conduct clause 9.4(2)</i></p>	<p>The Residential Segment Manager confirmed there was no installation, nor reversion of a pre-payment meter within 3 months of its installation, during the audit period.</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
257	<p>If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in subclauses 9.5(1)(a)-(c).</p> <p><i>Code of Conduct clause 9.5(1)</i></p>	<p>Through discussion with the Residential Segment Manager, Complaints Officer and Life Support Officer, we determined Synergy:</p> <ul style="list-style-type: none"> Does not have any pre-payment meter customers on Life Support Equipment nor has it received such requests during the audit period Has appropriate controls in place to monitor the registering and de-registering of life support customers. 	
	<p>Priority: 2</p> <p>Controls rating: A</p> <p>Compliance Rating: NR</p>		
259	<p>A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.</p> <p><i>Code of Conduct clause 9.6</i></p>	<p>The Residential Segment Manager confirmed the pre-payment meters were installed prior to 1 July 2014 (the amendment date). Clause 9.12 of the Code states, that where a pre-payment meter is installed prior to the amendment date, it is "deemed to comply with the requirements [clause 9.6]".</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		
260	<p>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.</p> <p><i>Code of Conduct clause 9.7(a), (b) and (d)</i></p>	<p>Through discussion with the Residential Segment Manager and examination of the pre-payment meter customers' addresses and Synergy's pre-payment meter procedures, we determined:</p> <ul style="list-style-type: none"> All prepayment meters are located on four different streets in Parkeston The recharge facility open 24 hours, and is located 15 km from Parkeston Synergy's processes outline that recharge cards are available in \$10 or \$20 increments. 	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		

No.	Obligation under Condition	Findings	
261	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the prepayment meter customer receives the benefit of the concession. <i>Code of Conduct clause 9.8</i>	The Residential Segment Manager confirmed Synergy did not receive any requests for concession from pre-payment customers during audit period.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
262	If requested by a pre-payment meter customer, a retailer must make immediate arrangements to check the metering data; test the pre-payment meter; and/or arrange for a test of the metering installation at the connection point. <i>Code of Conduct clause 9.9(1)</i>	The Residential Segment Manager confirmed Synergy did not receive a request to check the metering data, test the pre-payment meter and/or arrange a test of the metering installation at the connection point from a pre-payment customer during the audit period.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
264	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 a customer for testing the prepayment meter. <i>Code of Conduct clause 9.9(4)</i>	<p>Through discussion with the Residential Segment Manager and Customer Applications SME, we determined:</p> <ul style="list-style-type: none"> During the audit period, 11 out of 16 pre-payment meters have been replaced with credit meters by Western Power due to pre-payment meter failure In two cases, the need for replacement was reported to Synergy. Specifically for these two cases: <ul style="list-style-type: none"> On 9 June 2017, Synergy received an email from a Member of Parliament advising that pre-payment cards were not working properly on meters A150222189, A029900060 and 0200506880 On 19 June 2017, Synergy had a meeting with the relevant team at Western Power to discuss the issue reported on the three meters that still appeared not to be working properly. Consequently, on the same day Synergy requested Western Power to perform an investigation. As a result of this investigation, on 28 June 2017 Synergy requested Western Power to replace the meters On 29 June 2017 – Western Power replaced meters A150222189 and A029900060 with credit meters and confirmed that meter 0200506880 was not a prepaid meter and was working correctly For the remaining nine replacements, Synergy has no information available as customers approached Western Power directly who then replaced the meters with credit meters. There were no identified instances of undercharging/overcharging during the audit period. 	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings	
265	<p>Subject to a pre-payment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the pre-payment customer can retrieve all remaining credit at the time that customer vacates the supply address.</p> <p><i>Code of Conduct clause 9.10(1)</i></p>	<p>The Customer Applications SME confirmed no customers vacated a relevant supply address during the audit period.</p> <p><i>Obligations 266 to 268</i></p> <p>The Residential Segment Manager confirmed there were no instances of overcharging and no refunds during the audit period.</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
266	<p>If a pre-payment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform and reimburse the pre-payment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified.</p> <p><i>Code of Conduct clause 9.10(2)</i></p>		
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
267	<p>If a retailer receives instructions under subclause (2), the retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.</p> <p><i>Code of Conduct clause 9.10(3)</i></p>		
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
268	<p>If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.</p> <p><i>Code of Conduct clause 9.10(4)</i></p>		
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
269	<p>If a retailer proposes to recover an amount undercharged to a pre-payment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in subclause 9.10(6).</p> <p><i>Code of Conduct clause 9.10(6)</i></p>	<p>The Residential Segment Manager confirmed there were no instances of undercharging nor recovery actions during the audit period.</p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		

No.	Obligation under Condition	Findings	
270	<p>A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.</p> <p><i>Code of Conduct clause 9.11(1)</i></p>	<p><i>Obligations 270 and 271</i></p> <p>The Residential Segment Manager confirmed:</p> <ul style="list-style-type: none"> • Synergy did not receive any requests from relevant customers experiencing payment difficulties/financial hardship during the audit period • The pre-payment metering solution has been adopted specifically to help local communities better budget their expenses and monitor their electricity consumption • Synergy's current pre-payment meters do not have the capability to provide disconnection data, however this limitation does not contravene clause 9.11(2) and (3) as the meters were installed prior to the amendment date (as outline in clause 9.12 of the Code). 	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
271	<p>If 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 subclause 9.11(2)(b), the retailer must, subject to subclause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2)(d)-(g).</p> <p><i>Code of Conduct clauses 9.11(2) and (3)</i></p>		
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		

No.	Obligation under Condition	Findings
Part 10 Information and Communication		
272	<p>A retailer must give notice of any variations in its tariffs to each of its customers affected by the variation no later than the next bill in the customer's billing cycle.</p> <p><i>Code of Conduct clause 10.1(1)</i></p>	<p>Through discussion with the Marketing Manager and Compliance and Risk Coordinator and examination of Synergy's website, we determined, for those instances during the audit period where customers were affected by the variation of tariffs, Synergy's process provided for:</p> <ul style="list-style-type: none"> Informing the customer of upcoming variations to tariffs and impact on the customer through its website Reflecting updated tariffs in the customer's next bill.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
273	<p>On request and at no charge, a retailer must provide a customer with reasonable information on its tariffs, including alternative tariffs.</p> <p><i>Code of Conduct clause 10.1(2)</i></p>	<p><i>Obligations 273 and 274</i></p> <p>Through discussion with the Marketing Manager and Residential Segment Manager and examination of publically available information, we determined:</p> <ul style="list-style-type: none"> As part of its business as usual, Synergy has received enquiries from customers on tariffs during the audit period In order to accommodate customer's request for information during the audit period, Synergy's processes provided for CSAs to: <ul style="list-style-type: none"> Refer customers to Synergy's website upon request (therefore within the eight business days) for additional information on pricing and tariffs Provide such information in hardcopy on request and at no charge.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
274	<p>A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt and, if requested, provide the information in writing.</p> <p><i>Code of Conduct clause 10.1(3)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
275	<p>On request, a retailer must provide a non-contestable customer with their billing data.</p> <p><i>Code of Conduct clause 10.2(1)</i></p>	<p><i>Obligations 275 to 277</i></p> <p>Through discussion with the Compliance and Risk Coordinator and CSAs, and examination of Synergy's billing policies and procedures, we determined:</p> <ul style="list-style-type: none"> During the audit period, Synergy had received requests from customers for billing data In order to accommodate customers' requests for billing data during the audit period, Synergy's processes provided for: <ul style="list-style-type: none"> Billing data to be provided to non-contestable customers upon request within 10 business days of the request A customer's historical billing data and complaints related data to be stored in SAP for more than two years and be provided on request at no charge to the non-contestable customer
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
276	<p>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 a retailer, the retailer must provide the data at no charge.</p> <p><i>Code of Conduct clause 10.2(2)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
277	<p>A retailer must give the requested billing data under subclause 10.2(1) within 10 business days of the receipt of the request, or on payment of the retailer's reasonable charge for providing this data.</p> <p><i>Code of Conduct clause 10.2(3)</i></p>	

No.	Obligation under Condition	Findings	
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	<ul style="list-style-type: none"> Customers to be directed and encouraged to use the 'My Account' on Synergy's website 'My Account' portal, which allows the customer to view billing data such as usage history. 	
278	<p>A retailer must keep a non-contestable customer's billing data for 7 years.</p> <p><i>Code of Conduct clause 10.2(4)</i></p> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	<p>Through discussion with Billing Services Subject Matter Expert and Customer Fulfilment Team Leader, we determined the customer's billing information is stored indefinitely within SAP under each customer account.</p>	
279	<p>On 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).</p> <p><i>Code of Conduct clause 10.3</i></p> <div>Priority: 4</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	<p>Through discussion with CSAs and examination of publically available information through Synergy's website, including Synergy's Electricity Customer Charter, we determined Synergy's processes provide for residential customers to be provided with information on the types of concessions and rebates available to the customer.</p> <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported that in three instances during the audit period, it did not provide the customer with concession information upon request.</p> <p>Synergy attributed the non-compliances to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017</i>. 	
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>	<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>	
280	<p>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.</p> <p><i>Code of Conduct clause 10.3A</i></p>	<p>Through examination of Synergy's Bill Sample and publically available information contained on Synergy's website, we determined, for both of the years ending 30 June 2016 and 30 June 2017, Synergy's processes provided for:</p> <ul style="list-style-type: none"> A bill insert to accompany the customer bill, to inform customers of their eligibility for Service Standard Payment, with reference to further information contained on Synergy's website 	

No.	Obligation under Condition	Findings
	<div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<ul style="list-style-type: none"> • Synergy's Customer Charter and publically available information to outline the: <ul style="list-style-type: none"> ◦ Required information about Synergy's and Western Power's obligations to make payments to customers under Part 14 of the Code and under any other legislation in Western Australia ◦ Amount and eligibility criteria of the payment.
281	<p>On request and at no charge, a retailer must give or make available to a customer general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.</p> <p><i>Code of Conduct clause 10.4</i></p> <div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<p>Through discussion with CSAs and examination of publically available information contained on Synergy's website including Synergy's Electricity Customer Charter, we determined:</p> <ul style="list-style-type: none"> • As part of its general operations, Synergy's customers have enquired on cost effective and efficient ways to utilise electricity during the audit period • Synergy's processes provide for CSAs to provide: <ul style="list-style-type: none"> ◦ General information on cost effective and efficient ways to utilise electricity and the typical running costs of major domestic appliances to be given to the customer ◦ Directions to the customer regarding Synergy's website and the Customer Charter.
282	<p>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.</p> <p><i>Code of Conduct clause 10.5</i></p> <div> <div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<p>Through discussion with CSAs and examination of Synergy's customer support procedures and publically available information contained on Synergy's website, we determined, for instances during the audit period where a customer had requested information relating to the distribution of electricity, Synergy's processes provided for:</p> <ul style="list-style-type: none"> • CSAs to direct customer calls to the Western Power representative where appropriate • Western Power contact information to be made readily available on Synergy's website, customer charter and customer bill.
290	<p>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, concise language and in a format that is easy to understand.</p> <p><i>Code of Conduct clause 10.9</i></p> <div> <div>Priority: 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<p>Through discussion with the Compliance and Risk Coordinator and examination of Synergy's billing templates and publically available information contained on Synergy's website, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • All written information to be expressed in clear, simple, concise language and in a format that is easy to understand • Where required, consultation with Legal and Marketing personnel to assist in the drafting and review of documents.

No.	Obligation under Condition			Findings
291	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct. <i>Code of Conduct clause 10.10(1)</i>			<i>Obligations 291 to 293</i> Through discussion with the Compliance and Risk Coordinator and examination of publically available information contained on Synergy's website, we determined, for those instances during the audit period where a customer had requested a copy of the Code of Conduct, Synergy's processes provided for: <ul style="list-style-type: none">CSAs to refer Customers to the Code of Conduct available on Synergy's website at no chargeA copy of the Code of Conduct to be readily available at Synergy's head office.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
292	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge. <i>Code of Conduct clause 10.10(2)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Code of Conduct clause 10.10(3) [Only applicable for the period 1 July 2015 – 30 June 2016]</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
294	On request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies). <i>Code of Conduct clause 10.11(1)</i>			Through examination of a sample bill, Synergy's "Electricity Customer Charter" and publically available information contained on Synergy's website, we determined Synergy's processes provide for Interpretation Services, TTY (teletypewriter) Services, relevant bill and bill-related information to be available at no charge. In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported that in 65 instances during the audit period, it failed to provide special information services, when requested, during communications. Synergy attributed the non-compliances to individual staff not following the established procedure or to human error in entering addresses. Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy: <ul style="list-style-type: none">Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i>Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	Priority: 4	Controls rating: B	Compliance Rating: 2	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>			

No.	Obligation under Condition	Findings	
295	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings. <i>Code of Conduct clause 10.11(2)</i>	<p>Through discussion with Synergy personnel (across credit and billing service functions) and examination of Synergy's billing templates and reminder notices, we determined Synergy's:</p> <ul style="list-style-type: none"> Supporting documentation (e.g. the Financial hardship Policy and the Customer Charter) contains the required information under clause 10.11(2) Billing templates: <ul style="list-style-type: none"> Contain details for: <ul style="list-style-type: none"> TTY services Independent multi-lingual services "Interpreter Service(s)" Since November 2016, did not contain the National Interpreter Symbol as required by clause 11.11(2) (c). The previous billing template used by Synergy contained the correct National Interpreter Symbol. <i>Refer to Issue 7/2017.</i> <p>The incorrect replacement of the National Interpreter Symbol reflects an instance where the change management process described at <i>Issue 5/2017</i> has failed to consult compliance stakeholders and led to a non-compliance.</p>	
	Priority: 4	Controls rating: B	Compliance Rating: 2
	Recommendation <i>Refer to Recommendations 5/2017 and 7/2017.</i>		Action Plan <i>Refer to Action Plans 5/2017 and 7/2017.</i>
297	On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response. <i>Code of Conduct clause 10.12(2)</i>	<p>Through discussion with CSAs and examination of Synergy's policies and procedures and publically available information through Synergy's website, we determined, for those instances during the audit period where a customer had requested information in relation to meters, Synergy's processes provided for:</p> <ul style="list-style-type: none"> CSAs to be trained in the different types of meters available and applicable to the customer Presenting information to the customer about different types of meters through its website. 	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings	
Part 12 Complaints and Dispute Resolution			
298	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. <i>Code of Conduct clause 12.1(1)</i>	<i>Obligations 298 and 300</i> Through discussion with the Customer Support SME, Complaints Officer and Life Support Officer, and examination of Synergy’s complaints management policies and procedures, we determined Synergy has developed and implemented its Customer Complaint Guidelines which are designed to handle complaints and resolve disputes. The Guidelines were maintained during the audit period, with the most recent review and update completed in December 2016.	
	Priority: 4		
299	The complaints handling process under subclause 12.1(1) must comply with Australian Standard AS ISO 10002-2006 the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost. <i>Code of Conduct clause 12.1(2)</i>	Through discussion with the Customer Support SME, Complaints Officer and Life Support Officer, examination of Synergy’s complaints management policies and procedures and publically available information contained on Synergy’s website, we determined Synergy’s complaints handling process: <ul style="list-style-type: none">• Is aligned with Australian Standard AS/NZS 10002:2014• Addresses the following:<ul style="list-style-type: none">○ How customers can use the complaints handling process and how Synergy will handle any complaint, including response times and methods○ The customer’s right to obtain information about the outcome of the complaint○ The customer’s right to have a complaint considered by a senior employee within Synergy if they are not satisfied with the manner in which the complaint is being handled○ The customer’s right to escalate their complaints to the Energy and Water Ombudsman, including provision of contact details○ Reporting instances of non-compliance within the Empower incident management system and training/coaching to individuals (as required)○ Submission of reports to the ERA and the Energy and Water Ombudsman upon request.• Is available to customers at no cost through Synergy’s website.	
	Priority: 4		
300	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3). <i>Code of Conduct clause 12.1(3)</i>	Refer to obligation 298.	
	Priority: 4		

No.	Obligation under Condition	Findings
301	On 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. <i>Code of Conduct clause 12.1(4)</i>	Through discussion with the Customer Support SME, Complaints Officer and Life Support Officer, and examination of Synergy's complaints management policies and procedures, we determined Synergy processes provide for: <ul style="list-style-type: none"> Written complaints to be acknowledged within 10 business days A response to a customer's written complaint to be provided within 20 business days. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported eight instances during the audit period, when Synergy failed to acknowledge or respond to a written complaint within the required timeframe.</p> <p>Synergy attributed these instances of non-compliance to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting - <i>refer to Issue 4/2017.</i>
	Priority: 4	Controls rating: B
	Compliance Rating: 2	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
302	A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints. <i>Code of Conduct clause 12.2</i>	The ERA's Customer Complaints Guidelines (December 2016 edition) require the recording of a complaint in the event where the action of the licensee is the source of the customer contact, the customer expresses dissatisfaction at any point and the customer expects a resolution (either explicitly or implicitly). <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported 17 instances during the audit period, when it had incorrectly recorded a complaint as an enquiry. Synergy attributed this breach to individual staff not adhering to established procedures.</p> <p>However, through discussions with Synergy call centre and QA reviewer staff and examination of Synergy's KANA documentation for "Identifying a Complaint", we determined Synergy's:</p> <ul style="list-style-type: none"> Internal processes imply that where a customer issue is resolved prior to the end of the call, the matter will not be recorded as a

No.	Obligation under Condition	Findings
		<p>complaint on the basis that the customer is satisfied. This approach is likely to result in instances where a complaint is not recorded in line with the ERA guidelines</p> <ul style="list-style-type: none"> • Interpretation of resolution mid-call does not preclude it from recording a complaint under the ERA guidelines. <p>Synergy's complaints handling processes and practices can be further clarified and strengthened to minimise the potential for a customer contact to be incorrectly recorded as an enquiry rather than as a complaint. <i>Refer to Issue 8/2017 for further detail.</i></p>
	<div>Priority: 2</div> <div>Controls rating: B</div> <div>Compliance Rating: 2</div>	
	Recommendation <i>Refer to Recommendation 8/2017</i> <i>Refer also to Recommendations 2/2017, 3/2017 and 4/2017</i>	Action Plan <i>Refer to Action Plan 8/2017</i> <i>Refer also to Action Plans 2/2017, 3/2017 and 4/2017</i>
303	<p>On request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.</p> <p><i>Code of Conduct clause 12.3</i></p>	<p>Through discussion with the Customer Support SME and the Complaints & Life Support Officer examination of Synergy's complaints management policies and procedures, we determined:</p> <ul style="list-style-type: none"> • During the audit period, Synergy received enquiries from customers on the complaints handling process • Synergy's processes provide for: <ul style="list-style-type: none"> ◦ CSAs to advise customers of the complaints handling process and direct customers to supporting documentation on Synergy's website ◦ Reference to the complaints handling process to be included in the billing templates.
	<div>Priority: 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div>	
304	<p>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 appropriate to deal with the complaint (if known).</p> <p><i>Code of Conduct clause 12.4</i></p>	<p>Through discussion with the Customer Support SME, Complaints Officer and Life Support Officer, and examination of Synergy's "Complaints Resolution Policy", we determined, for those instances during the audit period where Synergy received a complaint that did not relate to its functions (e.g. matters relating to Western Power's operations), Synergy's processes provided for:</p> <ul style="list-style-type: none"> • CSA to advise the customer of the entity that Synergy reasonably considers to be the appropriate entity to address the complaint (if known) • The matter to be referred to the appropriate entity

No.	Obligation under	Condition	Findings
	Priority: 4	Controls rating: NP	Compliance Rating: 1
			<ul style="list-style-type: none"> The customer to be made aware of the reason for the referral and to be offered the other entity's contact details.

No.	Obligation under Condition	Findings	
Part 13 Reporting			
305	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA. <i>Code of Conduct clause 13.1</i>		<i>Obligations 305 and 306</i> Through examination of Synergy’s Regulation and Compliance Operations manual, we determined Synergy has outlined processes and the responsibilities of various business units or individuals to: <ul style="list-style-type: none">• Prepare annual performance reports to contain the information specified by the ERA• Monitor the deadline for submission of reports to the ERA• Manage the submission of reports to ERA, Minister and web publication of the report.
	Priority: 4	Controls rating: B Compliance Rating: 2	
306	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA. <i>Code of Conduct clause 13.2</i>		<i>Obligation 305 only</i> In its 2016 Compliance Report submitted to the ERA, Synergy self-reported 12 instances during the audit period, when Synergy had failed to maintain a proper record of Standard Service Payments (SSPs) provided to the customer and therefore did not include the required information as required under ‘compensation payments’ Synergy attributed these instances of non-compliance to individual staff not following the established procedure. Synergy’s annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy: <ul style="list-style-type: none">• Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i>• Strengthen its call centre regulatory performance reporting – refer to Issue 4/2017.
	Priority: 4	Controls rating: NP Compliance Rating: 1	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>		
		Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>	
307	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if: <ul style="list-style-type: none">- copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and- a copy is posted on the retailer or distributor's website.		Through discussion with the Manager Regulation and Compliance, consideration of Synergy’s annual performance reporting procedures and examination of Synergy’s website and supporting evidence in relation to publication timeframes, we determined Synergy: <ul style="list-style-type: none">• Had published its 2015/16 and 2016/17 annual performance reports in accordance with the timeframes specified by the ERA each year

No.	Obligation under Condition	Findings
	<i>Code of Conduct clause 13.3</i> Priority: 4 Controls rating: NP Compliance Rating: 1	<ul style="list-style-type: none"> Does not charge for access to the reports.
Part 14 Service Standard Payment		
308	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8. <i>Code of Conduct clause 14.1(1)</i> Priority: 4 Controls rating: NP Compliance Rating: 1	<i>Obligations 308 to 315</i> Through discussion with Credit Support Officer and consideration of Synergy's SSP procedures, we determined, for those instances during the audit period where Synergy was required to make a service standard compensation payment to a customer, Synergy's processes provided for: <ul style="list-style-type: none"> Defining SSPs The range of scenarios for which customers are entitled to an SSP and the appropriate amount, in accordance with clause 14 of the Code The timeframe in which: <ul style="list-style-type: none"> The customer may apply for an SSP An SSP is to be provided by Synergy. <i>Obligation 310 only</i> In its 2016 Compliance Report submitted to the ERA, Synergy self-reported 12 instances during the audit period, when Synergy failed to pay the specified compensation to a customer subsequent to a wrongful disconnection. Synergy attributed these instances of non-compliance to individual staff not following the established procedure. Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy: <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - refer to Issues 2/2017 and 3/2017 Strengthen its Call centre regulatory performance reporting - refer to Issue 4/2017.
310	Subject to clause 14.6, a retailer must pay the specified compensation to a customer 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 the customer for failure to pay a bill, or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7. <i>Code of Conduct clause 14.2(1)</i> Priority: 4 Controls rating: B Compliance Rating: 2	
312	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4). <i>Code of Conduct clause 14.3(1)</i> Priority: 4 Controls rating: NP Compliance Rating: 1	
315	A retailer that 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 subclause 14.7(1). <i>Code of Conduct clause 14.7(1)</i> Priority: 4 Controls rating: NP Compliance Rating: 1	
	Recommendation Refer to Recommendations 2/2017, 3/2017 and 4/2017	Action Plan Refer to Action Plans 2/2017, 3/2017 and 4/2017

4.6 Electricity Industry Metering Code – Licence Conditions and Obligations

No	Obligation under Condition	Findings
324	<p>If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.</p> <p><i>Electricity Industry Metering Code clause 3.3B</i></p>	<p>The Manager, Regulation and Compliance confirmed there were no instances where Synergy became aware of a bidirectional flow before Western Power during the audit period.</p>
	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
339	<p>A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.</p> <p><i>Electricity Industry Metering Code clause 3.11(3)</i></p>	<p><i>Obligations 339 and 354</i></p> <p>Through discussion with key RBU personnel and examination of Synergy's "Damaged or Faulty Meters" procedure, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • A Service Notification to be issued to Western Power in instances where Synergy is notified of any meter outage or malfunction • Service Notifications to be issued to Western Power on a daily basis • Western Power to decide at its own discretion if the meter is to be repaired or replaced. In case of replacement, Western Power is required to advise Synergy of the details of the new meter, enabling Synergy to update its records • Western Power to be responsible for ensuring the meters comply with the prescribed wholesale market metering installation requirements.
	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
354	<p>The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.</p> <p><i>Electricity Industry Metering Code clause 3.18(1)</i></p>	<p>Synergy is not the network operator or a registered metering installation provider for the network and as such does not perform metering installations on the network.</p> <p>Through discussion with the key RBU personnel we determined Synergy's processes provide for meter installation activities to be performed by Western Power.</p>
	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
364	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.27</i></p>	<p>Synergy is not the network operator or a registered metering installation provider for the network and as such does not perform metering installations on the network.</p> <p>Through discussion with the key RBU personnel we determined Synergy's processes provide for meter installation activities to be performed by Western Power.</p>
	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
371	<p>If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.</p> <p><i>Electricity Industry Metering Code clause 4.4(1)</i></p>	<p><i>Obligations 371 to 373</i></p> <p>Through discussion with key RBU personnel and examination of Synergy's billing exception procedures and discussion with key RBU personnel, we determined, for those instances during the audit period where there was a discrepancy or inaccuracy between the energy data in a meter and in the metering database, Synergy's processes provided for:</p>

No	Obligation under Condition			Findings
				<ul style="list-style-type: none">A billing process exception task (BPEM) to be system generated when data received from Western Power does not match data currently held by Synergy and the revised data fails to update automaticallyBPEMs to be system generated when Western Power advises that a site should be recorded as 'self-read'Each BPEM scenario to be manually reviewed by Billing Service agents.
	Priority 5	Controls rating: NP	Compliance Rating:1	
372	A Code participant must not knowingly permit the registry to be materially inaccurate. <i>Electricity Industry Metering Code clause 4.4(1)</i>			
	Priority 5	Controls rating: NP	Compliance Rating:1	
373	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or 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. <i>Electricity Industry Metering Code clause 4.5(2)</i>			<u>Obligation 373 only</u> In its 2017 Compliance Report submitted to the ERA, Synergy self-reported 202 instances during the audit period, where Synergy did not notify Western Power of incorrect standing data displayed on customers' bills within the required timeframe. Synergy attributed the non-compliances to individual staff not following the established procedure. Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy: <ul style="list-style-type: none">Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i>Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	Priority 4	Controls rating: B	Compliance Rating:2	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>			Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
388	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1). <i>Electricity Industry Metering Code clause 5.4(2)</i>			Through discussion with key RBU personnel and CSAs and examination of Synergy's "Pro-active Meter Access and Self Read Submission", "Meter Access and Self Read Submission" procedures, we determined Synergy's processes provide for: <ul style="list-style-type: none">The CSA to ask the customer for information regarding meter access, following a guided process during the Move-in process.Where required, Synergy to attempt to coordinate with the customer to arrange a time for a meter read to be performed (in instances where meter access has been restricted)

No		Obligation under Condition		Findings
		Priority 4	Controls rating: NP	Compliance Rating:1
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. <i>Electricity Industry Metering Code clause 5.16</i>			Through discussion with the Credit Strategy Manager we determined Synergy's processes provide for: <ul style="list-style-type: none"> Self-read customers to submit their meter readings on line, using Western Power's Self Reader portal All meter data to come through Western Power; as such there would not be any instances where Synergy would receive energy data that would not be known by Western Power.
		Priority 4	Controls rating: NP	Compliance Rating: NR
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. <i>Electricity Industry Metering Code clause 5.17(1)</i>			Through discussion with the Customer Processing Partner Lead and Billing Services personnel and examination of Synergy's "Billing Services Business Rules" and "Raising MDV's Back Office" we determined Synergy's processes provide for validated energy data (substituted or estimated where necessary) and standing data to be provided to the customer on the monthly bill. In its 2017 Compliance Report submitted to the ERA, Synergy self-reported 202 instances during the audit period, where Synergy did not notify Western Power of incorrect standing data displayed on customer's bills (which in turn resulted in incorrect data being provided to customers. Synergy attributed these instances of non-compliance to individual staff not following the established procedure. Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy: <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - refer to Issues 2/2017 and 3/2017 Strengthen its call centre regulatory performance reporting – refer to Issue 4/2017.
		Priority 4	Controls rating: B	Compliance Rating:2
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>			Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>

No	Obligation under Condition	Findings
405	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.18</i></p>	<p><i>Obligations 405 and 408</i></p> <p>Through discussion with the Customer Processing Partner Lead and Billing Services personnel, and examination of Synergy's metering procedures, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • Several procedures to be in place for updating an account status to correctly display disconnected status • A de-energisation service notification (through a Customer Detail Notification (CDN)) to be sent only after receiving a disconnection order • Specific rules to be followed to correctly fill in the fields required by SAP • Synergy to provide the information stated in sub clause 5.19(2) within one 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. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported:</p> <ul style="list-style-type: none"> • 14,000 instances during the audit period, where Synergy was aware of the change in the energisation status of a metering point but failed to notify Western Power of a relevant change via a CDN within the required timeframe of one business day • 2,506 instances during the audit period, where Synergy did not send the correct CDN to Western Power within the regulated timeframe of one business day. <p>Synergy attributed the non-compliances to staff not following the established procedure, which resulted in entire batches of CDNs failing. Synergy implemented a technical change in September 2016 to limit any failures to the individual CDN rather than the entire batch.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process. We walked through the key QA activities, observed a sample of recorded customer calls, which had been subject to QA and examined a sample of QA activity reports to assess the overall effectiveness of the QA process in monitoring and managing Synergy's compliance with relevant licence obligations.</p>

No	Obligation under Condition			Findings
				<p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy to:</p> <ul style="list-style-type: none"> Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i>
	Priority 4	Controls rating: B	Compliance Rating:2	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>			Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
406	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.19(1)</i></p>			<p>Through discussion with the Customer Processing Partner Lead and Billing Services personnel and the examination of Synergy's "Data Cleansing" and discussion with key RBU personnel, we determined Synergy maintained the following processes in order to accommodate Western Power requests during the audit period:</p> <ul style="list-style-type: none"> Synergy's SAP database to be used to capture customer information, which automatically sends the information to the distributor in accordance with the communication rules Incidents to be reported within the Empower system and individuals to be given training/coaching as required.
	Priority 5	Controls rating: NP	Compliance Rating:1	
407	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.19(2)</i></p>			<p>Through discussion with key RBU personnel and walkthrough of the SAP CRM system, we determined Synergy uses the SAP ISU and SAP CRM database to record all:</p> <ul style="list-style-type: none"> Customer and premise information Interactions with customers.
	Priority 5	Controls rating: NP	Compliance Rating:1	
408	<p>Subject to subclauses 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 subclause 5.19(2), notify the network operator of the change.</p> <p><i>Electricity Industry Metering Code clause 5.19(3)</i></p>			<i>Refer to obligation 405</i>
	Priority 2	Controls rating: B	Compliance Rating:2	
	Recommendation <i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i>			Action Plan <i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i>
410	<p>The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in</p>			<p>Through discussion with key RBU personnel and walkthrough of the web portal used for communications between users and network operators, we</p>

No	Obligation under Condition			Findings
	subclause 5.19(2) that results from the provision of standing data by the network operator to the user. <i>Electricity Industry Metering Code clause 5.19(6)</i>			determined the Metering Service Centre web portal acts as the electronic communication mechanism for Synergy to notify Western Power in the event of any changes relevant to Synergy customers' attributes, with the exception of changes to standing data already notified by Western Power.
	Priority 5	Controls rating: NP	Compliance Rating:1	
416	A Code participant must not request a test or audit under subclause 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. <i>Electricity Industry Metering Code clause 5.21(5)</i>			<i>Obligations 416 and 417</i> Through discussion with key RBU personnel and examination of Synergy's Metering Code Service Level Agreement with Western Power and its procedures for utilising the Metering Service Centre web portal, we determined: <ul style="list-style-type: none">Throughout the audit period, Synergy appropriately utilised the Metering Service Centre web portal for requesting tests or auditsThe Metering Code Service Level Agreement with Western Power provides clear instructions on how Synergy can request a test or audit. In order to comply with Clause 5.21 of the code, the web portal is configured to stop Synergy from submitting request for tests or audits for meters that are not associated with the customer allocated to Synergy.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
417	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement. <i>Electricity Industry Metering Code clause 5.21(6)</i> <i>A Code participant must not make a request under clause 5.21(1) that is inconsistent with any access arrangement or agreement.</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Metering Code clause 5.27</i>			Through discussion with key RBU personnel and examination of Synergy's customer transfer, connection and billing procedures, we determined, for those instances during the audit period where Synergy was required to provide Western Power with customer attribute information, Synergy's processes provided for information to be submitted to Western Power via the web portal (as a CDN) within two business days of the request being made by Western Power.
	Priority 4	Controls rating: NP	Compliance Rating:1	
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. <i>Electricity Industry Metering Code clause 6.1(2)</i>			Through discussion with key RBU personnel and examination of Synergy's systems and procedures, we determined Synergy's: <ul style="list-style-type: none">Supporting documentation outlines its obligations relating to the:<ul style="list-style-type: none">Metering Code Communications RulesMetrology ProcedureModel Service Level Agreement.Processes are designed to comply with these obligations through :

No	Obligation under Condition	Findings	
	<div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating:1</div>	<ul style="list-style-type: none"> Using the Metering Service Centre web portal, in accordance with the instructions built into the system Adhering to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodates the Metering Code Communication Rules and the Approved Metrology Procedure. 	
451	<p>Code 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.</p> <p><i>Electricity Industry Metering Code clause 7.2(1)</i></p> <div>Priority 5</div> <div>Controls rating: NP</div> <div>Compliance Rating:1</div>	<p><i>Obligations 451, 453 and 454</i></p> <p>Through discussion with key RBU personnel, examination of Synergy's customer transfer, connection and billing procedures and consideration of the Metering Service Centre web portal, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> Synergy to send and receive a notice by post, facsimile and electronic communication Synergy's contact details to be available on the website and/or in its publically available material (e.g. customer support documentation and bills). <p>The Manager, Regulation and Compliance confirmed during the audit period, Synergy has:</p> <ul style="list-style-type: none"> Not changed its contact details Entered into a new access contract on 1 July 2016. 	
453	<p>If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.</p> <p><i>Electricity Industry Metering Code clause 7.2(4)</i></p> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>		
454	<p>A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.</p> <p><i>Electricity Industry Metering Code clause 7.2(5)</i></p> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div>		
455	<p>A Code participant must subject to subclauses 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.</p> <p><i>Metering Code clause 7.5</i></p>	<p>Through discussion with the Manager, Regulation and Compliance and examination of relevant policies and procedures, we determined Synergy has the following controls and processes in place to ensure the confidentiality of information:</p> <ul style="list-style-type: none"> Synergy adopts the definition contained in the Metering code to define what is considered as confidential information (i.e. standing data or energy data) All confidential information is stored either in Synergy's DM system or a secure database Files located in DM and the database are access restricted to certain levels or individual employees 	

No	Obligation under Condition	Findings
	<div> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<ul style="list-style-type: none"> All employees are bound by a confidentiality agreement, which is required to be signed during induction Further training and information regarding confidentiality of information is contained in Synergy's Staff Handbook and Record Keeping policy. <p>The Manager, Regulation and Compliance confirmed for the period subject to audit, Synergy was not aware of any instances of confidential information being disclosed without the appropriate authority to do so.</p>
456	<p>A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.</p> <p><i>Electricity Industry Metering Code clause 7.6(1)</i></p> <div> <div>Priority 4</div> <div>Controls rating: NP</div> <div>Compliance Rating: 1</div> </div>	<p>Through discussion with the Manager, Regulation and Compliance we determined:</p> <ul style="list-style-type: none"> The extent to which confidential information is disclosed by Synergy externally is in accordance with its reporting requirements to the Australian Energy Market Operator (AEMO) Western Power and AEMO are the only parties with which Synergy exchanged metering information. Both parties have access to the information in their capacity as the network operator and the independent market operator respectively Synergy's internal employees and contractors are bound by confidentiality agreements as part of their standard contracts.
457	<p>If any dispute arises between any Code participants, then (subject to subclause 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.</p> <p><i>Electricity Industry Metering Code clause 8.1(1)</i></p> <div> <div>Priority 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div> </div>	<p><i>Obligations 457 to 461</i></p> <p>The Manager, Regulation and Compliance confirmed Synergy has not been engaged in a dispute under subclause 8.2(3) during the audit period.</p>
458	<p>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.</p> <p><i>Electricity Industry Metering Code clause 8.1(2)</i></p> <div> <div>Priority 5</div> <div>Controls rating: NP</div> <div>Compliance Rating: NR</div> </div>	
459	<p>If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must</p>	

No	Obligation under Condition			Findings
	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. <i>Electricity Industry Metering Code clause 8.1(3)</i>			
	Priority 5	Controls rating: NP	Compliance Rating: NR	
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. <i>Electricity Industry Metering Code clause 8.1(4)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
461	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1). <i>Electricity Industry Metering Code clause 8.3(2)</i>			
	Priority 5	Controls rating: NP	Compliance Rating: NR	

4.7 Licence specific obligations

No		Obligation under Condition		Findings
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. <i>Electricity Industry (Licence Conditions) Regulations regulation 8</i>			<i>Obligations 486 to 489</i> Through examination of Regulation and Compliance operation manual and Synergy website, we determined Synergy’s processes provide for Synergy to: <ul style="list-style-type: none">Coordinate changes to the Renewable Energy Buyback Scheme (REBS) contract and applicationObtain approval of changes to the REBS contract, application form and pricing scheduleManage communications and report to the Coordinator of EnergyOffer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contractMake information about REBS readily available to customers through its CSAs and websiteReport in accordance with its regulatory requirements. The Manager, Regulation and Compliance confirmed: <ul style="list-style-type: none">Synergy submitted amendments to its renewable source electricity contract prior to the commencement of the audit periodThe Coordinator has not directed Synergy to submit an amended contract during the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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. <i>Electricity Industry (Licence Conditions) Regulations regulation 8</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
488	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract. <i>Electricity Industry (Licence Conditions) Regulations regulation 6</i>			
	Priority 4	Controls rating: NP	Compliance Rating:1	
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. <i>Electricity Industry (Licence Conditions) Regulations regulation 7</i>			
	Priority 4	Controls rating: NP	Compliance Rating:1	

No	Obligation under Condition	Findings	
496	<p>Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.</p> <p><i>Electricity Industry (Customer Contracts) Regulations 2005 regulation 40</i></p>	<p>Through discussion with the Customer Fulfilment Team Leader and Compliance and Risk Coordinator and examination of publically available information through Synergy's website, we determined Synergy's processes provide for:</p> <ul style="list-style-type: none"> • Informing all contestable customers of the option of a standard form contract before entering into a non-standard form contract • Informing the customer through its CSAs or website publications, of the differences between a standard form contract and non-standard form contract. <p>In its 2016 and 2017 Compliance Reports submitted to the ERA, Synergy self-reported four instances during the audit period, where it failed to offer to supply electricity under a standard form contract upon request.</p> <p>Synergy attributed these instances of non-compliance to individual staff not following the established procedure.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>To identify and address the root cause of any sustained non-compliance and to improve overall compliance performance, this audit recommends Synergy:</p> <ul style="list-style-type: none"> • Further enhance its QA governance structure and reporting mechanisms - <i>refer to Issues 2/2017 and 3/2017</i> • Strengthen its call centre regulatory performance reporting – <i>refer to Issue 4/2017.</i> 	
	Priority 4	Controls rating: B	Compliance Rating: 2
	<p>Recommendation</p> <p><i>Refer to Recommendations 2/2017, 3/2017 and 4/2017</i></p>		<p>Action Plan</p> <p><i>Refer to Action Plans 2/2017, 3/2017 and 4/2017</i></p>

5 Follow-up of previous audit non-compliances and recommendations

Section 5 summarises the status of previous audit non-compliances and recommendations.

The ratings provided are defined in accordance with the ERA's April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licence*, as reported in Table 1, 2.3 "Findings".

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
A. Resolved before end of previous audit period						
156	Code of Conduct for the Supply of Electricity to Small Use Customers 2014 (Code of Conduct) clause 4.5(3)	A2	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.	Coaching was provided with increased quality assurance monitoring for the relevant CSRs. A Customer Information project was 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.	May 2015	No
159	Code of Conduct clause 4.8(1)	A2	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	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 considered that the controls in place are adequate given the small number of errors	May 2014	No

² As per the previous rating system detailed at the start of this section

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			estimated reads in place of the usual automated manner.	relative to the volume of transactions.		
166 [Issue 12/2015]	Code of Conduct clause 4.12(1) <u>Obligation 166</u>	B2	<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>	<ul style="list-style-type: none"> The standard operating procedure was updated in June 2015 to reflect the requirement Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015. 	June 2015	No
168	Code of Conduct clause 4.14(1)	A2	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.	Feedback and training was provided to the relevant staff members.	June 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
189	Code of Conduct clause 5.3	A2	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 customers 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.	N/A	No
192	Code of Conduct clause 5.6(1)	A2	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.	Any late payment fees incorrectly charged were credited back to the 892 customers 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".	December 2014	No
196	Code of Conduct clause 5.6(2)	A2	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.	CSAs were provided with coaching on the relevant SOPs. The late payment fees for the customers were subsequently waived.	June 2015	No
201	Code of Conduct clause 5.8(2)	A2	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	Customers had the debt reversed from their accounts. CSAs were provided with critical feedback and received coaching regarding on the relevant SOP and additional quality assurance monitoring.	June 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			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.			
205	Code of Conduct clause 6.2(1)	A3	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.	Critical feedback and coaching has since been provided.	June 2015	No
207 [Issue 23/2015]	Code of Conduct clause 6.2(3)	A3	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. Synergy self-reported 5 customers who were disconnected due to failure to	Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015.	June 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			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. 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.			
209	Code of Conduct clause 6.3(1)(a)	A2	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.	Critical feedback and coaching has since been provided.	April 2015	No
210	Code of Conduct clause 6.3(1)(b)	A2	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.	Critical feedback and coaching has since been provided.	June 2014	No
211, 212	Code of Conduct clause 6.4 (2) and (3)	A2	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.	Synergy has since amended the template for the automated standard letter, provided critical feedback and coaching to the relevant CSAs, and implemented increased quality assurance monitoring.	June 2015	No
230 [Issue 26/2015]	Code of Conduct clause 7.6	A2	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	The Collection Strategy Project was implemented in May 2014 to provide SMS and email notification capability. The Customer Information project was implemented in May 2015. The standard operating procedure was reviewed and updated in May 2015.	June 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			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.	Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015.		
235	Code of Conduct clause 7.7(1)	A2	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.	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.	October 2013	No
299 [Issue 35/2015]	Code of Conduct clause 12.1(2)	B2	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 a review and update. 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	<ul style="list-style-type: none"> The complaints policy was reviewed and updated in April 2015 Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015. The reminder to all staff was issued on 30 June 2015. 	June 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			correctly recorded and responded to. This was due to a CSR not following the relevant SOP. 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.			
302	Electricity Industry Metering Code clause 3.3B	A2	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.	The meter was exchanged and the SOP updated to ensure all rejected service notifications are actioned appropriately.	June 2015	No
407	Electricity Industry Metering Code clause 5.19(2)	A2	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.	The system defect was corrected and the Customer Information Project was completed in May 2015, reducing the risk of manual error by enhancing the alignment between standing data in place with Landgate records of street addresses. Incorrectly captured information was updated as soon as it was identified. Coaching and training was also provided to the relevant staff members.	May 2015	No
B. Resolved during current audit period						
Issue 1/2015	Electricity Industry Customer Transfer Code clause 6.6 <u>Obligation 54</u>	B2	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. The market service manager advised that due to the inefficiency of generating a response for	Synergy implemented an automatic response message so that communications that come through the Western Power liaison mailbox are considered as	November 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			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.	'received' per the Customer Transfer Code.		
Issue 2/2015	Applicability to Electricity Industry Customer Transfer Code clause 7.2(4) <u>Obligation 58</u>	B/NR	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. It was noted that during the audit period, there was no dispute which was referred to the Authority.	Synergy's Western Power governance structure model has been updated to specify that any disputes that are referred to the ERA must give notice to the ERA of the nature of the dispute and details.	October 2015	No
Issue 3/2015	Electricity Industry (Customer Contracts) Regulations 2005 regulation 38 <u>Obligation 100</u>	A2	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: <ul style="list-style-type: none"> Investigating the feasibility of email or SMS notifications Review of critical SOPs Retail management's actions and planned initiatives are acknowledged and	<ul style="list-style-type: none"> The Customer Information Project was implemented in May 2015 to minimise the risk of manual errors. The standard operating procedure was reviewed and updated in May 2015. Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015. The status update report to senior management on the effectiveness of the Customer Information project was provided by 31 December 2015. The report assessed that the deployment of new controls for phone, email, address and ABN/ACN would facilitate 'cleaner customer data' going 	December 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			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.	forward. The project also implemented a number of changes to re-design elements of SAP to improve data quality and enhance productivity for users.		
Issue 4/2015	Code of Conduct clause 2.2(1), 2.2(2); Retail Licence condition 23.1 <u>Obligation 130 & 131</u>	B3	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. 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.	<ul style="list-style-type: none"> The Customer Information Project was implemented in May 2015 to minimise the risk of manual errors. The standard operating procedure was reviewed and updated in May 2015. Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015. Key performance indicators (KPIs) were reviewed on 19 November 2015. Because of the low volume of errors, additional KPIs were considered unnecessary. 	November 2015	No
Issue 5/2015	Code of Conduct clause 3.1(2) <u>Obligation 144</u>	A2	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.	<ul style="list-style-type: none"> The Customer Information Project was implemented in May 2015 to minimise the risk of manual errors. The standard operating procedure was reviewed and updated in May 2015. Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015. A final report was provided to senior management in December 2015. 	December 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 6/2015	Code of Conduct clause 4.1 <u>Obligation 145</u>	A3	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 (0.16% 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.	<ul style="list-style-type: none"> The Customer Information Project was implemented in May 2015 to minimise the risk of manual errors. The standard operating procedure was reviewed and updated in May 2015. Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015. A final report was provided to senior management in December 2015. 	December 2015	No
Issue 7/2015	Electricity Industry (Customer Contracts) Regulations 2005 regulation 32 <u>Obligation 154</u>	B3	<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 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</p>	<p><u>ICT retail:</u></p> <p>Established processes were enhanced in February 2016 to ensure future system changes met regulatory requirements including the following:</p> <ul style="list-style-type: none"> Legal and regulatory dependencies were documented during the business requirements gathering phase. All associated legal and regulatory dependencies were added to the 'business requirement document's requirement rationale' Business requirements document template updated to reflect system solutions to support the legal and regulatory constraints/ dependencies 	February 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (taken from the EDL1 Performance Audit Report – July 2013)	Auditors' recommendation or action taken	Date resolved	Further action required
			billing. New system changes were implemented to rectify this issue.	<p>applicable to the business and/or business processes</p> <ul style="list-style-type: none"> Constraints affecting the system solution were identified in the non-functional requirements and are used when communicating with project stakeholders, developers and testers during the development of the business and functional requirements Legal and regulatory dependencies embedded and highlighted for individual system test scenarios as part of user acceptance testing and scripting. <p><u>ICT applications:</u> Synergy's "WaterVoLE - controlled quality assurance for V model project" requirements were updated in February 2016 to explicitly require business analysts to liaise with legal, regulation and compliance, corporate services to obtain their business requirements to minimise the risk of a business requirement document not being legal or regulatory compliant when deployed.</p>		
Issue 8/2015	Code of Conduct clause 4.5(1) <u>Obligation 155</u>	A3	<p>Synergy self-reported breaches in relation to this obligation in 2014-15 due to the following:</p> <ul style="list-style-type: none"> 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 	<p>System Issue <u>ICT retail:</u> Established processes were enhanced in February 2016 to ensure future system changes met regulatory requirements including the following:</p> <ul style="list-style-type: none"> Legal and regulatory dependencies were documented during the business requirements gathering phase. 	February 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			<p>period when different to the account period</p> <ul style="list-style-type: none"> • 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 CSR. 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. 	<p>All associated legal and regulatory dependencies were added to the 'business requirement document's requirement rationale'</p> <ul style="list-style-type: none"> • Business requirements document template updated to reflect system solutions to support the legal and regulatory constraints/ dependencies applicable to the business and/or business processes • Constraints affecting the system solution were identified in the non-functional requirements and used when communicating with project stakeholders, developers and testers during the development of the business and functional requirements • Legal and regulatory dependencies embedded and highlighted for individual system test scenarios as part of user acceptance testing and scripting. <p><u>ICT applications:</u></p> <p>Synergy's "WaterVoLE - controlled quality assurance for V model project" requirements were updated in February 2016 to explicitly require business analysts to liaise with legal, regulation and compliance, corporate services to obtain their business requirements to minimise the risk of a business requirement document not being legal or regulatory compliant when deployed.</p> <p>Critical feedback and Information on the bill</p>		

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			<ul style="list-style-type: none"> 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). One customer was affected due to Western Power's error in rejecting the REBS application and therefore the bill not reflecting REBS information 	(Compliance Improvement Plan reporting) <ul style="list-style-type: none"> Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 RBU Compliance Improvement Plan commenced 1 July 2015. Under the plan: <ul style="list-style-type: none"> Quality assurance is required from relevant managers monthly Compliance performance (including billing information and billing timeliness) is independently monitored monthly (including information on the bill) Compliance results are presented to the Audit and Compliance Committee quarterly. 		
Issue 9/2015	Code of Conduct clause 4.6(1) <u>Obligation 157</u>	B3	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.	<ul style="list-style-type: none"> The Customer Information Project was implemented on 20 May 2015 The standard operating procedure was updated in May 2015 Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 RBU Compliance Improvement Plan commenced 1 July 2015. Under the plan: 	November 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (taken from the EDL1 Performance Audit Report – July 2013)	Auditors' recommendation or action taken	Date resolved	Further action required
				<ul style="list-style-type: none"> Quality assurance is required monthly by the relevant managers Compliance performance (including customer addressing) is independently monitored monthly Compliance results are presented to the audit and compliance committee quarterly <p>KPIs were reviewed on 19 November 2015. Owing to the low volume of errors, RBU considered additional KPIs were not required.</p>		
Issue 10/2015	Code of Conduct clause 4.7 <u>Obligation 158</u>	B3	<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>	<ul style="list-style-type: none"> Updated standard operating procedure (31 December 2015) Review of exception report (31 December 2015) Exception report with a reduced time frame (31 December 2015) Change request 2619 - long term estimated reads - was implemented on 26 February 2016. This change involved reviewing the standard operating procedures and incorporating the exception report review. (Implementation was delayed from December 2015 owing to heavy workload). 	February 2016	No
Issue 11/2015	Code of Conduct clause 4.8(3) <u>Obligation 161</u>	B1	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	At the October 2016 B2B, Synergy raised with Western Power the need to undertake a data cleanse and review the "non-meter access" reason codes. Further, Synergy requested the removal of the "other" reason code or alternatively the creation of a	November 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			'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 the customer if requested.	mandatory narrative field if the "other" reason code is selected. In November 2016, Western Power agreed to not use the 'other' category.		
Issue 13/2015	Code of Conduct clause 4.13 <u>Obligation 167</u>	B2	<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>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>	<ul style="list-style-type: none"> Customers are notified of any changes to their tariff via written notification on their electricity invoice The relevant standard operating procedure was updated on 1 February 2016 All relevant staff were notified of the process change specifically the requirement to send written notification when a manual (off-cycle) tariff migration is conducted. 	February 2016	No
Issue 14/2015	Code of Conduct clause 4.16(1)(a)	B3	Through sample testing of 20 bill reviews it was noted that in seven instances where the bill review was conducted and	In November 2015 the Billing SOPs were reviewed to specify the obligation to advise the customer:	February 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
	<u>Obligation 172</u>		<p>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. 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>	<ul style="list-style-type: none"> On the option to arrange a meter test in accordance with the applicable law Of the existence and operation of the retailer's internal complaints handling processes Of details of any applicable external complaints handling processes where a review has been conducted and the bill appears correct. <p>In February 2016 the email templates addressed to the customers were updated to advise them of previous consumption history and to include the option for meter test and complaints management processes.</p>		
Issue 15/2015	<p>Code of Conduct clause 4.16(2) and 4.16(3)</p> <p><u>Obligation 174 & 175</u></p>	B2	<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</p>	<p>A daily customer experience dashboard is generated to show:</p> <ul style="list-style-type: none"> All "unbilled" work in the system by number of days not billed Any bills that have breached the regulatory thresholds. 	September 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			and/or rebilled thereby not requiring Synergy to contact the customer to notify them on the status of the review. However, it was noted no system controls are in place to prompt follow up.			
Issue 16/2015	Code of Conduct clause 2.6 <u>Obligation 176</u>	B2	<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. 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>	<ul style="list-style-type: none"> • The standard operating procedure was updated in June 2015 • Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by 30 June 2015 • The system change was implemented in two phases – phase one February 2015 and phase two January 2016. 	January 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 17/2015	Code of Conduct clause 4.18(2) and 4.18(7) <u>Obligation 177&181</u>	B3	<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. Management have advised that a "customer information project" was completed in May 2015 which reduces the risk of manual error by enhancing</p>	<ul style="list-style-type: none"> • The Customer Information Project was implemented May 2015 • Synergy has automated the concession, incorrect reading and the tariff rebill letters The remaining scenarios of move in - move out, crossed meter, print work bench and collective rebills require a manual letter tailored to the unique and complicated circumstances that these scenarios present. RBU reviewed the standard operating procedure and was satisfied with the existing controls. 	January 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			the alignment between standing data in place with Landgate records of street addresses.			
Issue 18/2015	Code of Conduct clause 4.18(3) <u>Obligation 178</u>	B2	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.	Monthly internal spot check for refunds commenced in October 2015 by the RBU quality assurance team.	October 2015	No
Issue 19/2015	Code of Conduct clause 4.19(1) <u>Obligation 182</u>	B2	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. Management have advised that a system change is being implemented to automate the letter.	A system change request (2619) was implemented on 24 February 2016 to automate the issuing of the rebill letter to make sure customers are provided with the reason for the adjustment. Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by 30 June 2015.	February 2016	No
Issue 20/2015	Code of Conduct clause 5.4 <u>Obligation 190</u>	B1	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	A communication was sent to Australia Post on 21 September 2015, which re-emphasised with Australia Post the \$20 minimum requirement for payments taken in advance.	September 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			Australia Post not being aware of this requirement.			
Issue 21/2015	Code of Conduct clause 5.7(1) <u>Obligation 197</u>	B2	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.	<ul style="list-style-type: none"> • A review and update of the standard operating procedure was completed in February 2015 • The Customer Information Project was delivered and implemented May 2015 • Critical feedback was provided to the relevant officers as soon as the issue was identified • A final report was provided to senior management by 31 December 2015. 	December 2015	No
Issue 22/2015	Code of Conduct clause 6.1(1) <u>Obligation 202</u>	A2	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.	<ul style="list-style-type: none"> • Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 • RBU Compliance Improvement Plan commenced 1 July 2015. Under the plan: <ul style="list-style-type: none"> ◦ Quality assurance is required monthly by the relevant managers ◦ Compliance performance (including hardship assessments) is independently monitored monthly ◦ Compliance results are presented to the Audit and Compliance Committee quarterly • KPIs were reviewed on 19 November 2015 – owing to the low volume of errors, additional KPIs were considered unnecessary. 	February 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
				Further, the ERA recommended in February 2016 that the provision be amended in the small use code to provide for a five business day hardship assessment.		
Issue 24/2015	Code of Conduct clause 6.10(3) <u>Obligation 222</u>	B2	Through review of the financial hardship procedures, the following gaps were noted: <ul style="list-style-type: none"> 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). Does not provide guidance in regards to all the points specified in sub clause 6.10(3)(d). 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). 	<ul style="list-style-type: none"> 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 Financial hardship documented procedures were reviewed, updated and communicated to relevant staff during December 2015. 	December 2015	No
Issue 25/2015	Code of Conduct clause 7.1(1) <u>Obligation 229</u>	B4	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. Management have advised that this system error was addressed in the Collections Strategy update in May 2014	<ul style="list-style-type: none"> The Collection Strategy Project went live in May 2014 Daily exception reporting commenced on 27 January 2015 Required critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 The monthly (sample) audit and increased quality assurance monitoring 	October 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			<p>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 nominated email address.</p>	commenced on 5 October 2015.		
Issue 27/2015	Code of Conduct clause 7.7(6) <u>Obligation 240</u>	B2	Testing of 20 samples identified that in 8 instances where the customer was flagged as life support prior to July 2014,	A system change was implemented in July 2015, which	July 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			<p>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>	automated the annual contact process,		
Issue 28/2015	Code of Conduct clause 8.1(1) <u>Obligation 242</u>	A2	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.	<ul style="list-style-type: none"> • Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 • The de-energisation and re-energisation project was implemented in September 2015. 	September 2015	No
Issue 29/2015	Code of Conduct clause 8.1(2) <u>Obligation 243</u>	B3	<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</p>	<ul style="list-style-type: none"> • The Customer Information Project was implemented in May 2015 • Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 • The de-energisation and re-energisation project was implemented in September 2015. 	September 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			<p>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>	The standard operating procedure was reviewed and updated in September 2015.		
Issue 30/2015	Code of Conduct clause 9.3(1), 9.3(5), 9.4(2) <u>Obligation 249,253 & 255</u>	BNR	<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 have 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>	<ul style="list-style-type: none"> The Pre-payment meter standard operating procedure was updated on 20 November 2015 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 standard operating procedure was 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 a prepayment meter or the date the customer agreed to enter pre-payment contract. 	November 2015	No
Issue 31/2015	Code of Conduct clause 9.4(1) <u>Obligation 254</u>	B1	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	The standard operating procedure was updated to include the one business day timeframe specified	September 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			support). 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.	within clause 9.4(1) of the Code of Conduct.		
Issue 32/2015	Code of Conduct clause 9.11(1) <u>Obligation 271</u>	BNR	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. 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. Through discussion with the manager regulation & 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 standard operating procedure was updated to align with the Code of Conduct regarding the disconnection requirement not being applicable to existing meters that cannot provide disconnection data. 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.	September 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			the specifications required to extract disconnections data by virtue of the Code of Conduct clause 9.12.			
Issue 33/2015	Code of Conduct clause 10.10(3) and 13.3 <u>Obligation 293 & 307</u>	B1	<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>	Synergy has implemented an internal process to make sure reception staff are informed on where to locate the electricity Code of Conduct folder.	September 2015	No
Issue 34/2015	Code of Conduct clause 10.11(1) <u>Obligation 294</u>	A2	<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>	<ul style="list-style-type: none"> • The Customer Information Project was implemented in May 2015 • The standard operating procedure was reviewed and updated in September 2015 • Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 • A final report was provided to senior management in December 2015. 	December 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 36/2015	Code of Conduct clause 12.1(4) <u>Obligation 301</u>	A2	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.	<ul style="list-style-type: none"> The Customer Information Project was implemented in May 2015 Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 A final report was provided to senior management in December 2015. 	December 2015	No
Issue 37/2015	Code of Conduct clause 14.2(1) <u>Obligation 310</u>	B2	<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.</p> <p>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>	The recommendation has not been actioned. Customer support, RBU advised all urgent and wrongful reconnections and SSPs are reviewed daily. Implementing a separate process would be double handling of this work. Consequently a business decision has been made not to proceed with building a monthly exception report capability given existing daily controls.	December 2015	No
Issue 38/2015	Electricity Industry Metering Code clause 5.19 <u>Obligation 408</u>	B2	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 SOPs.	<p>The standard operating procedures were updated in April 2015.</p> <p><u>ICT retail:</u></p> <ul style="list-style-type: none"> Established processes were enhanced in February 2016 to ensure future system changes meet regulatory requirements. <p><u>ICT applications:</u></p> <ul style="list-style-type: none"> Synergy's "WaterVoLE - controlled quality assurance for 	February 2016	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
			<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>	V model project" requirements were updated in February 2016 to explicitly require business analysts to liaise with legal, regulation and compliance, corporate services to obtain their business requirements to minimise the risk of a business requirement document not being legal or regulatory compliant when deployed.		
Issue 39/2015	<p>Electricity Industry Metering Code clause 8.1(1), 8.1(2), 8.1(3), 8.1(4)</p> <p><u>Obligation 457,458,459 & 460</u></p>	B NR	<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.</p> <p>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>	The Western Power relationship governance model – escalation Path has been updated to include further details around specifics of timeframes for resolution and written and signed record of the resolution.	October 2015	No

Ref	Legislative obligation	Rating ²	Details of the issue (<i>taken from the EDL1 Performance Audit Report – July 2013</i>)	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 40/2015	Electricity Industry (Customer Contracts) Regulations 2005 regulation 40 <u>Obligation 496</u>	A2	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.	<ul style="list-style-type: none"> The Customer Information Project was implemented in May 2015 Critical feedback was provided to the relevant officers as soon as the issue was identified with all feedback completed by June 2015 A final report was provided to senior management in December 2015. 	December 2015	No
324 (no issue reference)	Electricity Industry Metering Code clause 3.3B	A2	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.	The meter was exchanged and the SOP updated to ensure all rejected service notifications are actioned appropriately.	July 2015	No
C. Unresolved during current audit period						
Not applicable						

Appendix A - Audit plan

Electricity Generation and Retail Corporation trading as Synergy

Electricity Retail Licence (ERL1)

2017 Performance Audit

Audit Plan

August 2017

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1 Introduction

Overview

The Economic Regulation Authority (**ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Electricity Generation and Retail Corporation trading as Synergy (**Synergy**) the Electricity Retail Licence No. 1 (the **Licence**).

Section 13 of the Act requires Synergy to provide to the ERA a performance audit (the **audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24-month period unless otherwise approved by the ERA. With the ERA's approval, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has been appointed to conduct the audit for the period 1 July 2015 to 30 June 2017 (the **audit period**).

Synergy has been granted a licence to sell electricity to customers throughout the South West Interconnected System (**SWIS**) network. Synergy is the largest licensed retailer in the SWIS network.

The audit will be conducted in accordance with the ERA's April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (**the Plan**) that is to be agreed upon by Deloitte and Synergy and presented to the ERA for approval.

Objective

The performance audit is defined as an examination of the measures taken by Synergy to meet the performance criteria specified in its Licence.

The audit is designed to provide reasonable assurance regarding the assessment of appropriateness, effectiveness and efficiency associated with Synergy's compliance with its Licence. The audit will specifically consider the following:

- *Process compliance* - the effectiveness of systems and procedures in place throughout the audit period, including assessing 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 and procedures 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 performance* - the completeness and accuracy of the performance and compliance reporting to the ERA
- *Compliance with any individual licence conditions* - the requirements imposed on Synergy by the ERA or specific issues for follow-up that are advised by the ERA.

Scope

The ERA provides guidance on those aspects of the Licence and Synergy's performance criteria, which it expects to be reported upon and included in the scope of the performance audit in its Electricity Compliance Reporting Manual (**Reporting Manual**).

The audit approach applies the singular audit priority assessment approach to identify all applicable licence obligations. Each of the compliance requirements identified in the Reporting Manual have been evaluated for applicability to Synergy's operations and used as the basis for determining the performance criteria to be considered for the audit.

The audit period is from 1 July 2015 to 30 June 2017. During the audit period, the Reporting Manual has undergone two revisions. The three versions of the Reporting Manual are dated:

- September 2014
- July 2016
- October 2016.

As the revisions made in each of the July 2016 and October 2016 versions of the Reporting Manual are either not relevant to Synergy's electricity retail operations or do not substantially alter Synergy's licence obligations, this audit will use the October 2016 version of the Reporting Manual as the primary audit reference, particularly for the obligation numbering.

Table 1 below outlines the compliance requirements that apply to Synergy's electricity retail operations during the period subject to audit. Where necessary, further explanation is provided to describe the obligation application. The assessment is made against the current (October 2016) Reporting Manual.

Table 1 – Application of legislative elements to Synergy's electricity retail operations

Legislative element	Application to Synergy's electricity retail operations
Electricity Industry Act	Nine of the 13 Electricity Industry Act obligations ³ are applicable to Synergy's electricity retail operations.
Electricity Industry Customer Transfer Code	33 of the 67 Electricity Industry Customer Transfer Code obligations are applicable to Synergy's electricity retail operations.
Electricity Industry (Customer Contracts) Regulations	22 of the 23 Electricity Industry (Customer Contracts) Regulations obligations are applicable to Synergy's electricity retail operations.
Electricity Licences – Licence Conditions	12 Electricity Licence obligations are applicable to Synergy's electricity retail operations.
Code of Conduct for the Supply of Electricity to Small Use Customers (Code of Conduct)	166 of the 187 of Code of Conduct obligations are applicable to Synergy's electricity retail operations.
Electricity Industry Metering Code	29 of the 149 Metering Code obligations are applicable to Synergy's electricity retail operations.
Licensee specific obligations (under various instruments)	Five obligations have been specifically included in Synergy's Licence.

Responsibility

Synergy's responsibility for compliance with the conditions of the Licence

Synergy is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA
- Implementing corrective actions for instances of non-compliance.

Deloitte's responsibility

Our responsibility is to express a conclusion on Synergy's compliance with the conditions of the Licence based on our procedures. We will conduct our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements*⁴ issued by the Australian Auditing and Assurance Standards Board, to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with. Our engagement will provide reasonable assurance as defined in ASAE 3100.

³ Note that obligation 78 relates specifically to section 51 of the Electricity Industry Act, however as it relates to customer contracts, it is listed under the Electricity Industry (Customer Contracts) Regulations section of the Reporting Manual. The respective number counts in this table reflect the content of the Reporting Manual

⁴ ASAE 3100 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Limitations of use

Our report will be produced solely for the information and internal use of Synergy, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner or for any purpose, on this report.

We understand that a copy of our report will be provided to the ERA for the purpose of meeting Synergy's reporting requirements of section 13 of the Act. We agree that a copy of our report may be provided to the ERA for its information in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, responsibility or liability to any party, other than Synergy, in connection with the report or this engagement.

Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

Independence

In conducting our engagement, we will comply with the independence requirements of the Australian professional accounting bodies.

2 Approach

The audit will be conducted in three distinct phases, being a risk assessment, system analysis/walkthrough and testing and review. From the audit results, a report will be produced to outline findings, overall compliance assessments and recommendations for improvement in line with the Audit Guidelines. Each step of the audit is discussed in detail below.

Risk assessment

The audit will focus on identifying or assessing those activities and management control systems to be examined and the matters subject to audit. Therefore, the purpose of conducting the risk assessment as a preliminary phase enables the auditor to focus on pertinent/high risk areas of Synergy's licence obligations. The preliminary risk assessment gives specific consideration to the changes to Synergy's systems and processes and any matters of significance raised by the ERA and/or Synergy. The levels of risk and materiality of the process determine the level of audit required i.e. the greater the materiality and the higher the risk, the more audit effort to be applied.

The first step of the risk assessment is the rating of the potential consequences of Synergy not complying with its licence obligations, in the absence of mitigating controls.

As the Reporting Manual is prescriptive in its criteria for classifying the consequences of non-compliance (refer to **Appendix 1-1**) the risk assessment applies the Reporting Manual's classifications for each obligation subject to audit.

Reference is also made to the consequence rating descriptions listed at Table 15 of the Audit Guidelines (refer to **Appendix 1-2**), providing the risk assessment with context to ensure the appropriate consequence rating is applied to each obligation subject to audit.

Once the consequence has been determined, the likelihood of Synergy not complying with its obligations is assessed using the likelihood rating listed at Table 16 of the Audit Guidelines (refer to **Appendix 1-3**). The assessment of likelihood is based on the expected frequency of Synergy's non-compliance with the relevant licence obligation over a period of time.

Table 2 below (sourced from Table 17 of the Audit Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual obligation.

Table 2: Inherent risk rating

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings listed at Table 19 of the Audit Guidelines (refer to **Appendix 1-4**). Once inherent risks and control risks are established, the audit priority can then be determined using the matrix listed at Table 20 of the Audit Guidelines (refer to **Table 3** below). Essentially, the higher the level of risk the more substantive testing is required.

Table 3: Assessment of Audit Priority

	Adequacy of existing controls		
Inherent Risk	Weak	Moderate	Strong
High	Audit priority 1	Audit priority 2	
Medium	Audit priority 3	Audit priority 4	
Low	Audit priority 5		

The following table outlines the audit requirement for each level of audit priority. Testing can range from extensive substantive testing around the controls and activities of particular processes to confirming the existence of controls through discussions with relevant staff.

Table 4: Audit Priority Table

Priority rating	Audit requirement
Audit Priority 1	<ul style="list-style-type: none"> Controls testing and extensive substantive testing of activities and/or transactions Follow-up and if necessary, re-test matters previously reported.
Audit Priority 2	<ul style="list-style-type: none"> Controls testing and moderate substantive testing of activities and/or transactions Follow-up and if necessary, re-test matters previously reported.
Audit Priority 3	<ul style="list-style-type: none"> Limited controls testing (moderate sample size). Only substantively test transactions if further control weakness found Follow-up of matters previously reported.
Audit Priority 4	<ul style="list-style-type: none"> Confirmation of existing controls via observation and walk through testing Follow-up of matters previously reported.
Audit Priority 5	<ul style="list-style-type: none"> Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references ("desktop review").

The risk assessment has been discussed with stakeholders to gain their input as to the appropriateness and factual accuracy of risk and control ratings and associated explanations. The key sources considered in reaching our preliminary assessment of the risk and control ratings were based on:

- Prior assessments of the state of controls during the 2015 ERL Performance audit
- Consideration of annual compliance reports
- Our understanding of Synergy's regulatory environment
- Any other factors that may have an effect on the level of risk or strength of controls.

At this stage, the risk assessment can only be a preliminary assessment based on reading of initial documentation obtained and preliminary interviews conducted by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. Accordingly, the risk assessment for the performance audit is a preliminary draft, not a final report, and no reliance should be placed on its findings. It is however an invaluable tool for focussing the audit effort. The performance audit risk assessment is attached at **Appendix 2**.

System analysis/walkthrough

The systems analysis required will be determined utilising the audit priority scale outlined above. The testing component will take place through key operational and administrative staff interviews to outline processes that demonstrate compliance with Licence requirements.

The following will be considered in the analysis/walkthrough of Synergy's systems and processes:

- The control environment: Synergy's management philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of key staff members
- Information systems: the appropriateness of Synergy's information systems (in particular, those relating to customer transactions, metering services and resource planning) to record the information needed to comply with the Licence, the accuracy of data, the security of data and documentation describing the information system
- Control procedures: the presence of systems and procedures to ensure compliance with the licence, effectiveness of Synergy's internal control structure to detect, report and correct non-compliance. Specific consideration will be given to and significant changes in relevant systems and procedures implemented during the audit period
- Compliance attitude: action taken by Synergy in response to previous audit recommendations. Consideration will be given to the timing of action taken during the period subject to audit and whether the action has a permanent impact on Synergy's level of compliance

- **Outcome compliance:** actual performance against standards prescribed in the Licence throughout the audit period.

Where required, an observation of processes, procedures and operations and review of key documents will occur to assist in the determination of Synergy's compliance with Licence obligations. Key documents, which may be subject to audit, are not specifically disclosed in this plan. A list of documents examined will be included in the audit report.

Testing/review

Using the results of the risk assessment and systems analysis, detailed testing and analysis will be performed to compare standards maintained by Synergy with its Licence obligations under relevant codes and regulations.

Control testing is performed for those licence obligations with an audit priority 3 and above (refer to table 4), and where there is relevant activity. This method of testing will involve:

- Understanding the population of transactions
- Selecting a sample of transactions to examine compliance with relevant sections of applicable Codes/Regulations
- Comparing the sample selected to expected requirements as mandated by relevant sections of applicable Codes/Regulations.

A full work program will be completed to record the specific aspects of our testing and analyses for each licence obligation. This work program will be based on:

- The audit priority determined by the risk assessment to be applicable each licence obligation
- The results of the systems analysis performed, as described above
- Deloitte's pre-determined sampling methodology, which takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
- The location of personnel and transactions to be tested.

All audit fieldwork is expected to be performed at each of Synergy's and Deloitte's Perth CBD offices, plus Synergy's contracted call centre operations in Joondalup (Stellar).

Reporting

In accordance with the Audit Guidelines, all aspects of compliance with the Licence will be assessed according to the rating scale based on the work performed. Refer to **Table 5** below for the compliance levels that will be used for the performance audit.

Table 5: Operational/performance compliance rating scale

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties

The performance audit report will also be structured to address all key components expected by the Audit Guidelines, including:

- An executive summary containing all elements listed in section 11 of the Audit Guidelines
- Response to previous audit recommendations (refer to **Appendix 3**)
- Performance/compliance summary and rating for each licence condition – in tabular form
- Audit observations
- Where appropriate, recommendations on actions required to address areas of non-compliance or process deficiencies.

A post audit implementation plan will be incorporated into the report.

3 General information

All aspects of the audit will undergo quality assurance and review procedures as outlined in our previous communications. Before delivery of a final report, full quality procedures will be applied, including second partner review.

Key Synergy contacts

The key contacts for this audit are:

- Simon Thackray Manager – Regulation and Compliance
- Karthi Mahalingham Manager Networks Regulation and Compliance
- Danielle Maranus Manager – Customer Excellence Support
- Suzanne Lloyd Regulatory & Compliance Officer
- Aroha Rongo Compliance Officer
- Colin Smith Manager - Retail Sales
- Gordon Mason Manager - Sales Operations
- Shannon Mizen Manager - Business Sales
- John Coulter Manager - Customer Service
- Christian Merry Customer Processing Partner Lead
- Dani McCorry Manager - Revenue and Credit
- Craig Butler Manager - Credit Strategy
- Carmen Williams Credit Team Leader
- Nathan McMahon Revenue Assurance Team Leader
- Elizabeth Edgar Customer Service Partner Lead
- Kelley Yeats A/Manager Marketing
- A number of ICT staff and key Stellar staff located in Joondalup will also participate in the audit.

Deloitte staff

Deloitte staff who will be involved with this assignment are:

- Richard Thomas Partner
- Andrew Baldwin Specialist Leader, Regulatory Compliance
- Manuela Cervellera Senior Analyst
- David Herbert Senior Analyst
- Esther Ong Analyst
- Kobus Beukes QA Partner.

Resumes for key Deloitte staff are outlined in the proposal accepted by Synergy and subsequently presented to the ERA.

Timing

The initial risk assessment phase was completed on 31 July 2017 after which the audit plan and detailed risk assessment were presented to the ERA for review and comment. The remainder of the fieldwork phase is scheduled to be performed during August and early September 2017. Deloitte's time and staff commitment to the completion of the audit is outlined in the proposal accepted by Synergy and subsequently presented to the ERA. In summary, the estimated time allocated to each activity is as follows:

- Planning (including risk assessment): 25 hours
- Fieldwork (including system analysis/walkthrough and testing/review): 357 hours
- Reporting: 113 hours.

Appendix 1 – Risk assessment key

1-1 Criteria for classification

Source: *Electricity Compliance Reporting Manual October 2016*

Rating (type)	Classification of Non-Compliance	Criteria for classification
1	Major	Classified on the basis that: <ul style="list-style-type: none"> the consequences of non-compliance would cause major damage, loss or disruption to customers; or the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person.
2	Moderate	Classified on the basis that: <ul style="list-style-type: none"> the consequences of non-compliance impact the efficiency and effectiveness of the licensee's operations or service provision but do not cause major damage, loss or disruption to customers; or the regulatory obligation is not otherwise classified as a Type 1 or a Type NR non-compliance.
NR	Minor	Classified on the basis that: <ul style="list-style-type: none"> the consequences of non-compliance are relatively minor – i.e. non-compliance will have minimal impact on the licensee's operations or service provision and do not cause damage, loss or disruption to customers; or compliance with the obligation is immeasurable; or the non-compliance is required to be reported to the Regulator under another instrument, guideline or code; the non-compliance is identified by a party other than the licensee; or the licensee only needs to use its reasonable endeavours or best endeavours to achieve compliance or where the obligation does not otherwise impose a firm obligation on the licensee.

1-2 Consequence ratings

Source: Audit Guidelines: Electricity and Gas Licences April 2014

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

1-3 Likelihood ratings

Source: Audit Guidelines: Electricity and Gas Licences 2014

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

1-4 Adequacy ratings for existing controls

Source: Audit Guidelines: Electricity and Gas Licences 2014

Rating	Description
Strong	Strong controls that are sufficient for the identified risks
Moderate	Moderate controls that cover significant risks; improvement possible
Weak	Controls are weak or non-existent and have minimal impact on the risks

Appendix 2 – Risk assessment

Obligation numbers and references listed below are sourced from the October 2016 Reporting Manual.

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
8 Type 1 Reporting Obligations for all Licence Types							
234	Code of Conduct clause 7.6	Subject to subclause 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.	Major	Unlikely	High	Moderate	Priority 2
235	Code of Conduct clause 7.7(1)	If 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 subclause 7.7(1).	Major	Unlikely	High	Moderate	Priority 2
236	Code of Conduct clause 7.7(2)	A retailer must undertake the actions specified in subclauses 7.7(2)(e)-(g), if a customer registered with a retailer under subclause 7.7(1) notifies the retailer: - that the person requiring life support equipment is changing supply address; - that the customer, but not the person requiring life support equipment, is changing supply address; - of the change in contact details; or - that the address no longer requires registration as life support equipment address.	Major	Unlikely	High	Moderate	Priority 2
257	Code of Conduct clause 9.5(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service at their supply address. Further, 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.	Major	Unlikely	High	Moderate	Priority 2
9 Electricity Industry Customer Transfer Code - Licence Conditions and Obligations							
6	Clause 3.2(2)	A Retailer must submit a separate data request for each connection point unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
7	Clause 3.4(1)	A retailer 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, unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
8	Clause 3.5(3)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
9	Clause 3.6(2)	A Retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn.	Moderate	Unlikely	Medium	Moderate	Priority 4
16	Clause 3.9(1)	A Retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the Retailer; or to initiate a transfer of that contestable customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
17	Clause 3.9(2)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
18	Clause 3.9(3)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
19	Clause 3.9(4)	A Retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	Moderate	Unlikely	Medium	Moderate	Priority 4
23	Clause 4.2(2)	A Retailer must submit a separate customer transfer request for each connection point unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
24	Clause 4.3	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
25	Clause 4.4(1)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
26	Clause 4.4(2)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
27	Clause 4.5(1)	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, unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
28	Clause 4.6(3)	A Retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	Moderate	Unlikely	Medium	Moderate	Priority 4
29	Clause 4.7	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
30	Clause 4.8(2)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
34	Clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	Moderate	Unlikely	Medium	Moderate	Priority 4
39	Clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	Moderate	Unlikely	Medium	Moderate	Priority 4
40	Clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
43	Clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected Retailers (and if applicable AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.	Minor	Unlikely	Low	Moderate	Priority 5
44	Clause 4.16	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	Moderate	Unlikely	Medium	Moderate	Priority 4
45	Clause 4.17	A previous Retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	Moderate	Unlikely	Medium	Moderate	Priority 4
48	Clause 5.2	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	Moderate	Unlikely	Medium	Moderate	Priority 4
48A	Clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	Moderate	Unlikely	Medium	Moderate	Priority 4
49	Clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	Moderate	Unlikely	Medium	Moderate	Priority 4
52	Clause 6.4(1)	A Retailer must notify its contact details to a network operator within three business days of a request.	Moderate	Unlikely	Medium	Moderate	Priority 4
53	Clause 6.4(2)	A Retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
54	Clause 6.6	A network operator or a Retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	Moderate	Probable	Medium	Moderate	Priority 4
55	Clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, the disputing parties must meet within five business days of a request by one of those parties and attempt to resolve the dispute through negotiations that are conducted in good faith.	Minor	Unlikely	Low	Moderate	Priority 5
56	Clause 7.1(2)	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 through negotiations that are conducted in good faith.	Minor	Unlikely	Low	Moderate	Priority 5
57	Clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Moderate	Unlikely	Medium	Moderate	Priority 4
58	Clause 7.2(4)	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	Minor	Unlikely	Low	Moderate	Priority 5
59	Clause 7.3(2)	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.	Minor	Unlikely	Low	Moderate	Priority 5
11 Electricity Industry (Customer Contract) Regulations - Licence Conditions and Obligations							
78	Electricity Industry Act section 51	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
79	Regulation 5	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	Moderate	Unlikely	Medium	Moderate	Priority 4
80	Regulation 6	A non-standard contract must specify when it comes into effect and the period for which it has effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
81	Regulation 7	A non-standard contract must specify certain information about the Retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
82	Regulation 8	A non-standard contract must give an exact description of the goods and services that the Retailer will provide under the contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
83	Regulation 9	A non-standard contract must require the customer to pay for electricity supplied under the contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
84	Regulation 10	A non-standard contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so.	Moderate	Unlikely	Medium	Moderate	Priority 4
85	Regulation 11	A non-standard contract must describe the circumstances under which a Retailer has the right to disconnect supply and is required to reconnect supply.	Moderate	Unlikely	Medium	Moderate	Priority 4
86	Regulation 12	A non-standard contract must require the Retailer to deal with security deposits and the payment of interest in the manner that is specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
87	Regulation 13	A non-standard contract must describe the Retailer's obligations in relation to the provision of prices and tariff information.	Moderate	Unlikely	Medium	Moderate	Priority 4
88	Regulation 14	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
89	Regulation 15	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation.	Moderate	Unlikely	Medium	Moderate	Priority 4
90	Regulations 16 and 34	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 amending 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
91	Regulation 17	A non-standard contract must specify the assignment of rights and obligations including assignment without the customer's consent.	Moderate	Unlikely	Medium	Moderate	Priority 4
92	Regulation 18	A non-standard contract must describe the procedures that must be followed by the Retailer in responding to a complaint made by a customer.	Minor	Unlikely	Low	Moderate	Priority 5
93	Regulation 19	A non-standard contract must specify the process that must be taken by the Retailer to ensure information held by the Retailer is treated confidentially.	Minor	Unlikely	Low	Moderate	Priority 5
94	Regulation 20	A non-standard contract must specify the governing legislation, 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
95	Regulation 21	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
96	Regulation 32	A non-standard contract must include details about the cooling off period specified in the regulation.	Moderate	Unlikely	Medium	Moderate	Priority 4
97	Regulation 33(2)	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days' notice.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
98	Regulation 33(3) and (4)	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.	Moderate	Unlikely	Medium	Moderate	Priority 4
100	Regulation 38	If a 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 notify the customer within 5 days after becoming aware of it and provide specified information.	Moderate	Probable	Medium	Moderate	Priority 4
12 Electricity Industry Act - Licence Conditions and Obligations							
101	Section 13(1)	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.	Minor	Unlikely	Low	Strong	Priority 5
105	Section 17(1); ERA (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the <i>Economic Regulation Authority (Licencing Funding) Regulations 2014</i> .	Moderate	Probable	Medium	Strong	Priority 4
106	Section 31(3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	Minor	Unlikely	Low	Moderate	Priority 5
107	Section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	Moderate	Unlikely	Medium	Moderate	Priority 4
108	Section 54(1)	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 that complies with the Act.	Moderate	Unlikely	Medium	Moderate	Priority 4
109	Section 54(2)	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
110	Section 76	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	Moderate	Unlikely	Medium	Moderate	Priority 4
111	Section 101	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
113	Section 115(2)	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 that hinders or prohibits access.	Moderate	Unlikely	Medium	Moderate	Priority 4
13. Electricity Licences - Licence Conditions and Obligations							
114	Licence condition 23.1	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	Moderate	Unlikely	Medium	Moderate	Priority 4
115	Licence condition 23.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe.	Moderate	Probable	Medium	Moderate	Priority 4
116	Licence condition 24.2	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified.	Minor	Unlikely	Low	Moderate	Priority 5
117	Licence condition 24.3	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
118	Licence condition 25.1	A licensee can only amend the standard form contract with the ERA's approval.	Moderate	Unlikely	Medium	Moderate	Priority 4
119	Licence condition 12.1	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
120	Licence condition 13.4	A licensee must comply with any individual performance standards prescribed by the ERA.	Moderate	Unlikely	Medium	Moderate	Priority 4
121	Licence condition 14.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	Moderate	Unlikely	Medium	Moderate	Priority 4
123	Licence condition 15.1	The licensee must report to the ERA: (a) if the licensee is under external administration, as defined by the Corporations Act 2001 (Cwlth), within 2 business days of such external administration occurring; or (b) if the licensee: (i) experiences a change in the licensee's corporate, financial or technical circumstances upon which this licence was granted; and (ii) the change may materially affect the licensee's ability to perform its obligations under this licence, within 10 business days of the change occurring; or (c) if the: (i) licensee's name; (ii) licensee's ABN; or (iii) licensee's address, change, within 10 business days of the change occurring.	Moderate	Unlikely	Medium	Moderate	Priority 4
124	Licence condition 16.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	Moderate	Unlikely	Medium	Moderate	Priority 4
125	Licence condition 17.1 and 17.2	A licensee must publish any information as directed by the ERA to publish within the timeframes specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
126	Licence condition 18.1	All notices must be in writing unless otherwise specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
13 Code of Conduct - Licence Conditions and Obligations							
Part 2 Marketing							
129	Clause 2.1	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	Moderate	Unlikely	Medium	Moderate	Priority 4
130	Clause 2.2(1)	A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1).	Moderate	Likely	High	Moderate	Priority 2
131	Clause 2.2(2)	Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill.	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
132	Clause 2.3(1)	A retailer or electricity marketing agent must ensure that non-standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.3(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
133	Clause 2.3(2)	A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
134	Clause 2.3(4)	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 subclause 2.3(4) is provided to the customer before arranging a non-standard contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
135	Clause 2.3(5)	Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.	Moderate	Likely	High	Moderate	Priority 2
136	Clause 2.4(1)	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.	Moderate	Probable	Medium	Moderate	Priority 4
137	Clause 2.4(2)	A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.	Moderate	Probable	Medium	Moderate	Priority 4
138	Clause 2.5(1)	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.5(1).	Moderate	Probable	Medium	Moderate	Priority 4
139	Clause 2.5(2)	A retailer or electricity marketing agent who meets with a customer face to face must: - wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and - provide the written information specified in subclause 2.5(2)(b) as soon as practicable following a request by the customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
140	Clause 2.6	A retailer or electricity marketing agent who visits a person's premises for the purposes of marketing must comply with any clearly visible signs indicating that canvassing is not permitted at the premises, or no advertising is to be left at the premises.	Moderate	Unlikely	Medium	Moderate	Priority 4
141	Clause 2.9	An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information.	Moderate	Unlikely	Medium	Moderate	Priority 4
142	Clause 2.10	An electricity marketing agent must keep a record, or other information, required under the Code for at least 2 years after the last time that a customer or person 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 agent, whichever is later.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
Part 3 Connection							
143	Clause 3.1(1)	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.	Moderate	Probable	Medium	Moderate	Priority 4
144	Clause 3.1(2)	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.	Moderate	Likely	High	Moderate	Priority 2
Part 4 Billing							
145	Clause 4.1	A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.	Moderate	Likely	High	Moderate	Priority 2
146	Clause 4.2(1)	For the purposes of subclause 4.1(a)(ii), a retailer has given a customer notice, if, prior to placing a customer on a shortened billing cycle, the retailer advises the customer of the information specified in subclause 4.2(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
147	Clause 4.2(2)	If a residential customer informs a retailer that the customer is experiencing payment difficulties or financial hardship and the customer is assessed as experiencing payment difficulties or financial hardship, the retailer must not place that customer on a shortened billing cycle without that customer's verifiable consent.	Moderate	Unlikely	Medium	Moderate	Priority 4
148	Clause 4.2(3)	A retailer must give a customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	Moderate	Unlikely	Medium	Moderate	Priority 4
149	Clause 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
150	Clause 4.2(5)	On request, a retailer must return a customer who is subject to a shortened billing cycle to the billing cycle that previously applied if the customer has paid 3 consecutive bills by the due date.	Moderate	Unlikely	Medium	Moderate	Priority 4
151	Clause 4.2(6)	A retailer must inform a customer, who is subject to a shortened billing cycle, at least every 3 months about the conditions upon which the customer can be returned to the previous billing cycle.	Moderate	Unlikely	Medium	Moderate	Priority 4
152	Clause 4.3(1)	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with a bill which reflects a bill-smoothing arrangement.	Moderate	Unlikely	Medium	Moderate	Priority 4
153	Clause 4.3(2)	If a retailer provides a customer with a bill under a bill smoothing arrangement, the retailer must ensure that the conditions specified in subclause 4.3(2) are met.	Moderate	Unlikely	Medium	Moderate	Priority 4
154	Clause 4.4	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.	Moderate	Likely	High	Moderate	Priority 2
155	Clause 4.5(1)	A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.	Moderate	Likely	High	Moderate	Priority 2
156	Clause 4.5(3)	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.	Moderate	Likely	High	Moderate	Priority 2

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
157	Clause 4.6(1)	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 subclause 4.6(1)(b); or - if the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code, or as set out in any applicable law.	Moderate	Likely	High	Moderate	Priority 2
158	Clause 4.7	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.	Minor	Probable	Low	Moderate	Priority 5
159	Clause 4.8(1)	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.	Moderate	Probable	Medium	Moderate	Priority 4
160	Clause 4.8(2)	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under subclause 4.8(2).	Moderate	Likely	High	Moderate	Priority 2
161	Clause 4.8(3)	On request, a retailer must inform a customer of the basis and the reason for the estimation.	Moderate	Probable	Medium	Moderate	Priority 4
162	Clause 4.9	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.	Moderate	Probable	Medium	Moderate	Priority 4
163	Clause 4.10	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 subclause 4.10	Minor	Probable	Low	Moderate	Priority 5
164	Clause 4.11(1)	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.	Moderate	Probable	Medium	Moderate	Priority 4
165	Clause 4.11(2)	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.	Moderate	Probable	Medium	Moderate	Priority 4
166	Clause 4.12(1)	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.	Moderate	Likely	High	Moderate	Priority 2
167	Clause 4.13	If a customer's electricity use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	Moderate	Likely	High	Moderate	Priority 2
168	Clause 4.14(1)	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.	Minor	Probable	Low	Moderate	Priority 5
169	Clause 4.14(2)	Subject to subclause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.	Moderate	Probable	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
170	Clause 4.14(3)	If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset 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 subclause 4.14(2).	Moderate	Probable	Medium	Moderate	Priority 4
171	Clause 4.15	A retailer must review a customer's bill on request by the customer, subject to the customer paying that portion of the bill under review that the 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.	Moderate	Probable	Medium	Moderate	Priority 4
172	Clause 4.16(1)(a)	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 retailers internal complaints handling processes and details of any applicable external complaints handling processes.	Moderate	Likely	High	Moderate	Priority 2
173	Clause 4.16(1)(b)	If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	Moderate	Probable	Medium	Moderate	Priority 4
174	Clause 4.16(2)	A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	Moderate	Probable	Medium	Moderate	Priority 4
175	Clause 4.16(3)	If a 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.	Moderate	Probable	Medium	Moderate	Priority 4
176	Clause 4.17(2)	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 subclause 4.17(2).	Moderate	Probable	Medium	Moderate	Priority 4
176 A	Clause 4.17(3)	A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met.	Minor	Unlikely	Low	Moderate	Priority 5
177	Clause 4.18(2)	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. Subject to subclauses 4.18(6) and 4.18(7), the retailer must ask the customer for instructions if the amount should be credited to the customer's account or repaid to the customer directly.	Minor	Probable	Low	Moderate	Priority 5
178	Clause 4.18(3)	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	Moderate	Probable	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
179	Clause 4.18(4)	If 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 a customer's account.	Minor	Unlikely	Low	Moderate	Priority 5
180	Clause 4.18(6)	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6).	Minor	Unlikely	Low	Moderate	Priority 5
181	Clause 4.18(7)	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 \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.08(6). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.18(2).	Minor	Probable	Low	Moderate	Priority 5
182	Clause 4.19(1)	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with subclause 4.19(1).	Moderate	Probable	Medium	Moderate	Priority 4
183	Clause 4.19(2)	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 within 10 business days and, subject to subclauses 4.19(5) and 4.19(7), ask the customer for instructions about the repayment of the amount owing.	Minor	Unlikely	Low	Moderate	Priority 5
184	Clause 4.19(3)	If a retailer receives instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	Moderate	Probable	Medium	Moderate	Priority 4
185	Clause 4.19(4)	If a retailer does not receive instructions under subclause 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.	Minor	Unlikely	Low	Moderate	Priority 5
186	Clause 4.19(7)	The retailer may, by giving the customer written notice, use and 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 \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.19(5). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.19(2).	Minor	Unlikely	Low	Moderate	Priority 5
Part 5 Payment							
187	Clause 5.1	The due date on the bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
188	Clause 5.2	Unless otherwise agreed with the customer, a retailer must offer the customer at least the following 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 or debit card.	Moderate	Unlikely	Medium	Moderate	Priority 4
189	Clause 5.3	Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.	Moderate	Likely	High	Moderate	Priority 2
190	Clause 5.4	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 \$20.00.	Moderate	Probable	Medium	Moderate	Priority 4
191	Clause 5.5	If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
192	Clause 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
193	Clause 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in subclause 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
194	Clause 5.6(3)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
195	Clause 5.6(4)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
196	Clause 5.6(5)	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.	Moderate	Likely	High	Moderate	Priority 2
197	Clause 5.7(1)	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 subclause 5.7(1).	Moderate	Likely	High	Moderate	Priority 2
198	Clause 5.7(2)	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 the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
199	Clause 5.7(4)	Notwithstanding subclauses 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 subclause 5.7(4).	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
200	Clause 5.8(1)	A retailer must not commence proceedings to recover of a debt from a residential customer who meets the criteria in subclause 5.8(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
201	Clause 5.8(2)	A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.	Moderate	Likely	High	Moderate	Priority 2
201 A	Clause 5.9	A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer.	Minor	Unlikely	Low	Moderate	Priority 5
Part 6 Payment Difficulties and Financial Hardship							
202	Clause 6.1(1)	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.	Moderate	Likely	High	Moderate	Priority 2
203	Clause 6.1(3)	When undertaking an assessment under subclause 6.1(1)(a), a retailer must give reasonable consideration to the information prescribed in subclause 6.1(3)(a), or advice prescribed in 6.1(3)(b), unless a retailer adopts an assessment from a relevant consumer representative.	Minor	Unlikely	Low	Moderate	Priority 5
204	Clause 6.1(4)	Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under subclause 6.1(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
205	Clause 6.2(1)	If a residential customer is referred to a relevant consumer representative under subclause 6.1(1)(b), a retailer must grant a temporary suspension of actions for that customer.	Moderate	Likely	High	Moderate	Priority 2
206	Clause 6.2(2)	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.	Moderate	Likely	High	Moderate	Priority 2
207	Clause 6.2(3)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	Moderate	Likely	High	Moderate	Priority 2
208	Clause 6.2(4)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.	Minor	Unlikely	Low	Moderate	Priority 5
209	Clause 6.3(1)(a)	If residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1) and advise the residential customer that additional assistance may be available if the prescribed circumstances apply.	Moderate	Unlikely	Medium	Moderate	Priority 4
210	Clause 6.3(1)(b)	If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.	Moderate	Likely	High	Moderate	Priority 2

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
211	Clause 6.4(1)(a)	If a 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.	Moderate	Probable	Medium	Moderate	Priority 4
212	Clause 6.4(1)(b)	If a 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 - 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
213	Clause 6.4(2)	When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
214	Clause 6.4(3)	If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within 5 business days, and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.	Moderate	Likely	High	Moderate	Priority 2
215	Clause 6.6(1)	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative, for a reduction of the customer's fees, charges or debt.	Minor	Unlikely	Low	Moderate	Priority 5
216	Clause 6.6(2)	In giving reasonable consideration under subclause 6.6(1), a retailer should refer to the hardship procedures referred to in subclause 6.10(3).	Moderate	Unlikely	Medium	Moderate	Priority 4
217	Clause 6.7	If it is reasonably demonstrated to a retailer that a customer experiencing financial hardship is unable to meet the customer's obligations under a previously elected payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan.	Minor	Unlikely	Low	Moderate	Priority 5
218	Clause 6.8	A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).	Moderate	Probable	Medium	Moderate	Priority 4
219	Clause 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives as referred to in subclause 5.4(3).	Moderate	Unlikely	Medium	Moderate	Priority 4
220	Clause 6.10(1)	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
221	Clause 6.10(2)	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
222	Clause 6.10(3)	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3).	Moderate	Probable	Medium	Moderate	Priority 4
223	Clause 6.10(4)	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's hardship policy, including by post, at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
225	Clause 6.10(6)	If directed by the ERA, a retailer must review its hardship policy and hardship procedures and submit the results of that review to the ERA within 5 business days after it is completed.	Moderate	Unlikely	Medium	Moderate	Priority 4
226	Clause 6.10(7)	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	Moderate	Unlikely	Medium	Moderate	Priority 4
227	Clause 6.10(8)	If a retailer makes material amendment to its hardship policy, the retailer must submit a copy of the retailer's amended hardship policy to the ERA within 5 business days of the amendment.	Moderate	Unlikely	Medium	Moderate	Priority 4
228	Clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 7 Disconnection							
229	Clause 7.1(1)	Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).	Moderate	Likely	High	Moderate	Priority 2
230	Clause 7.2(1)	A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4
231	Clause 7.3	In relation to dual fuel contracts, a retailer must not arrange for disconnection of a residential customer's supply address for failure to pay a bill within 15 business days from the date of disconnection of that customer's gas supply.	Moderate	Unlikely	Medium	Moderate	Priority 4
232	Clause 7.4(1)	Unless the conditions specified in subclause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter.	Moderate	Unlikely	Medium	Moderate	Priority 4
234	Clause 7.6	Subject to subclause 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.	Major	Unlikely	High	Moderate	Priority 2
235	Clause 7.7(1)	If 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 subclause 7.7(1).	Major	Unlikely	High	Moderate	Priority 2

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
236	Clause 7.7(2)	A retailer must undertake the actions specified in subclauses 7.7(2)(e)-(g), if a customer registered with a retailer under subclause 7.7(1) notifies the retailer: - that the person requiring life support equipment is changing supply address; - that the customer, but not the person requiring life support equipment, is changing supply address; - of the change in contact details; or that the address no longer requires registration as life support equipment address.	Major	Unlikely	High	Moderate	Priority 2
240	Clause 7.7(6)	A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).	Moderate	Probable	Medium	Moderate	Priority 4
241	Clause 7.7(7)	A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 8 Reconnection							
242	Clause 8.1(1)	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.	Moderate	Probable	Medium	Moderate	Priority 4
243	Clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).	Moderate	Likely	High	Moderate	Priority 2
Part 9 Prepayment Meters							
245	Clause 9.1(2)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
246	Clause 9.2(1)	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.	Moderate	Unlikely	Medium	Moderate	Priority 4
247	Clause 9.2(2)	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address.	Moderate	Unlikely	Medium	Moderate	Priority 4
249	Clause 9.3(1)	If a residential customer requests information on the use of a pre-payment meter, a retailer must advise the information specified in subclause 9.3(1) at no charge, and in clear, simple and concise language.	Moderate	Probable	Medium	Moderate	Priority 4
250	Clause 9.3(2)	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give or make available to that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
251	Clause 9.3(3)	A retailer must ensure that the following information is shown, on or directly adjacent to, a residential customer's pre-payment meter: the positive or negative financial balance of the pre-payment meter within one dollar (\$1) of the actual balance; whether the pre-payment meter is operating on normal credit or emergency credit; a telephone number for enquiries; and the distributor's 24-hour telephone number for faults and emergencies.	Moderate	Unlikely	Medium	Moderate	Priority 4
252	Clause 9.3(4)	On request and at no charge, a retailer must give a pre-payment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous 2 years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.	Moderate	Unlikely	Medium	Moderate	Priority 4
253	Clause 9.3(5)	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause 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.	Moderate	Probable	Medium	Moderate	Priority 4
254	Clause 9.4(1)	If a pre-payment meter customer notifies a retailer that it wants to replace or switch a pre-payment meter to a standard meter, 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 within 1 business day of the request.	Moderate	Unlikely	Medium	Moderate	Priority 4
255	Clause 9.4(2)	A retailer must not charge for reversion to a standard meter if a 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 later.	Moderate	Unlikely	Medium	Moderate	Priority 4
257	Clause 9.5(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service at their supply address. Further, 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.	Major	Unlikely	High	Moderate	Priority 2
259	Clause 9.6	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.	Moderate	Unlikely	Medium	Moderate	Priority 4
260	Clause 9.7(a), (b) and (d)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
261	Clause 9.8	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the prepayment meter customer receives the benefit of the concession.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
262	Clause 9.9(1)	If requested by a pre-payment meter customer, a retailer must make immediate arrangements to check the metering data; test the pre-payment meter; and/or arrange for a test of the metering installation at the connection point.	Moderate	Unlikely	Medium	Moderate	Priority 4
264	Clause 9.9(4)	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 a customer for testing the prepayment meter.	Moderate	Unlikely	Medium	Moderate	Priority 4
265	Clause 9.10(1)	Subject to a pre-payment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the pre-payment customer can retrieve all remaining credit at the time that customer vacates the supply address.	Moderate	Unlikely	Medium	Moderate	Priority 4
266	Clause 9.10(2)	If a pre-payment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform and reimburse the pre-payment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified.	Minor	Unlikely	Low	Moderate	Priority 5
267	Clause 9.10(3)	If a retailer receives instructions under subclause (2), the retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.	Moderate	Unlikely	Medium	Moderate	Priority 4
268	Clause 9.10(4)	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	Minor	Unlikely	Low	Moderate	Priority 5
269	Clause 9.10(6)	If a retailer proposes to recover an amount undercharged to a pre-payment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in subclause 9.10(6).	Moderate	Unlikely	Medium	Moderate	Priority 4
270	Clause 9.11(1)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.	Moderate	Unlikely	Medium	Moderate	Priority 4
271	Clauses 9.11(2) and (3)	If 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 subclause 9.11(2)(b), the retailer must, subject to subclause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2)(d)-(g).	Minor	Unlikely	Low	Moderate	Priority 5
Part 10 Information and Communication							
272	Clause 10.1(1)	A retailer must give notice of any variations in its tariffs to each of its customers affected by the variation no later than the next bill in the customer's billing cycle.	Moderate	Unlikely	Medium	Moderate	Priority 4
273	Clause 10.1(2)	On request and at no charge, a retailer must provide a customer with reasonable information on its tariffs, including alternative tariffs.	Moderate	Unlikely	Medium	Moderate	Priority 4
274	Clause 10.1(3)	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt and, if requested, provide the information in writing.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
275	Clause 10.2(1)	On request, a retailer must provide a non-contestable customer with their billing data.	Moderate	Unlikely	Medium	Moderate	Priority 4
276	Clause 10.2(2)	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 a retailer, the retailer must provide the data at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
277	Clause 10.2(3)	A retailer must give the requested billing data under subclause 10.2(1) within 10 business days of the receipt of the request, or on payment of the retailer's reasonable charge for providing this data.	Moderate	Unlikely	Medium	Moderate	Priority 4
278	Clause 10.2(4)	A retailer must keep a non-contestable customer's billing data for 7 years.	Moderate	Unlikely	Medium	Moderate	Priority 4
279	Clause 10.3	On 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).	Moderate	Unlikely	Medium	Moderate	Priority 4
280	Clause 10.3A	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
281	Clause 10.4	On request and at no charge, a retailer must give or make available to a customer general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.	Moderate	Unlikely	Medium	Moderate	Priority 4
282	Clause 10.5	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
290	Clause 10.9	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, concise language and in a format that is easy to understand.	Minor	Unlikely	Low	Moderate	Priority 5
291	Clause 10.10(1)	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.	Moderate	Unlikely	Medium	Moderate	Priority 4
292	Clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
294	Clause 10.11(1)	On request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	Moderate	Probable	Medium	Moderate	Priority 4
295	Clause 10.11(2)	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.	Moderate	Unlikely	Medium	Moderate	Priority 4
297	Clause 10.12(2)	On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
Part 12 Complaints and Dispute Resolution							
298	Clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Moderate	Unlikely	Medium	Moderate	Priority 4
299	Clause 12.1(2)	The complaints handling process under subclause 12.1(1) must comply with Australian Standard AS ISO 10002-2006 the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.	Moderate	Probable	Medium	Moderate	Priority 4
300	Clause 12.1(3)	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3). This description is not fully covering the description in gazette. Emailed extra details for assessment.	Moderate	Unlikely	Medium	Moderate	Priority 4
301	Clause 12.1(4)	On 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.	Moderate	Probable	Medium	Moderate	Priority 4
302	Clause 12.2	A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.	Moderate	Likely	High	Moderate	Priority 2
303	Clause 12.3	On request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.	Moderate	Unlikely	Medium	Moderate	Priority 4
304	Clause 12.4	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 appropriate to deal with the complaint (if known).	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 13 Reporting							
305	Clause 13.1	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	Moderate	Probable	Medium	Moderate	Priority 4
306	Clause 13.2	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	Moderate	Probable	Medium	Moderate	Priority 4
307	Clause 13.3	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if: - copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and - a copy is posted on the retailer or distributor's website.	Moderate	Probable	Medium	Moderate	Priority 4
Part 14 Service Standard Payment							
308	Clause 14.1(1)	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8.	Moderate	Probable	Medium	Moderate	Priority 4
310	Clause 14.2(1)	Subject to clause 14.6, a retailer must pay the specified compensation to a customer 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 the customer for failure to pay a bill, or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7.	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
312	Clause 14.3(1)	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4).	Moderate	Probable	Medium	Moderate	Priority 4
315	Clause 14.7(1)	A retailer that 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 subclause 14.7(1).	Moderate	Probable	Medium	Moderate	Priority 4
14. Electricity Industry Metering Code – Licence Conditions and Obligations							
324	Clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
339	Clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	Moderate	Unlikely	Medium	Moderate	Priority 4
354	Clause 3.18(1)	The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
364	Clause 3.27	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.	Moderate	Probable	Medium	Moderate	Priority 4
371	Clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.	Minor	Unlikely	Low	Moderate	Priority 5
372	Clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	Minor	Probable	Low	Moderate	Priority 5
373	Clause 4.5(2)	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
388	Clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
401	Clause 5.16	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
402	Clause 5.17(1)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
405	Clause 5.18	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.	Moderate	Probable	Medium	Moderate	Priority 4
406	Clause 5.19(1)	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.	Minor	Probable	Low	Moderate	Priority 5
407	Clause 5.19(2)	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.	Minor	Probable	Low	Moderate	Priority 5
408	Clause 5.19(3)	Subject to subclauses 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 subclause 5.19(2), notify the network operator of the change.	Moderate	Likely	High	Moderate	Priority 2
410	Clause 5.19(6)	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.	Minor	Unlikely	Low	Moderate	Priority 5
416	Clause 5.21(5)	A Code participant must not request a test or audit under subclause 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
417	Clause 5.21(6)	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.	Moderate	Unlikely	Medium	Moderate	Priority 4
435	Clause 5.27	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
448	Clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	Moderate	Unlikely	Medium	Moderate	Priority 4
451	Clause 7.2(1)	Code 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.	Minor	Unlikely	Low	Moderate	Priority 5
453	Clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	Moderate	Unlikely	Medium	Moderate	Priority 4
454	Clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
455	Clause 7.5	A Code participant must subject to subclauses 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.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
456	Clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	Moderate	Unlikely	Medium	Moderate	Priority 4
457	Clause 8.1(1)	If any dispute arises between any Code participants then (subject to subclause 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.	Minor	Unlikely	Low	Moderate	Priority 5
458	Clause 8.1(2)	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.	Minor	Unlikely	Low	Moderate	Priority 5
459	Clause 8.1(3)	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.	Minor	Unlikely	Low	Moderate	Priority 5
460	Clause 8.1(4)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
461	Clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	Minor	Unlikely	Low	Moderate	Priority 5
16. Electricity Licences - Licence Conditions and Obligations							
486	Regulation 8	The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.	Moderate	Unlikely	Medium	Moderate	Priority 4
487	Regulation 8	The licensee must comply with a direction by the Coordinator to submit an amendment to the renewable source electricity contract by the time specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
488	Regulation 6	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
489	Regulation 7	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
496	Regulation 40	Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.	Moderate	Probable	Medium	Moderate	Priority 4
The following obligations were removed from the July 2016 Reporting Manual and are applicable only for the period 1 July 2015 to 30 June 2016							
224	Code of Conduct, clause 6.10(5)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
248	Code of Conduct, clause 9.2(3)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
293	Code of Conduct, clause 10.10(3)	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.	Moderate	Unlikely	Medium	Moderate	Priority 4
The following obligations were removed from the October 2016 Reporting Manual and are applicable only for the period 1 July 2015 to 30 September 2016							
68	Customer Transfer Code, Annex 6, clause A6.2(a)	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.	Minor	Unlikely	Low	Moderate	Priority 5
69	Customer Transfer Code, Annex 6, clause A6.2(b)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
70	Customer Transfer Code, Annex 6, clause A6.6	The originator of an electronic communication must be identified in the communication.	Minor	Unlikely	Low	Moderate	Priority 5
71	Customer Transfer Code, Annex 6, clause A6.7	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.	Minor	Unlikely	Low	Moderate	Priority 5

Appendix 3 – Previous audit recommendations

3-1 2015 audit recommendations

The information for the below issues has been sourced from the 2015 Post Audit Implementation Plan included in the 2015 Performance Audit Report.

1. Obligation 54/2015 <u>Electricity Industry Customer Transfer Code - clause 6.6</u> <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. 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>	
Recommendation <p>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.</p>	Action Plan <p>The electricity control register referenced an incorrect internal control and referred to the mailbox in error. The internal control will be updated.</p> Responsible Person <p>Market Services Manager, RBU</p> Implementation Date <p>30 November 2015</p>
2. Obligation 58/2015 <u>Electricity Industry Customer Transfer Code - clause 7.2(4)</u> <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. It was noted that during the audit period, there was no dispute which was referred to the Authority.</p>	
Recommendation <p>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.</p>	Action Plan <p>Agreed.</p> Responsible Person <p>Market Services Manager, RBU</p> Implementation Date <p>15 October 2015</p>
3. Obligation 100/2015 <u>Electricity Industry (Customer Contracts) Regulations - regulation 38</u> <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>Recommendation</p> <p>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.</p>	<p>Action Plan</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>Responsible Person</p> <p>Customer Processing Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Customer information project (May 2015) 2. Updated SOP (May 2015) 3. Critical feedback (June 2015) 4. Update to senior management (31 December 2015)
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<p>4. Obligations 130/2015 and 131/2015</p> <p><u>Code of Conduct clause 2.2(1), 2.2(2); Retail Licence condition 23.1</u></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>Recommendation</p> <p>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.</p>	<p>Action Plan</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 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>Responsible Person</p> <p>Customer Service Manager</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Customer information project (May 2015) 2. Updated SOP (May 2015) 3. Critical feedback (June 2015) 4. KPI review (31 December 2015)

<p>5. Obligation 144/2015</p> <p><u>Code of Conduct clause 3.1(2)</u></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</p>

during initial customer set up, selecting the incorrect address which resulted in the request not being issued within the required timeframe.	
<p>Recommendation</p> <p>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.</p>	<p>Action Plan</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. 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>Responsible Person</p> <p>Credit Portfolio Manager, RBU</p> <p>Implementation Date:</p> <ol style="list-style-type: none"> 1. Customer information project (May 2015) 2. Updated SOP (May 2015) 3. Critical feedback (June 2015) 4. Update to senior management (31 December 2015)

6. Obligation 145/2015

Code of Conduct clause 4.1

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 (0.16% 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>Recommendation</p> <p>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</p>	<p>Action Plan</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>Responsible Person</p> <p>Customer Processing Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Assess and review billing process and systems (continuous) 2. Compliance improvement plan (commencing July 2015) 3. Update SOP (January 2015) 4. Update to senior management (31 December 2015)
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7. Obligation 154/2015

Electricity Industry (Customer Contracts) Regulations 2005 regulation 32

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).

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

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>Recommendation</p> <p>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:</p> <ol style="list-style-type: none"> 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. 	<p>Action Plan</p> <p>Management agree with the corrective action recommendations.</p> <p>Responsible Person</p> <p>Manager ICT Retail (item 1) Manager ICT Applications (items 2 and 3)</p> <p>Implementation Date</p> <p>31 December 2015</p>
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8. Obligation 155/2015Code of Conduct clause 4.5(1)

Synergy self-reported breaches in relation to this obligation in 2014-15 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 when different to the account period;
- 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 CSR;
- 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 invoices 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.

Recommendation

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

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.

Action Plan

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.

Responsible Person

Manager ICT Retail and Manager ICT Applications
Customer Processing Manager, RBU

Implementation Date:

1. System issues (31 December 2015)
2. Critical feedback (June 2015)
3. Information on the bill - Compliance improvement plan reporting (Commenced in July 2015 and occurs on a monthly basis)

9. Obligation 157/2015 <u>Code of Conduct clause 4.6(1)</u> <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>	
Recommendation <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"> Investigating the feasibility of email or SMS notifications Review of critical SOPs <p><i>Retail management's actions and planned initiatives are acknowledged and supported.</i></p> <p><i>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.</i></p> <p><i>2. In addition, consideration should be given to reviewing KPIs for relevant staff that perform addressing tasks.</i></p>	Action Plan <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> <p>Responsible Person Customer Processing Manager, RBU</p> <p>Implementation Date:</p> <ol style="list-style-type: none"> The customer information project (May 2015) Updated SOP (May 2015) Critical feedback (June 2015) Reporting (commenced in July 2015, occurs monthly) KPI review (31 December 2015).
10. Obligation 158/2015 <u>Code of Conduct clause 4.7</u> <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>	
Recommendation <p>Update the maximum estimates procedure to align with the current systems and process in place at Synergy.</p> <p>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</p>	Action Plan <p>Management agree with 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</p>

months to allow time to action a meter read before the obligation is breached.	<p>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>Responsible Person Customer Processing Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Updates SOP (31 December 2015) 2. Review of exception report (31 December 2015) 3. Exception report with a reduced time frame (31 December 2015)
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<p>11. Obligation 161/2015 <u>Code of Conduct clause 4.8(3)</u></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 the customer if requested.</p>	
<p>Recommendation</p> <p>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</p>	<p>Action Plan</p> <p>Management agree with 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>Responsible Person Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Request to Western Power (24 September 2015). 2. The issue will be discussed at the next Synergy / Western Power business to business meeting (October 2015)

<p>12. Obligation 166/2015 <u>Code of Conduct clause 4.12(1)</u></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>	
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<p>Recommendation</p> <p>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).</p>	<p>Action Plan</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>Responsible Person</p> <p>Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Updated SOP (September 2015) 2. Critical feedback (June 2015)
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<p>13. Obligation 167/2015</p> <p><u>Code of Conduct clause 4.13</u></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>Recommendation</p> <p>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.</p>	<p>Action Plan</p> <p>Management agree with 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.</p> <p>This update will be completed by 31 December 2015.</p> <p>Responsible Person</p> <p>Customer Service Manager, RB Brand Engagement Manager, RBU</p> <p>Implementation Date</p> <p>This update will be completed by 31 December 2015</p>

<p>14. Obligation 172/2015</p> <p><u>Code of Conduct clause 4.16(1)(a)</u></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>	
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<p>Recommendation</p> <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>	<p>Action Plan</p> <p>Management agree with 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>Responsible Person</p> <p>Customer Processing Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The letter template (30 September 2015). 2. Review of the critical SOPs (30 November 2015). 3. Review and update of the email template (30 September 2015)
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<p>15. Obligation 174 and 175/2015</p> <p><u>Code of Conduct clause 4.16(2) and 4.16(3)</u></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>Recommendation</p> <p>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</p>	<p>Action Plan</p> <p>Management agree with 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.</p> <p>Responsible Person</p> <p>Customer Processing Manager, RBU</p> <p>Implementation Date</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>

<p>16. Obligation 176/2015</p> <p><u>Code of Conduct clause 2.6</u></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. 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>Recommendation</p> <p>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.</p> <p>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.</p>	<p>Action Plan</p> <p>Management agree with 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>Responsible Person</p> <p>Customer Service Manager, RBU Customer Processing Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Updated SOP (June 2015). 2. Critical feedback (30 June 2015). 3. The system change (30 September 2015)

17. Obligation 177 and 181/2015

Code of Conduct clause 4.18(2) and 4.18(7)

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.

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.

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. 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>Recommendation</p> <p>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.</p>	<p>Action Plan</p> <p>Management agree with 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>Responsible Person</p> <p>Customer Processing Manager, RBU</p> <p>Implementation Date:</p> <ol style="list-style-type: none"> 1. The customer information project (May 2015). 2. The feasibility investigation for system prompts (30 January 2016)
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<p>18. Obligation 178/2015</p> <p><u>Code of Conduct clause 4.18(3)</u></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>Recommendation</p> <p>Implement monthly internal spot-checks to ensure refunds are processed within the timeframes as per the obligations.</p>	<p>Action Plan</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 Code of Conduct.</p> <p>Responsible Person</p> <p>Manager Customer Processing, RBU</p> <p>Implementation Date:</p> <p>A monthly internal spot check will be implemented by 30 November 2015</p>

<p>19. Obligation 182/2015</p> <p><u>Code of Conduct clause 4.19(1)</u></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>Recommendation</p> <p>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.</p>	<p>Action Plan</p> <p>Management agree with 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>Responsible Person</p> <p>Customer Processing Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Critical feedback (30 June 2015)

	2. System change (31 December 2015)
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20. Obligation 190/2015Code of Conduct clause 5.4

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.

Recommendation

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.

Action Plan

Management agree with 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.

There is no customer impact associated with this observation.

Responsible Person

Credit Portfolio Manager, RBU

Implementation Date

A communication was sent to Australia Post on 21 September 2015

21. Obligation 197/2015Code of Conduct clause 5.7(1)

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.

Recommendation

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.

Action Plan

Management agree with 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.

Responsible Person

Customer Service Manager, RBU

Implementation Date:

1. Review and update of SOP (February 2015).

	<p>2. The customer information project (May 2015).</p> <p>3. Critical feedback was provided to the officers as soon as the issue was identified.</p> <p>4. Update to senior management (31 December 2015)</p>
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22. Obligation 202/2015

Code of Conduct clause 6.1(1)

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.

Recommendation

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.

Action Plan

Management agree with 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.

	<p>KPIs for staff performing contracting tasks will be reviewed by 31 December 2015.</p> <p>Responsible Person Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Actions a-h (19 December 2014) 2. Critical feedback (June 2015) 3. Compliance improvement plan reporting (commenced in July 2015 and occurs monthly) 4. KPI review (31 December 2015)
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23. Obligation 207/2015

Code of Conduct clause 6.2(3)

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.

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.

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>Recommendation</p> <p>Provide constructive feedback to CSR, reemphasis obligation to the relevant CSRs through coaching and increase QA activities for CSR for a period of time.</p>	<p>Action Plan</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>Responsible Person Customer Service Manager, RBU</p> <p>Implementation Date Critical feedback (September 2015)</p>
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24. Obligation 222/2015

Code of Conduct clause 6.10(3)

Through review of the financial hardship procedures, the following gaps were noted:

- 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).
- Does not provide guidance in regards to all the points specified in subclause 6.10(3)(d).
- 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>Recommendation</p> <p>Review and update the financial hardship procedures to capture further details aligned to the obligations set out in clause 6.10(3) and</p>	<p>Action Plan</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),</p>
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communicate the updated document to the relevant staff members.	<p>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>Responsible Person Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The financial hardship documented procedures (October 2015) 2. Training and guidance (September 2014)
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25. Obligation 229/2015

Code of Conduct clause 7.1(1)

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.

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.

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.

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 been amended to make it more explicit Synergy will send collection notices electronically to the customers nominated email address.

Recommendation

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

Action Plan

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.

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 month (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>Responsible Person Credit Portfolio Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The Collection Strategy project (went live in May 2014) 2. Daily exception reporting (commenced 27 January 2015) 3. Critical feedback (June 2015) 4. The monthly (sample) audit and increased quality assurance monitoring (5 October 2015).
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26. Obligation 230/2015

Code of Conduct clause 7.6

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>Recommendation</p> <p>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.</p>	<p>Action Plan</p> <p>Management agree with 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>Responsible Person Credit Portfolio Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The Collection Strategy project (went live in May 2014) 2. The customer information project (May 2015) 3. Updated SOP (May 2015) 4. Critical feedback (June 2015) 4. Update to senior management (31 December 2015)
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27. Obligation 240/2015

Code of Conduct clause 7.7(6)

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).

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.

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.

Management have advised that SAP attributes have been adjusted	
<p>Recommendation</p> <p>It is acknowledged that the system attribute changes have been completed.</p> <p>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 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).</p>	<p>Action Plan</p> <p>Management agree with corrective action recommendations 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> <p>Responsible Person</p> <p>Customer Service Manager, RBU</p> <p>Implementation Date</p> <p>The system change was implemented in July 2015</p>

<p>28. Obligation 242/2015</p> <p><u>Code of Conduct clause 8.1(1)</u></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>Recommendation</p> <p>Management's actions and planned initiatives are acknowledged and supported.</p>	<p>Action Plan</p> <p>The delivery of 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>Responsible Person</p> <p>Credit Portfolio Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Critical feedback (June 2015) 2. The de-energisation and re-energisation project (September 2015).

<p>29. Obligation 243/2015</p> <p><u>Code of Conduct clause 8.1(2)</u></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 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>	
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<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>Recommendation</p> <p>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.</p>	<p>Action Plan</p> <p>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.</p> <p>Responsible Person Credit Portfolio Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The customer information project (May 2015) 2. Critical feedback (June 2015) 3. The de-energisation and re-energisation project (September 2015) 4. Updated SOP (September 2015)

<p>30. Obligation 249, 253, 255/2015</p> <p><u>Code of Conduct clause 9.3(1), 9.3(5), 9.4(2)</u></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 have 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>Recommendation</p> <p>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</p> <p>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</p>	<p>Action Plan</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>Responsible Person Customer Processing Manager, RBU</p> <p>Implementation Date 16 November 2015</p>

31. Obligation 254/2015Code of Conduct clause 9.4(1)

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. 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.

Recommendation

Update the pre-payment meters – BAU processes document to include the 1 business day timeframe specified within 9.4(1).

Action Plan

Management agree with the corrective action recommendations. The SOP has been 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.

Responsible Person

Customer Service Manager, RBU

Implementation Date

The SOP was updated in September 2015

32. Obligation 271/2015Code of Conduct clause 9.11(1)

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.

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.

Through discussion with the manager regulation & 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.

Recommendation

Revise the prepayment – financial hardship document to:

- 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.
- Include information requirements as per clauses 2.3 and 2.4.

Action Plan

Management agree with the corrective action recommendations. The SOP has been 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.

Responsible Person

Customer Service Manager, RBU

Implementation Date

The SOP was updated in September 2015

33. Obligation 293 and 307/2015Code of Conduct clause 10.10(3) and 13.3

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.

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>Recommendation</p> <ol style="list-style-type: none"> 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. 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>Action Plan</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>Responsible Person</p> <p>Manager Fleet and Property, Finance</p> <p>Implementation Date</p> <p>18 September 2015</p>
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34. Obligation 294/2015

Code of Conduct clause 10.11(1)

Synergy self-reported 14 instances of a breach in the 2014-15 period against this obligation due to customer address issues. Due to incorrect address being recorded in the system, the requested information was not able to be delivered to the customer.

<p>Recommendation</p> <p>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.</p>	<p>Action Plan</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 will be provided to senior management by 31 December 2015.</p> <p>Responsible Person</p> <p>Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The customer information project (May 2015) 2. Updated SOP (May 2015) 3. Critical feedback (June 2015) 4. Update to senior management (31 December 2015)
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35. Obligation 299/2015

Code of Conduct clause 12.1(2)

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

<p>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 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. 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>Recommendation</p> <p>Review and update the complaints policy to reflect current practice and obligations.</p>	<p>Action Plan</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>Responsible Person</p> <p>Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. Updated SOP (September 2015) 2. Critical feedback (June 2015) 3. The reminder to all staff was issued on 30 June 2015

<p>36. Obligation 301/2015</p> <p><u>Code of Conduct clause 12.1(4)</u></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>Recommendation</p> <p>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.</p>	<p>Action Plan</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>Responsible Person</p> <p>Customer Service Manager, RBU</p> <p>Implementation Date</p> <ol style="list-style-type: none"> 1. The customer information project (May 2015) 2. Critical feedback (June 2015) 3. Update on project (31 December 2015)

Obligation 310/2015Code of Conduct clause 14.2(1)

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. 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).

Recommendation

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.

Action Plan

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.

Responsible Person

Customer Service Manager, RBU

Implementation Date

The monthly report and spot checks will commence in December 2015

37. Obligation 408/2015Electricity Industry Metering Code clause 5.19(3)

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 SOPs. Western Power was not provided with accurate customer details for the metering point within a timely manner (average delay not known).

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.

Recommendation

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.

Action Plan

Management agree with the corrective action recommendations

Responsible Person

Manager ICT Retail, Manager ICT Applications
Customer Service Manager, RBU

Implementation Date

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

38. Obligation 457, 458, 459 and 460/2015Electricity Industry Metering Code clause 8.1(1), 8.1(2), 8.1(3), 8.1(4)

The Western Power relationship governance model sets out the relevant business areas responsible for managing the relationship with Western Power.

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.

However, the escalation path does not currently include the timeframes for meeting as per the obligations or resolutions in writing.

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.	
Recommendation 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.	Action Plan Management agree with the corrective action recommendations. Responsible Person Market Services Manager Implementation Date 15 October 2015

39. Obligation 496/2015 <u>Electricity Industry (Customer Contracts) Regulations 2005 regulation 40</u> 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.	
Recommendation 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.	Action Plan 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. Responsible Person Customer Service Manager, RBU Implementation Date 1. The customer information project (May 2015) 2. Critical feedback (June 2015) 3. Update on project (31 December 2015)

3-2 Previous Non Compliances and Audit Recommendations unresolved at the end of the performance audit 2013-2015

Section 2 "Previous Non Compliances and Audit Recommendations", Part C "Unresolved at end of current Audit Period" of the 2015 Performance Audit Report detailed all previous recommendations that had not been resolved during the period of the 2015 audit.

In all cases:

- The action required to resolve the underlying issue had been addressed by specific issues raised and recommendations made by the 2015 audit
- A "Current Action Reference" was detailed to link each unresolved issue with a current issue (at the time of the 2015 audit), for example "Current Action Reference: 155/2015".

Appendix B - References

Synergy staff participating in the audit

- Manager – Regulation and Compliance
- Quality, Risk & Compliance Manager
- Regulation & Compliance Officer
- Compliance and Risk Coordinator
- Compliance Officer
- Manager - Retail Sales
- Manager - Sales Operations
- Manager - Business Sales
- Manager - Customer Service
- Customer Processing Partner Lead
- Manager - Revenue and Credit
- Manager - Credit Strategy
- Credit Team Leader
- Revenue Assurance Team Leader
- Customer Service Partner Lead
- Residential Segment Manager

Deloitte staff participating in the audit

Name	Position	Hours
• Richard Thomas	Partner	27
• Andrew Baldwin	Specialist Compliance Lead	72
• Manuela Cervellera	Senior Analyst	375
• David Herbert	Senior Analyst	178
• Esther Ong	Analyst	231
• Kobus Beukes	Partner (Quality Assurance Review)	3

Key documents and other information sources examined

- Organisational Chart
- Annual Electricity Retail (ERL1) Licence Compliance Report 2016 - 2017
- Annual Electricity Retail (ERL1) Licence Compliance Report 2015 - 2016
- Annual Electricity Retail (ERL1) Licence Compliance Report 2014 - 2015
- ERL 1 - 2015 performance audit - PAIP update March 2016
- ERL 1 - 2015 performance audit - PAIP update September 2016
- Compliance Calendar
- Billing exception reports:
 - 76 - 89 Workable 01.05.2017
 - 76 - 89 Workable 03.04.2017
 - 90 Day Workable 23.06.2017

- 90 Day Workable 28.04.2017
- 90 Day Workable 31.05.2017
- Procedures, including Standard Operating Procedures:
 - Adding Direct Debit Instalments - Bank Account
 - Adding Direct Debit Instalments - Credit Card or Debit Card
 - ARPP16 - Annual Review of Products & Pricing 2016
 - ARPP16 July Phase Internal FAQs
 - Back Billing
 - Bankrupt or Mortgagee or Administrator Appointed Accounts
 - BPEM List Generalised Grouping
 - BPEM SOP CS68 CS69
 - ZS17 BPEM SOP
 - BI01 BPEM SOP
 - ZC50 BPEM SOP
 - ZC51 BPEM SOP
 - ZF70 BPEM SOP
 - ZF71 BPEM SOP
 - ZM95 BPEM SOP
 - ZS73 BPEM SOP
 - CS02 AND CS03 BPEM SOP
 - CS04 AND CS05 BPEM SOP
 - EB11 BPEM SOP
 - ID19 BPEM SOP – Meter Exchange
 - ID35 BPEM SOP
 - IV01 BPEM SOP
 - MR07 BPEM SOP
 - MR16 BPEM SOP – Standard Account
 - MR90 BPEM SOP
 - CI SOP - BPEM EI26
 - CI SOP - BPEM MR52
 - CI SOP - Raising MDV's Back Office
 - CI SOP Business Process Exception Management (BPEM) Overview
 - CI SOP I-Doc Overview
 - CI SOP Life support
 - Bill Review – Actual Reads
 - Bill Review - Estimated Read (Not Self Read)
 - Bill Review – Self Reader Estimated
 - Billing Services Business Rules
 - Billing Services SOP - Account Reconciliations
 - Billing Task Matrix
 - Bills Not Received or Missing Bill
 - BT Market Transactions
 - Business Terms and Conditions
 - C&BE - Res A1 Columbus Communications Document
 - CEXP How to Handle Emergency Situations
 - Changing the Meter Reading Method
 - Cheque Refunds
 - Churn In 3 Stage cases queue – High Level Process

- Collection Agencies
- Collections Fact Sheet
- Collections Strategy
- Collective Accounts Set up and Billing Exceptions
- Communications Change Process - RBU Marketing
- Create an MDV to Validate Final Estimate Reading
- Create an MDV to Verify High or Low Reading - Customer Read Supplied
- Creating a Promise to Pay – Instalment Plan
- Credit Card Refunds
- Credit Management Task Matrix
- Credit Reporting Agency (VEDA)
- Customer Attempting to Stop Western Power Disconnecting
- Customer Calls Back with Receipt Details
- Customer Care Guide Customer Service Code 2016 and RMIMO matters
- Customer Charter Brochure
- Customer Experience Guide
- Customer Requests Meter Test
- Damaged or Faulty Meters
- Data Cleansing
- Debt Transfer between accounts with different names
- Definitions of Financial Hardship
- Difference between a contract and tariff
- Direct Debit by Instalments
- Direct Debit Declaration – Instalment
- Direct Debit Declaration - Periodic
- Disability Access and Inclusion Plan 2012-2017
- Electricity Sale General Conditions July 2017
- Electricity Sales Agreement (ESA) Reviews
- Electronic (EFT) Refund Process
- EM Understanding Market Transactions and IDOCs
- Emergency Reconnection
- Empower reports screenshot
- End to End Disconnection Process - November 2015
- ERL1 licence obligations - Compliance Manual October 2016
- ESA Form of Agreement Unbundled July 2017
- ETAC Negotiation - Extension
- ETAC Synergy Authorised Officer Listing
- Existing Life Support Customers - Moving House
- Financial Hardship Assessment Questionnaire
- High Accounts Cheat Sheet – Residential Customers
- How to Change a Residential Customer's Name
- How to Check How Long a Meter has Been Disconnected
- How to View a Meter Read Reason
- HUGS Landing Page
- Identification Process - Business Customers
- Identification Process - Residential Customers
- Identifying a Complaint
- Implausible Rebill Guide

- KANA - Long term estimated read article
- Keeping Connected - Ombudsman Complaints Resolution or Staged Complaints
- Large Use Business Flexi - Time of Use
- Late Payment Charge (LPC)
- Life Support – Ninga Mia
- Life Support Application
- Life Support Customers – New Claims
- Life Support Equipment Electricity Subsidy
- Life Support Fault Calls
- Life Support Landing Page
- Long Term Estimated Reads
- LRA - Ninga Mia Account Establishment Form
- Meter Investigation Results - Cross Meter SOP
- Meter Investigation Results Task SOP
- Meter Test Results SOP
- Meter Tested OK
- Metering Code
- Metering Data Request - Embedded Generation Energy Markets Work Instruction
- Miscellaneous Credits Matrix for All Users (General)
- Missing Read or Invoice Tasks
- Marketing Publishing process
- Marketing Standard Approval process
- Move In Automated Web Forms Exceptions
- Move In Guided Process - Mailing Address Pop-Up Box
- Move In Guided Process Landing Page
- Move In or Out in Error (Reverse Move In or Move Out)
- Move Out Guided Process Landing Page
- Network Operator Protocol for Retailer De-energisation
- Networks Process & Procedures
- Peak Demand Saver plan standard contract comparison
- Pre-Payment Meters - BAU processes (based upon Ninga Mia)
- Pre-Churn In Meter - Data History Request
- Premise Disconnected for More than 2 Years
- Proactive Self Read SMS update 08062017
- Process Map - Electricity - Acquisition
- Process Map - Electricity - Greenfields
- Process Map - Electricity - Recontracting
- Process Map - Electricity - T2C
- Promise to Pay Fulfilment
- Promise to Pay on Disconnected or Pending Disconnection Premise
- QA Evaluation Sheet
- RBU internal control register for ERL1
- RBU MAC Bill Redesign Bill Explainer
- Rebill Task SOP
- Reconnection Outside SLA
- Reconnection SLA
- Refund Types & Business Rules
- Retail Billing Complaints Task

- Retrieving Evidence of 3 Point ID Check
- Reverse Move in - Move out task
- RS CR2619 Long Term Substituted Readings Correspondence to Be Process
- RSS Life Support Process for Front Office Staff
- RSS SOP Renewable Energy Systems Tasks and Tickets
- RST CRM Premise Address Move in Change CR3479
- RST Intro to Billing and Invoicing Updated
- RST Life Support
- RST Rebilling of Collectives
- Sales Team Nomination Log
- Salesforce screenshots
- Self-Read Revenue Assurance Financial Impact and Requirements
- Service Standard Payment
- Small Use Business Flexi - Anytime
- SOP Contact Centre Follow-Up Tasks Collectives
- SOP Electricity Churn Out
- SOP Online Enquiries
- Step 1. Vacant Premise & Backdated Move in
- Step 2. Suspicious Applications & 2 Year Disconnected
- Step 3. Enter Start Date and Move In Reading
- Step 4. Confirm Product and Tariff
- Step 5. Landlord or Owner and Welcome Letter Not Required
- Step 6. Meter Access & Self Reader
- Step 7. Pending Disconnection or Disconnected
- Step 9. Mailing Address & Contact Details
- Step 10. Shipping Control
- Step 11. Reuse or Create a New Business Agreement Number
- Step 12. Direct Debit
- Step 13. Register Customer for My Account
- Step 14. Review and Submit
- Synergy - Billing & Invoicing
- Task Missing Read Invoice
- Tasks and Tickets - Privacy Business Rules
- Third Party Enquiries
- Unbilled SOP
- Updating Meter Access
- Updating, Reusing or Deleting Direct Debit (Bank Account and Credit Card)
- Urgent Reconnection
- Vacant Site and Site Access Enhancements
- Voluntary Administration, Insolvency, Liquidation and Receivership
- What is a Check Read
- What is a Collections Final
- What is a Meter Data Verify (**MDV**)
- Work Instructions Billing Services Outsort Process
- Western Power Build Pack Web Portal User Guide –version 1
- Western Power Governance Structure Model
- Western Power SWIS - Communications-rules
- Reverse Move In Move Out (**RMIMO**) assessment maps:

- Map A account force finalised in error
 - Map B account set up at incorrect address
 - Map C incorrect move in date selected
 - Map D account force finalised too early
 - Map E incorrect move out date selected
 - Map F billed past meter removal date
 - Map G account not closed
- Document examples:
 - RSS Check Read Letter
 - Rebill Invoice Wording Letter Copy
 - Rebill Letters
 - Bill example
 - Non application letter for residential customers
 - Non-Responding Life Support Customer Form
 - Consent to Obtain Historical Gas Data Declaration
 - Electricity Marketing Agent - Code Compliance Form
 - EM (MBS) Verifiable Consent Form (VCF) Template
 - Marketing Address Customer Accounts estimated for more than 12 months- Letter
 - Marketing ARPP16 Standard Electricity Prices and Charges Brochure (Web)
 - Marketing Pro-active Meter Access and Self Read Submission SMS
 - MDV letter - SUC compliant
 - Standard Electricity Agreement (Standard Form Contract)
 - Standard Letter Matrix
 - STND-BRCH-BR58 - Customer Consent Form Appointment of Electricity Marketing Agent
- Guidelines:
 - Credit Management Assessment Guidelines
 - Customer Complaint Guidelines - December 2016
 - Debt Waiver Guidelines
 - HUGS Guidelines
 - Miscellaneous Credits Guidelines
 - RST Residential P2P Guidelines for Stellar September 2015
- Policies:
 - Credit Management Policy for Disconnection for Non-Application
 - Complaint Resolution Policy - 2017
 - Complaints Management Policy
 - Complaints Policy and Code Requirements
 - Financial Hardship Policy (2015 review)
- Manuals:
 - Regulation and Compliance Operation Manual
 - New Connections Quality Assurance Manual
- Training material:
 - RMIMO Tasks Training Presentation
 - Billing Services Meter Reconfiguration Training Guide
 - Introduction to Concessions - Training Presentation
 - RST Keeping Connected Training Guide for Customer Support Team
 - RST MIMO Phase 1 Training for Customer Applications Team July 2015.

Appendix C – Post audit implementation plan

This plan has been prepared by Synergy and does not form part of Deloitte's audit findings.

Issue 1/2017 - Declarations (relating to provision of information and consent)

Obligations 131, 135, 145, 189 and 201A

Code of Conduct clauses 2.2(2), 2.3(5), 4.1, 5.3 and 5.9

Synergy has a number of obligations under the relevant Codes, which require it to obtain consent/ acknowledgement from customers in response to a range of specific requirements for Synergy to provide information or seek a customer's consent. We observed that the reading of relevant declarations is a manual process performed by the Customer Service Agent (**CSA**) using predefined scripts.

Synergy's quality assurance (**QA**) evaluations of declarations made between 1 July 2016 and 30 June 2017, reported that for 509 (7.15%) of the 7,118 evaluations performed for residential customers, the declaration was not performed to the required standard and with an appropriate response from the customer. Synergy had not distinguished those declarations required under its regulatory compliance obligations.

The declarations required under its regulatory compliance obligations, which were subject to QA evaluations relate to the following customer activities:

- New connection
- Billing frequency
- Direct debit (period, instalment and combination)
- Authorised representative
- Third Party enquiry.

Note: The QA evaluation reporting data made available to this audit did not distinguish the level of non-compliance between each declaration type.

We recognise that CSAs will perform other tasks within the customer account while reading the script, which increases the risk of manual error (in terms of incorrect data entry, or misreads of the specified declaration).

Recommendation 1/2017

Synergy consider:

- (a) Implementing automated declarations into the call centre process
- (b) Enhancing its QA feedback review including compliance analysis to provide summary data on non-compliance levels across the range of declarations
- (c) Periodically reporting to senior management (including regulatory) QA performance
- (d) In the event that automated recordings are not implemented, reviewing the KPIs on the management of declarations.

Action Plan 1/2017

Synergy currently has 41 declarations that are required to be communicated to customers.

- (a) Management has in the past investigated the option to automate declarations into the call centre process. Introduction of a fully automated declaration process within the current customer relationship management system will require significant capital investment and is not considered feasible under current system design due to the volume and complexity of declarations. However, Synergy is in the process of developing a business case for a new customer engagement platform including the introduction of automated statutory declarations. In the interim Synergy will conduct a review to consolidate and simplify customer declarations to improve the customer experience and reduce the likelihood of agent error
- (b) Agreed. Management will initiate a review of the annual refresher training content for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively

	<p>(c) Agreed. This will be included within the retail compliance snapshot report quarterly and circulated to senior management</p> <p>(d) Agreed. Management will undertake a review of declaration KPI's. This review will be undertaken as part of the declaration review outlined in (a).</p> <p>Responsible person Manager Retail Operations</p> <p>Target date (a) By no later than 30 April 2018 (b) By no later than 31 January 2018 (c) By no later than 26 January 2018 (d) By no later than 30 April 2018.</p>
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Issue 2/2017 - QA: CSA performance

Obligation 100

Electricity Industry (Customer Contracts) Regulation 38

Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310

Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 6.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)

Obligations 373, 402, 405 and 408

Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)

Obligation 496

Electricity Industry (Customer Contracts) regulation 40

During the audit period, Synergy self-reported non-compliances relating to 40 obligations, with the cause of the non-compliance attributed to manual user error and/or failure to follow standard operating procedure, where 'feedback and coaching' was a primary prescribed action plan.

Synergy has engaged Stellar Asia Pacific (**Stellar**) to provide customer call centre activities, through a Customer Services and Processing – Outsourced Services Agreement (**OSA**), which defines Critical Service Levels and Key Measurements.

Stellar's CSA performance is measured by the Stellar and Synergy QA teams via evaluation scoresheets (marked out of 100). Scores of between 2% and 6% are assigned to various elements relating to:

- Customer manner and interaction
- Reference to customer notes
- Following correct procedure
- Regulatory compliance
- Marketing of value add products.

We observed the following areas where Synergy should strengthen its QA processes to better manage its compliance performance:

- Stellar is required to maintain a whole-of-call centre score above 90%, but because of the average-based format of KPIs, there is a risk of failing to detect and remedy repeated non-compliance from underperforming agents
- The OSA requires that each CSA has five calls reviewed by QA per month, yet we observed multiple instances during the audit period where the minimum five-call target was not reached, including for low scoring agents
- Monthly quality reports do not give consideration to the root cause of repeated or systematic issues.

Monthly Stellar QA reports over the period June 2016 to June 2017 show a decrease in performance of front-of-house CSAs. The reports show the following percentages of CSAs scoring below 90%:

- 53% in June 2016
- 45% in March 2017
- 34% in April 2017
- 63% in May 2017

- 64% in June 2017.

<p>Recommendation 2/2017</p> <p>Synergy consider:</p> <ul style="list-style-type: none"> (a) Performing further root cause analysis on high volume incidents to identify root cause areas and where possible automate tasks to reduce risk of user error (b) Reviewing standard operating procedures for compliance adequacy (c) Revising the QA assessment criteria to place greater weighting on the content of the call and following procedure (d) Raising the impact of regulatory non-compliance and performance scores to reduce the risk of systemic non-compliance being undetected under the 'average measurement method' (e) Escalation to senior management (including regulatory) when low QA scores results in non-compliances (f) Further opportunities to enhance the approach to training CSAs on Synergy's regulatory obligations. 	<p>Action Plan 2/2017</p> <ul style="list-style-type: none"> (a) Agreed. Management will undertake further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error. Root cause analysis will include reviewing: screen captures; customer calls; agent interviews; customer relationship management interaction notes; training content; standard operation procedure design and implementation; system design; and the effectiveness of preventative actions taken to date (b) Agreed (c) Noted. Management undertook a review of the QA assessment criteria in FY2016/2017 and the current QA assessment criteria already has higher weighting on following procedure (d) Agreed. Management will establish an internal QA target to monitor QA compliance through monthly reporting of variation from mean. This will enable the QA teams to deep dive into poor performing areas and address non-compliance root causes (e) Agreed. Escalation to senior management is an established practice with review of contractual compliance KPIs at the quarterly business review meetings held between Synergy and call centre management. Going forward reporting of QA compliance performance will also be included within the monthly operations dashboard that is circulated to senior management (f) Management will initiate a review of the annual refresher training material for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively. <p>Responsible person Manager Retail Operations</p> <p>Target date</p> <ul style="list-style-type: none"> (a) By no later than 30 April 2018 (b) Completed. 22 December 2017 (c) Business as usual activity (d) Completed. 22 December 2017 (e) Completed. 15 December 2017 (f) By no later than 31 January 2018.
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Issue 3/2017 - QA - Calibration process**Obligation 100**

Electricity Industry (Customer Contracts) Regulation 38

Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310

Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 6.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)

Obligations 373, 402, 405 and 408

Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)

Obligation 496

Electricity Industry (Customer Contracts) regulation 40

As outlined in Issue 2/2017, Synergy and designated Stellar personnel perform a monthly QA on customer service calls from which the majority of non-compliances are detected and self-reported. As part of the QA process, Synergy hosts monthly calibration meetings with Stellar staff to compare QA assessment marks for a sample of CSAs, with any significant discrepancies further assessed.

However, the calibration sessions could be improved in a number of respects:

- There is no formal framework in place for the governance and reporting of action items from calibration sessions
- Meeting notes are captured on an ad hoc basis
- Where they exist, meeting notes are stored in an unstructured manner on file or within the email accounts of attending personnel
- In a calibration session attended by this audit, we observed an instance where there was a discrepancy between staff scores
- In the same session, we observed a division on whether an element should have been classified as a regulatory breach.

In summary, there is no reporting mechanism for:

- High-level variances identified in the calibration sessions
- Action items derived from the session.

Recommendation 3/2017

Synergy consider:

- (a) Drafting a formal calibration process document, which sets out:
 - Agenda items
 - Appropriate actions for score variances
 - Instances where variances require escalation to senior or regulatory personnel
- (b) Inviting a member from the compliance team to attend calibration sessions and provide feedback on key queries
- (c) Review regulatory training requirements for QA reviewers with focus on higher customer impact areas (e.g. financial hardship)
- (d) Regular reporting to senior management (including regulatory) on calibration action item progress
- (e) Undertaking root cause analysis on high volume incidents relating to agent failure to follow standard operating procedure to identify root cause areas and where

Action Plan 3/2017

- (a) Agreed. A formalised calibration process has been implemented as of 9 September 2017
- (b) Agreed
- (c) Agreed. Retail Compliance and Risk are conducting a review of all compliance training in FY2017/18 including reviewer specific training. This will be focused on identifying knowledge gaps for reviewers and provide guidance for future training plans
- (d) Agreed. This will be included within the retail monthly operations report
- (e) Management will undertake further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error. Root cause analysis will include reviewing: screen captures; customer calls; agent interviews; customer relationship management interaction notes; training content; standard operation procedure design and implementation; system design; and the effectiveness of preventative actions taken to date.

Responsible person

Manager Retail Operations

feasible automate tasks to reduce risk of agent error.	Target date (a) Completed. 9 September 2017 (b) Completed. 20 November 2017 (c) By no later than 30 April 2018 (d) By no later 26 January 2018 (e) By no later than 30 April 2018.
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Issue 4/2017 - Call centre regulatory performance reporting

Obligation 100

Electricity Industry (Customer Contracts) Regulation 38

Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310

Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 6.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)

Obligations 373, 402, 405 and 408

Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)

Obligation 496

Electricity Industry (Customer Contracts) regulation 40

Synergy's OSA contains Critical Service Levels and Key Measurement, which set out KPIs for Stellar to report on Type 1 and Type 2 regulatory breaches.

Stellar provides the Retail Business Unit (**RBU**) Management Committee with monthly status reports, which provide an overview of:

- Call centre operational performance
- Training activities
- Action items from previous months.

We observed that

- Synergy is yet to enforce reporting on regulatory compliance KPIs as outlined in the OSA. The introduction of such reporting was recognised as an action item in the July 2017 report
- There is limited regulatory reporting on higher impact areas (e.g. wrongful disconnection and financial hardship)
- KPIs outlined in attachment 4a of the OSA appear to be percentages set against population totals, rather than measured as percentages of the QA testing population (from which Synergy reports the majority of its non-compliances).

Recommendation 4/2017

Synergy consider:

- (a) Enforcing the reporting of Type 1 and Type 2 regulatory breaches as part of the monthly reporting requirements
- (b) Enhancing reporting requirements on obligation elements with higher customer impact (e.g. financial hardship and wrongful disconnections)
- (c) Reviewing its KPI definitions at the next contract renewal to express percentages in terms of QA population tested, rather than total operational volumes
- (d) Escalation to senior management (including regulatory) when contractual compliance KPIs are not being met
- (e) As an alternative to reviewing KPI definitions within the OSA, applying a method of extrapolation to reported instances of non-compliance arising out of QA testing
- (f) Undertaking root cause analysis on high volume incidents relating to agent failure to follow standard operating procedure to identify root cause areas and where feasible automate tasks to reduce risk of agent error.

Action Plan 4/2017

- (a) Noted. Management notes that type 1 and type 2 regulatory breaches are already included in the monthly performance reports within Synergy. The reporting captures all regulatory breaches recorded in the compliance reporting system Empower including breaches reported by the residential and business call centres
- (b) Agreed. Synergy will enhance Empower (incident management system) capability to improve reporting of incident root causes for material incidents
- (c) Agreed. Management will work towards establishing a contract variation with the vendor. Discussions commenced in October 2017 with expected close-out in January 2018
- (d) Agreed. Escalation to senior management is an established practice with review of contractual compliance KPI's at the monthly and quarterly business review meetings held between Synergy and call centre management. However, meeting documentation and minutes will now be circulated to senior management (including regulatory)
- (e) Agreed. Management will establish an internal QA target to monitor QA compliance through monthly reporting of variation from mean. This will enable the QA teams to deep dive into poor performing areas and address non-compliance root causes
- (f) Management will undertake further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17,

	<p>5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error. Root cause analysis will include reviewing: screen captures; customer calls; agent interviews; customer relationship management interaction notes; training content; standard operation procedure design and implementation; system design; and the effectiveness of preventative actions taken to date.</p> <p>Responsible person (a), (c), (d), (e) Manager Retail Operations (b) Manager Regulation and Compliance</p> <p>Target date (a) Business as usual activity (b) By no later than 31 March 2018 (c) By no later than 31 January 2018 (d) Completed. 15 December 2017 (e) Completed. 22 December 2017 (f) By no later than 30 April 2018.</p>
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<p>Issue 5/2017 - Process/system change control Obligations 144, 155, 160, 176, 177, 229, 230, 243 and 295 <i>Code of Conduct clauses 3.1(2), 4.5(1), 4.8(2), 4.17(2), 4.18(2), 7.1(1), 7.2(1) 8.1(1), 8.1(3) and 10.11(2)</i> Obligation 408 <i>Electricity Industry Metering Code clause 5.19(3)</i> During the audit period, Synergy self-reported non-compliances relating to 11 obligations, citing system set-up as a primary cause of the non-compliance. At the time of this audit, Synergy had not established a formal change management process, which required the compliance team to be consulted as part of any system change. For example, for obligations 160 (design of the bill template) and 229 (relating to a disconnection error, which was undetected in the test environment), the lack of consultation as part of a change management process was identified as the primary factor causing the system error and resulting non-compliance. Synergy appointed a Change Implementation Manager in August 2017 and is in the process of developing a streamlined change management framework to guide the change management process across all functions (including IT). This framework is expected to require compliance stakeholders to function as a sign-off point to manage the potential impact of changes on regulatory requirements.</p>	
<p>Recommendation 5/2017 Synergy: (a) Continue with the change management framework initiative (b) Include compliance personnel sign-off as a mandatory gateway to all process changes and IT system changes to RBU applications.</p>	<p>Action Plan 5/2017 Agreed. The change management framework was approved by retail leadership on 18 October 2017 with implementation now underway. An impact assessment template will cover requirements for sign-off by regulation and compliance personnel prior to process and system changes and will incorporate a gateway into the change process. Responsible person Manager Retail Operations Target date Completed. 22 December 2017</p>

Issue 6/2017 - Billing process**Obligation 145**

Code of Conduct clause 4.1

During the audit period, Synergy reported:

- In the 2016/17 financial year, 3,082 instances where it failed to issue a bill within the required three-month timeframe (representing 0.06% of total bills issued)
- In the 2015/16 financial year, 5,852 instances where it failed to issue a bill within the required three-month timeframe (representing 0.09% of total bills issued).

Both figures are an improvement on the 0.12% figure reported for the 2014/15 financial year.

We observed that:

- Synergy has 76-89 day and 90+ day exception reports to identify bills on the verge of non-compliance or those that have recently become non-compliant
- From sample testing of six issues appearing in sequential exception reports, we identified (for the month of April 2017) two instances where items in the 76-89 day could reasonably be expected to have been resolved prior to the 90 day deadline

While Synergy receives monthly Billing Process Exception Monitoring (**BPEM**) performance reports, it does not apply a structured process to address the number of bills detected in the 76-89 day period and any reasons for failure to issue the bill on time.

Recommendation 6/2017

To further improve the BPEM process, Synergy consider:

- Updating its procedures for using billing exception reports and to emphasise the need for close-out on items nearing the 90 day timeframe
- Reviewing billing procedures to ensure consistency with compliance obligations
- Providing feedback on the quality of notes in the customer account to allow for easy tracing of unresolved billing matters for independent users.

Action Plan 6/2017

- Agreed. Immediate action has been taken to incorporate unbilled account items nearing the 90 day timeframe into daily work review and Synergy's procedures will be updated accordingly. For the current financial year late billing figures are well below last year's reported volumes (for year to date).
- Agreed.
- Noted. As part of the 2016/17 outsourcing project customer account note templates for billing were standardised. During the monthly QA and calibration processes no concerns have been raised in regard to the nature of billing account notes. However, continued attention during quality assurance will assist to identify and address any issues if they present.

Responsible person

Manager Retail Operations

Target date

- Business as usual activity
- By no later than 28 February 2018
- Business as usual activity.

Issue 7/2017 - National Interpreter Symbol in bill templates**Obligation 155 and 295**

Code of Conduct clauses 4.5(1) and 10.11(2)

The Code of Conduct requires that billing templates and billing support documents contain the National Interpreter Symbol.

In November 2016 Synergy's bill templates were amended, whereby the official National Interpreter Symbol was replaced with an alternative (but non-official) interpreter symbol.

At the time of this audit, Synergy had not established a formal change management process, which would require the compliance team to be consulted as part of any system change. Refer to Issue 5/2017 above for further detail on the change management process.

<p>Recommendation 7/2017</p> <p>Synergy update its billing templates where required to include the correct National Interpreter Symbol.</p>	<p>Action Plan 7/2017</p> <p>Agreed. Synergy will revert to the correct national interpreter symbol on its billing templates.</p> <p>Responsible person Manager Marketing</p> <p>Target date Completed. 25 October 2017.</p>
<p>Issue 8/2017 - Identification of Complaints</p> <p>Obligation 302</p> <p><i>Code of Conduct clause 12.2</i></p> <p>The ERA's Customer Complaints Guidelines (December 2016 edition) require the recording of a complaint in the event where the action of the licensee is the source of the customer contact, the customer expresses dissatisfaction at any point and the customer expects a resolution (either explicitly or implicitly).</p> <p>Through discussions with Synergy call centre and QA reviewer staff and examination of Synergy's KANA documentation for "Identifying a Complaint", we determined Synergy's:</p> <ul style="list-style-type: none"> • Internal processes imply that where a customer issue is resolved prior to the end of the call, the matter will not be recorded as a complaint if the customer is satisfied • Interpretation of resolution mid-call does not preclude it from recording a complaint under the ERA guidelines. <p>Synergy's processes and practices can be strengthened to minimise the potential for a customer contact to be incorrectly recorded as an enquiry rather than as a complaint.</p>	
<p>Recommendation 8/2017</p> <p>Synergy update its internal processes to more closely align with the ERA guidelines, specifically detailing instances where first call resolution may still require the recording of a complaint.</p>	<p>Action Plan 8/2017</p> <p>Agreed. A full review of the current standard operating procedures for complaint handling will be combined with a review of the training material for soft skills for agents. Following the review management will assess the findings and put an action plan in place if needed to change reporting processes and/or IT systems.</p> <p>Responsible person Manager Retail Operations</p> <p>Target date 31 January 2018</p>