



Performance Audit Report

Alinta Sales Pty Ltd
Electricity Retail Licence (ERL6)



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Our ref Alinta Performance Audit

2 November 2018

Dear Catherine

Alinta Sales Pty Ltd – Electricity Retail Licence (ERL6) – 2018 Performance Audit Report

We have completed the performance audit of Alinta Sales' ERL6 for the period 1 June 2014 to 31 May 2018 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 Gemma Modra on [REDACTED] or me on [REDACTED].

Yours sincerely

Travis McAuliffe
Partner

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Abbreviations

Abbreviation	Definition
AEMO	Australian Energy Market Operator
BAU	Business As Usual
B2B	Back to Back
CEO	Chief Executive Officer
CRM	Client Relationship Management
CSV	Common Separated Values
CTR	Customer Transfer Request
ERA	Economic Regulation Authority
ETAF	Electronic Transfer Application Form
ID	Identity Document
NMI	National Metering Identifier
PDM	Power Deal Manager
SFTP	Secure File Transfer Protocol
WPP	Western Power Portal
XML	Extensible Markup Language

1. Independent Auditor's Report

Modified Conclusion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority (dated 9 July 2018), except for the effect of the issues set out in the Basis for Modified Conclusion section below, Alinta Sales Pty Ltd ("Alinta") has complied, in all material respects, with the conditions of its Electricity Retail Licence (ERL6) for the period 1 June 2014 to 31 May 2018.

Basis for modified conclusion

The Licence obligations listed on page 3 were assessed as non-compliant (rating 2, 3 or 4).

Scope

We have performed a reasonable assurance engagement over Alinta's compliance, in all material respects, with the performance criteria specified in its Electricity Retail Licence (ERL6) (the "compliance requirements") throughout the period being 1 June 2014 to 31 May 2018 ("the specified period").

The assurance engagement was undertaken in accordance with the Economic Regulation Authority's ("the Authority") Audit and Review Guidelines: Electricity and Gas Licences April 2014 ("the Audit Guidelines")

The scope of the assurance work required relates to assessing Alinta's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Electricity Retail Licence (ERL6) ("the Licence") issued under Electricity Industry Act 2004 (WA).

Basis of Our Conclusion

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the July 2017 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, approved by the ERA on 9 July 2018.

- Interviews with and representations from relevant Alinta staff to gain an understanding of process controls.
- Review of documents and walkthrough of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations.
- Sample testing or walkthroughs based on the sample size guide in the approved Audit Plan.

How We Define Reasonable Assurance and Material Non-Compliance

- Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.
- Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of Alinta's compliance with the compliance requirements.

Inherent Limitations

- Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected.
- A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Use of this Assurance Report

This report has been prepared for the Directors of Alinta for the purpose of assisting them to meet the compliance requirements of Section 13 of the Electricity Industry Act 2004 (WA) and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the Authority for the purpose of reporting on the reasonable assurance engagement for the Licence. We agree that a copy of this report may be provided to the Authority in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the Authority in relation to the report. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Alinta, or for any other purpose other than that for which it was prepared.

Alinta's responsibility

Management are responsible for:

- the compliance activities undertaken to meet the requirements of the licence;
- identification of risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- 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 (if any).

KPMG's responsibility

Our responsibility is to perform a reasonable assurance engagement in relation to Alinta's compliance with the compliance requirements of Section 13 of the Electricity Industry Act 2004 (WA) throughout the period and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Table of non-compliances:

Reporting Manual number and Licence obligation	Issue
<p>Legislative Obligation 44:</p> <p>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.</p>	<p>Details:</p> <p>Through discussion with the Senior Account Consultant, it was noted that prior to 3rd October 2016, Alinta did not retain verifiable customer consent in relation to the lodgement of a customer transfer request for the required period of two years. However, on the 3rd October 2016, it was noted that Alinta' template <i>particulars of contract</i> document (which forms the 'contract' with the terms and conditions) was amended to obtain verifiable consent by a contestable customer in relation to the lodgement of a customer transfer request via a customer signature. It was noted that customer contracts are retained by Alinta on CRM indefinitely.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 53, 454:</p> <p>53 – A Retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.</p> <p>454 - 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>Details:</p> <p>As per the Customer Transfer Code; "contact details" means the <i>notified electronic</i> communication address, <i>notified facsimile</i> number, <i>notified postal</i> address and <i>notified telephone</i> number of a <i>network operator</i> or <i>retailer</i>, as applicable.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that during the 1 June 2014 to 31 May 2018, Alinta changed its contact details once.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that Alinta moved into its new Perth office premises on 26 March 2018 and Alinta's Commercial Manager failed to advise Western Power within 3 business days. Following this, the Manager Regulatory Compliance included this non-compliance within the Issue Register as a Type 2 non-compliance breach.</p> <p>We acknowledged that Alinta subsequently notified its new address to Western Power within three business days of the request by Western Power. On the 12th April 2018, Western Power queried whether an update to the address details for Alinta were required and Alinta responded on the same day.</p> <p>It was also observed that, during the audit period, management have strengthened their internal monitoring process by adding the requirement of the above obligation to the Regulatory Obligations Register as "Infrequent Obligations" and this is monitored by the Manager Regulatory Compliance to ensure Western Power is notified of any future changes to its contact details at least 3 business days before the change takes effect.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 145:</p> <p>145 - 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>Details:</p> <p>Through discussion with Team Leader Billing and sample testing, the following was noted all customer bills are based on estimated or actual reads and are issued to customer on a bi-monthly or monthly cycle, thus satisfying the obligations of bills being distributed at least once per month, but no less than three months apart. In certain instances, billing may be prevented in alignment with circumstances of subclause 4.1, for example due to a meter read issue or meter set up issue. In these instances, a customer may not receive a bill within the 3 month requirement.</p>

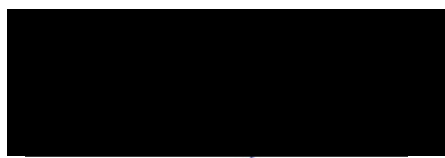
Reporting Manual number and Licence obligation	Issue
	<p>From discussion with management and review of Alinta's issues register, we noted that during the audit period, bills to Alinta's small business electricity customers have been issued late due to a Gentrack system upgrade which commenced in December 2014. Approximately 30-40 sites had been affected out of 3,700 customers. Management have advised that this is a one-off issue which had a minor impact on the customers as customers have been contacted by the SME team regarding this issues. Following the rectification of this issue in May 2015, billing frequency had normalised as per requirement of the obligation. Sample testing of two bills confirms this.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 96, 133:</p> <p>96 - A non-standard contract must include details about the cooling off period specified in the regulation.</p> <p>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.</p>	<p>Details:</p> <p>A walkthrough was conducted with a Senior Business Account Consultant to observe the process where contracts are issued to the customer to confirm the compliant non-standard contract is issued to small-use customers. A system generated email attaches the appropriate documentation in accordance with Clause 2.3(2) of the Code to be sent to a customer is dependent on customer type, and if they are small use (<160MWh) the non-standard terms and conditions are attached. It was confirmed the non-standard terms and conditions are not altered, however, special conditions can be present on the particulars of contract.</p> <p>Review of the non-standard terms and conditions noted it did not include the details of cooling off period for a non-standard contract (the cooling off period specified in the terms and conditions only refers to unsolicited contracts).</p> <p>The Electricity Industry (Customer Contracts) Regulations 2005, regulation 32 requires a cooling off period for all non-standard contracts, regardless of whether contracts are solicited or unsolicited. However, we note that the 'cooling off period' as stipulated in Alinta's non-standard contracts (for electricity) only apply to 'unsolicited consumer' or 'contracts entered into as a result of door to door marketing'.</p> <p>Obligation #96 requires that the "A non-standard contract must include details about the cooling off period specified in the regulation." In this instance, there seems to be a gap of which such cooling off period is not being applied to other consumers falling under the non-standards contract as required under the regulation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 155:</p> <p>155 - 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>Details:</p> <p>Section 6.3 of Alinta's non-standard contract states:</p> <p><i>Each bill will show the information required to be included in accordance with clause 4.5(1) of the Code, other than the information in clause 4.5(1)(b) and (bb) of the Code, which you agree the bill is not required to show.</i></p> <p>We noted that:</p> <ul style="list-style-type: none"> - Clause 4.5(1)(b) is a requirement for customers with Type 7 connections points, which is not relevant for Alinta customers, during the audit period. - Clause 4.5(1)(bb) requires, with respect to residential customers, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services". It is noted that the bills reviewed during our sample testing contained the National Interpreter Symbol and the words "Interpreter Services". Thus, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included. - Our examination of Alinta's bill template and non-standard contract also highlighted that it has not contained the requirements for clause 4.5(1)(dd). The clause requires, to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period covered by

Reporting Manual number and Licence obligation	Issue
	<p>the bill, the previous bill and the bill for same period last year. Thus, consent to not include has not been sought from the customer.</p> <p>The above findings were also consistent with the findings from the 2014 ERL6 Performance Audit Report (Issue 5/2014). From discussion with the Manager Regulatory Compliance and from our review of the email correspondence provided by the Manager Regulator Compliance, we noted that action was put in place in September 2016 by the Legal and Regulatory team to propose amendments to the non-standard contract to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. However, these amendments were not reflected on the updated non-standards contract subsequently.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 160:</p> <p>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).</p>	<p>Details:</p> <p>Through discussion with Team Leader – Billing, system walkthroughs and relevant sample testing, it is noted that Alinta does not notify its customers when they are given an estimated bill. When estimations are used for customer bills, the estimated amount is generated in the B2B system and calculated into the total owed amount. Gentrack clearly identifies when a bill is based on an estimated reading. However, when this information is sent to Fuji Xerox for printing, the xml file containing the estimated bill flag is not populating in the Fuji Xerox field when the bill is generated. This is confirmed through our sample testing. Bill samples sighted also did not contain specification that Alinta will inform customer, on request, of the basis of and reason for the estimation and that customer may request a verification of energy data and a meter reading in accordance with Clause 2.3(b) and (c).</p> <p>Following from the issue identified in the 2014 ERL6 Performance Audit (Issue 6/2014), Alinta reconfigured the billing system to correctly identify and flag estimated invoices in the bill file and for Fuji to print the message notifying customers of the estimated read. When the billing system was later upgraded from version 3 to version 4, Alinta confirmed with Gentrack that the field was active and would populate as required. However, this audit has identified that the required field was not populated after the upgrade.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 172:</p> <p>172 - If a retailer has reviewed a customer's bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount. The retailer must advise the customer that the customer may request for a meter test in accordance with the applicable law; and also the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</p>	<p>Details:</p> <p>Through discussion with WA Credits and Payments Manager, sample testing and walkthrough of the B2B system, it is noted that customers are not informed of the internal and external complaints handling procedures when their account is under review. Through sample testing, it is confirmed that Alinta has not explicitly informed customers of the complaints process after a bill review has been completed. In one sample, the customer requested a meter test during the course of the review, but this was not offered to another customer.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>
<p>Legislative Obligation 181:</p>	<p>Details:</p>

Reporting Manual number and Licence obligation	Issue
<p>181 - A 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. If, after the set off, there remains an amount of credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.</p>	<p>Through discussion with WA Credits and Payments Manager, walkthrough and sample testing performed, the following is noted:</p> <ol style="list-style-type: none"> 1. <i>Gentrack has an automated process which assigns any credit on an account to offset debt owing to the customer. The Billing team communicates the outcome with the customer.</i> <p>If an overcharged amount is to be used to offset a debt, the Billing team will communicate this with the customer via email or phone. The customer can request to receive the overcharged amount as a cheque or bank transfer, but this will generally be declined by the WA Credits and Payments Manager if they owe a debt to Alinta and the manager has reasonable belief that they will not repay the amount owed. When a credit is placed on an account, it will be input to the bill balance, and be deducted from any amount owing. They do not notify customers prior to using the credit to offset a debt as it is an automated system update. Walkthroughs of the system confirmed this.</p> 2. <i>Gentrack generates a financial tracker report.</i> <p>This report outlines those customers on payment arrangements for debts and is cross-referenced with those customers who have been overcharged, to ensure the customer is not experiencing financial hardship or payment difficulties.</p> 3. <i>Written communication is not given to customers.</i> <p>As the adjustments appear as credits on the account, Gentrack will automatically assign the credit to offset the debt. Customers are not given written communication of this prior to the debt being used as a result. Walkthroughs of the system confirmed this.</p> 4. <i>If an amount under \$100 is still owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer.</i> <p>B2B has an inbuilt process which automatically credits the customer if the overcharge is under \$100. If a member of the billing team sees it, then they can raise it to the customer, otherwise it is automatically processed. This has not occurred during the audit period.</p> 5. <i>If an amount is owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer within 10 business days.</i> <p>Where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period. This impact has not been rated as moderate as the customer will receive a bill stating the credited amount, regardless of direct communication or not.</p>
<p>Legislative Obligation 229:</p> <p>229 - 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</p>	<p>Details:</p> <p>Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p> <ol style="list-style-type: none"> 1. <i>Notice is given via email communication, with the Credits and Payments Manager and the Sales and Account Manager notified.</i> <p>If a customer is to be disconnected for non-payment, a notice is sent via email (or their preferred communication method). If they do not respond to the notice as specified within the document, a call is made to their preferred phone number. Gentrack will notify the Credits and Payments team to complete follow up and contact the customer as soon as possible. There is no</p>

Reporting Manual number and Licence obligation	Issue
<p>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>maximum or minimum number of attempts that will be made, it depends on the individual circumstances.</p> <p>2. <i>Reminder notices are not always given within the correct timeframe.</i></p> <p>Clause 7.1(1)(c) required warning being given not less than 15 business days from the date of dispatch of the bill. Sample testing notes one sample being not compliant during the audit period, with notice given 9 business days after the dispatch of the bill, although notice given contained information on how Alinta may assist with payment difficulties and their telephone number as required under Clause 7.1(1)(a)(i) & (ii).</p> <p>3. <i>Disconnection notices are not always given within the correct timeframe.</i></p> <p>Disconnection notices are sent via the customer email with reference to the timeframes for disconnection as well the complaints process. Sample testing notes one sample did not comply during the audit period, with notice given 14 business days after the dispatch of the bill, although notice had been given in the correct manner and contained the correct timeframe as required under Clause 7.1(1)(c)(i) & (ii). Clause 7.1(1)(c) required warning being given not less than 20 business days from the date of dispatch of the bill.</p> <p>We noted that notices are not always given within the correct timeframe. However, samples drawn showed that notices are given earlier rather than later than the required timeframe, thus this only has a minor impact on customer receiving the supply.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a minor impact on customers or third parties.</p>
<p>Legislative Obligation 236:</p> <p>236 - 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 a change in contact details; or - that the address no longer requires registration as life support equipment address. 	<p>Details:</p> <p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was noted that the Senior Accounts Consultant will notify the Billing Team to make a change to the customer's supply address within Gentrack. The Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>It was also noted that there is no procedural documentation in place to ensure Alinta will notify Western Power that the customer's supply address is a life support equipment address, and of the contact details of the customer:</p> <ul style="list-style-type: none"> (i) that same day, if the confirmation is received before 3pm on a business day; or (ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment. <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Further, it was confirmed by the Energy Billing Officer that only three instances of a change required to the supply address of a person requiring life support occurred during the audit period. Out of the samples tested, it was noted that there was one occurrence where Alinta did not register the change within Gentrack within</p>

Reporting Manual number and Licence obligation	Issue
	<p>the specified timeframes specified under subclause 7.7(2). This occurrence was related to a single case of a life support customer whereby Alinta did not register that the customer no longer required life support at an address on Gentrack within the timeframes specified in the Code.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a major impact on customers or third parties.</p>



Travis McAuliffe

Partner, KPMG

2 November 2018

2. Executive Summary

2.1. Introduction

This document presents the findings emanating from Alinta Sales Pty Ltd trading as Alinta Energy ("Alinta") Electricity Retail Licence ("ERL6") Performance Audit ("Audit").

Alinta Energy, parent entity of Alinta Sales, is a leading Australian utility, with an owned and contracted generation portfolio of around 1,800 MW, over 1 million electricity and gas retail customers and around 700 employees across Australia and New Zealand. Alinta Sales operates in the South West Interconnected System (SWIS) and is able to supply electricity only to customers that use at least 50 megawatt hours (MWh) of electricity per annum. Whilst Alinta Sales is not precluded from supplying electricity to residential customers that consume more than 50 MWh per annum, it does not currently supply electricity to residential customers.

On 11 April 2018, the Authority approved the appointment of KPMG to undertake the Audit for the period 1 June 2014 to 31 May 2018 for ERL6. The Audit was undertaken in accordance with the Audit plan that was presented and approved by the Authority on 9 July 2018.

2.2. Objectives

The Audit objective was to evaluate the adequacy and effectiveness of the measures taken by Alinta Sales to meet the performance obligations and quality standards referred to in ERL6. To this end, the Audit focused on Alinta Sales' systems, processes, governance structures and reporting regimes to ensure compliance with the obligations, standards, outputs and outcomes consistent with Australian Standard on Assurance Engagements (ASAE) 3100 "Compliance Engagements", the Audit and Review Guidelines: Electricity and Gas Licences: April 2014, Electricity Compliance Reporting Manual: July 2017 and Electricity Retail Licence Performance Reporting Handbook: April 2018.

2.3. Scope

The scope of the audit work required an assessment of Alinta Sales' systems, the effectiveness of its processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the ERL6. The Audit aimed to identify areas where remedial action is required for breaches of electricity retail licence conditions and recommend corrective action as necessary. In addition, the Audit separately identified and proposed opportunities to enhance Alinta Sales' culture of regulatory compliance.

The scope required an assessment of the adequacy and effectiveness of Alinta Sales' performance against the licence requirements for the period 1 June 2014 to 31 May 2018 for ERL6. These were assessed by considering:

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

The Audit was limited to Alinta Sales' head office on Murray Street, Perth.

The key legislation, regulations and codes that govern Alinta Sales' electricity retail operations are:

- Electricity Compliance Reporting Manual July 2017
- Electricity Industry Act 2004

2.4. Audit Planning Approach

In developing the Audit plan, KPMG adopted a risk based approach, consistent with the Authority's mandatory methodology for assessing risk, which is based the AS/NZ 31000 Risk Management Standards (previously AS/NZ 4670).

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



Step 1 – Establish the context

This step was undertaken in order to understand Alinta Sales' business objectives, organisational structure, the regulatory framework, underlying systems and processes. Furthermore, this step allowed KPMG to understand management's risk management culture and appetite. The key output from this step was the understanding and validation of Alinta Sales' ERL6 compliance obligation registers that were used as the basis in carrying out subsequent steps, as noted below.

Step 2 – Identify Risks

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

Type of Risk	Description
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.
Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/ licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

Table 1: Compliance Risks

Step 3 – Risk Analysis

A two stage approach was adopted in analysing compliance risks:

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

2.5. Consequence

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

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

Table 2: Consequence Rating

2.6. Likelihood

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

	Level	Criteria
A	Likely	Non-compliance is expected to occur at least once or twice a year

B	Probable	Non-compliance is expected to occur once every three years
C	Unlikely	Non-compliance is expected to occur once every 10 years or longer

Table 3: Likelihood Rating

2.7. Inherent Risk

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

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

Table 4: Inherent Risk Rating - Consequence

Described below are the inherent risk ratings:

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

Table 5: Inherent Risk Rating

Step 4 - Identify and assess internal controls

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

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

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

Table 6: Adequacy Rating

Step 5 – Assign audit priority ratings

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

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

Table 7: Audit Priority

KPMG has adopted a singular approach by considering Alinta Sales' control register which maps each licence condition to an associated control(s), undertook a risk assessment which included

consideration and past compliance performance to determine an audit priority for each licence obligation.

Risk Rating	ERL6 Risk Ranking by Obligation
High	4
Medium	161
Low	29
Not Applicable	293
TOTAL	487

Table 8: Risk Assessment Outcomes

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

Audit Priority Rating	ERL6 Audit Priority by Obligation
Priority 1	-
Priority 2	4
Priority 3	2
Priority 4	159
Priority 5	29
Not Applicable	293
TOTAL	487

Table 9: Audit Priority by Obligation

2.8. Audit Plan Approval

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

The final Audit Plan was approved by the Authority on 9 July 2018.

2.9. Execution of the Audit Plan

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

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

Table 10: Nature of Testing and Sample Size

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

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

We have reported an adequacy of controls rating and compliance rating for applicable obligations using the following structure in line with the Authority's guidelines:

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

Table 11: Compliance and Controls Rating Scales

2.10. Audit Team Members and Time Undertaken

The following table outlines the auditor's personnel who undertook the audit and time taken to complete the audit procedures. Fieldwork commenced on 10 July 2018 and was completed on 31 July 2018.

Audit Members	Hours
Travis McAuliffe, Engagement Partner	11
Gemma Modra, Senior Manager	70
Fish Sim, Senior Consultant	96
Adrian Pearce, Consultant	100
Alexandra Colalillo, Consultant	100
Sarah McCague, Consultant	100
Total	477

Table 12: Audit Members and Hours

2.11. Culture of Compliance

Through conducting the 2018 ERL6 Performance Audit, we note that Alinta Sales management and staff have displayed a positive attitude towards compliance and have adopted a proactive approach towards identifying and addressing areas of potential improvement. Staff demonstrated initiative through extensive preparation of policy and procedural documentation, with a strong focus on ensuring compliance with all relevant obligations.

Management has designed and implemented processes, controls and systems to ensure compliance with licence obligations. During the course of our audit, we noted that the management is in the process of mapping out internal process flow across various functions so that documented processes and procedures will be in place to address Alinta Sales' current reliance, in the absence of written procedures, on the knowledge and experience of key managers and on operational staff. We understand that the target date for these process flows is the end of October 2018.

A large number of our recommendations below concern the documentation and mapping of process flows as outlined above, which we acknowledge is currently underway by Alinta Sales.

Where instances of non-compliance were identified during audit fieldwork, Alinta Sales proactively undertook investigations with the objective of identifying the cause(s) to enable appropriate corrective measures to be developed. It was observed that Alinta Sales management were able to provide evidence of immediate remedial action plans to be undertaken in order to achieve compliance with relevant obligations.

2.12. Summary of action for previous audit non-compliances and recommendations

The table below illustrates the profile of action taken by the licensee in response to the recommendations in the previous audit report. Further details can be found in Section 3 previous non-compliances and audit recommendations.

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

Table 13: Actions in Response to Previous Report Recommendations

2.13. Compliance summary from current audit

This performance audit involved testing 194 out of a total of 487 licence obligations related to the 2017 Compliance Manual. Of the 293 obligations not tested, 283 obligations were determined as not applicable to Alinta Sales during the planning stage of the audit and 10 were determined as not used under the 2017 Compliance Manual. Of the 194 obligations tested there were 54 obligations with a Not Rated compliance rating due to no testable events in the audit period. This is consistent with the requirements stipulated within the Audit Guidelines.

The table below provides a summary of the audit outcome. There are 12 obligations rated as non-compliant for the audit period. There are further 31 obligations rated as compliant with recommendations for control improvement and 29 obligations Not Rated with recommendations for control improvement.

ERL6		Adequacy of controls						Subtotal
		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/P – Not Performed	N/A – Not Applicable	
Compliance Rating	1 – Compliant	94	31	-	-	-	-	125
	2 – Non-compliant minor	4	4	-	-	-	-	8
	3 – Non-compliant moderate	-	2	1	-	-	-	3
	4 – Non-compliant major	-	1	-	-	-	-	1
	N/R – Not Rated	14	25	4	-	11	-	54
	N/A – Not Applicable	-	-	-	-	-	3	3
	Total	112	63	5	-	11	3	194

Table 14: Compliance Profile

The table below illustrates the obligations where non-compliances or control improvement opportunities have been identified. Further details can be found in Section 2.14 and 2.15.

Current Audit Non-Compliances and Recommendations	Resolved during current audit period	Unresolved at the end of the current audit period	Total
Obligations - Non-compliant	4	8	12
Obligations - Compliant with opportunity to improve controls	-	31	31
Obligations – Not-rated with opportunity to improve controls	-	29	29
Total	4	68	72

Table 15: Current Audit Non-Compliances and Recommendations

Further details of the overall compliance rating applied to each licence condition or obligation and adequacy of controls is detailed in Section 4 compliance summary and Section 5 observations – performance audit details.

2.14. Current Audit Non-Compliances and Recommendations resolved during current Audit Period

Manual Ref.	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
44	<p>Non Compliance Rating: A / 2</p> <p>Legislative obligation: 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.</p> <p>Details: Through discussion with the Senior Account Consultant, it was noted that prior to 3rd October 2016, Alinta did not retain verifiable customer consent in relation to the lodgement of a customer transfer request for the required period of two years. However, on the 3rd October 2016, it was noted that Alinta' template <i>particulars of contract</i> document (which forms the 'contract' with the terms and conditions) was amended to obtain verifiable consent by a contestable customer in relation to the lodgement of a customer transfer request via a customer signature. It was noted that customer contracts are retained by Alinta on CRM indefinitely.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>	<p>October 2016</p> <p>Management have updated the <i>particulars of contracts</i> during the audit period to effectively obtain verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request. From 3rd October 2016, customer contracts have been retained by Alinta on CRM indefinitely.</p>	<p>The breach issue has been resolved during the current audit period. No further action required.</p>
53, 454	<p>Non Compliance Rating: A / 2 (Self-reported)</p> <p>Legislative Obligation: 53 – A Retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.</p>	<p>April 2018</p> <p>Management have added the requirement of the above obligation to the Regulatory Obligations Register as "Infrequent Obligations" and this is monitored by the Manager Regulatory Compliance to ensure Western Power is notified of any future changes to its contact details at least 3 business days before the change takes effect.</p>	<p>No further action required.</p>

Manual Ref.	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p>54 - 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>Details:</p> <p>As per the Customer Transfer Code; “contact details” means the <i>notified electronic</i> communication address, <i>notified</i> facsimile number, <i>notified</i> postal address and <i>notified</i> telephone number of a <i>network operator</i> or <i>retailer</i>, as applicable.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that during the 1 June 2014 to 31 May 2018, Alinta changed its contact details once.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that Alinta moved into its new Perth office premises on 26 March 2018 and Alinta’s Commercial Manager failed to advise Western Power within 3 business days. Following this, the Manager Regulatory Compliance included this non-compliance within the Issue Register as a Type 2 non-compliance breach.</p> <p>We acknowledged that Alinta subsequently notified its new address to Western Power within three business days of the request by Western Power. On the 12th April 2018, Western Power queried whether an update to the address details for Alinta were required and Alinta responded on the same day.</p> <p>It was also observed that, during the audit period, management have strengthened their internal monitoring process by adding the requirement of the above obligation to the Regulatory Obligations Register as “Infrequent Obligations” and this is monitored by the Manager Regulatory Compliance to ensure Western Power is notified of any future changes to its contact details at least 3 business days before the change takes effect.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>		

Manual Ref.	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
145	<p>Non Compliance Rating: A / 2</p> <p>Legislative Obligation: 145 - 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>Details: Through discussion with Team Leader Billing and sample testing, the following was noted all customer bills are based on estimated or actual reads and are issued to customer on a bi-monthly or monthly cycle, thus satisfying the obligations of bills being distributed at least once per month, but no less than three months apart. In certain instances, billing may be prevented in alignment with circumstances of subclause 4.1, for example due to a meter read issue or meter set up issue. In these instances, a customer may not receive a bill within the 3 month requirement.</p> <p>From discussion with management and review of Alinta's issues register, we noted that during the audit period, bills to Alinta's small business electricity customers have been issued late due to Gentrack system upgrade which commenced in December 2014. Approximately 30-40 sites had been affected out of 3,700 customers. We acknowledged that this is a one-off issue which had a minor impact on the customers as customers have been contacted by the SME team regarding this issue. Following the rectification of this issue in May 2015, billing frequency had normalised as per requirement of the obligation. Sample testing of two bills confirms this.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>	<p>May 2015</p> <p>Issues in the delays of billing have been resolved in May 2015, and no non-compliances have been noted since.</p>	<p>No further action required.</p>

2.15. Current Audit Non-Compliances and Recommendations unresolved at end of current Audit Period

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
1/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 23 - A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed. 24 - A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer. 25 - A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer. 27 - A retailer 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. 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. 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. 49 - A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.</p> <p>Details: The billing team is primarily in charge of processing transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<ol style="list-style-type: none"> 1. <i>Each connection point as a unique National Meter Identifier (NMI).</i> A customer transfer request can be entered either directly onto the Western Power Portal (WPP) or via Gentrack, which is a B2B system which interfaces with WPP. The WPP allows for only one NMI to be entered per request. If multiple requests were submitted for the same NMI via Gentrack, the system automatically rejects the order, and the Billing team will receive a same day notification of the rejection. From the discussion with Team Leader – Billing, it is noted that the Gentrack system was updated in November 2014, with one of the improvements removing the ability to manually alter data in B2B. This affects customers who were in the old system, and prevents their details from being updated when transferring the service. In these circumstances, the Billing Officers place the order directly on WPP, and the order continues as per usual. A walkthrough of the process was conducted and it was observed that the WPP only allows for one NMI to be entered per request. 2. <i>When the order is entered into the system, the transfer type must be entered.</i> Through discussions with Team Leader – Billing, it was noted that when an order is placed, the system prompts the user to enter the transfer type. 3. <i>Alinta has a current Access Contract with Western Power.</i> On the 25th of July 2003, Western Power Corporation, Alinta Electricity Trading Pty Ltd, and Alinta Co-generation (Pinjarra) Pty Ltd signed a Network Access Agreement allowing Alinta access to the Electricity Network for the purpose of supplying electricity to customers. The contract is valid until the 30th of June 2035, unless terminated prior. On the 6th of August 2004, Western Power, Alinta Electricity, Alinta Co-Generation and Alinta Sales Pty Ltd entered a deed of amendment to remove the original Alinta parties from the agreement, and replace them with Alinta Sales. This was approved by all parties, and the agreement was considered changed from this date. Alinta Sales Pty Ltd is the current Licensee for the Access Contract. 4. <i>The access contract is used with every transfer.</i> A version of the access contract is attached to every transfer request from Alinta to Western Power. Our sample testing confirms this. 5. <i>The B2B system prevents more than 20 transfer requests on the same business day.</i> Once an order is placed in the B2B system, the WPP receives the information. If it receives more than 20 orders in one business day, 		

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>the order will be rejected immediately, and a notification is sent to the Billing email inbox. A member of the Billing team will go back to the B2B system and update the transfer date.</p> <p>6. <i>If more transfers need to be processed, Alinta will communicate with Western Power.</i> As some meters need to be manually read, there may be instances where more than 20 transfers need to be completed. In this case, Alinta will communicate with Western Power to open up the restriction within the WPP for the particular request. This communication is either verbal or via email. A walkthrough of the process was conducted and it was observed that Alinta will communicate with Western Power to increase the number of transfers in a day.</p> <p>7. <i>Contracts stipulate the transfer date.</i> When a customer requests a transfer to Alinta, the contract will stipulate the transfer date. This generally runs in line with the contract end date of the current retailer to minimise costs associated with ending a contract early.</p> <p>8. <i>A customer cannot request a transfer to occur more than 50 days in the future.</i> If a customer requests a transfer to occur in more than 50 business days, the order will not be placed until the correct amount of time has passed. The Billing team will be notified via email from the Sales team when the order is ready to be processed.</p> <p>9. <i>Gentrack and B2B prevent bills for charges incurred after the transfer date.</i> The B2B system has in built processes which prevent bills being generated for customers who have transferred out of Alinta. Once an account is closed, the information is "purged" from the system and bills can no longer be generated.</p> <p>10. <i>Each address has a unique NMI to identify the property.</i> An NMI is used across the WPP, Gentrack and other Retail Portals to identify the property, mitigating the risk of an erroneous transfer. When an order is placed in the Gentrack system, the NMI is listed on the request and will be used to identify the corresponding transfer request in the WPP.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is</p>		

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
2/2018	<p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 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. 28 - A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.</p> <p>Details: The billing team is primarily in charge of processing erroneous transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p> <p>1. <i>Alinta does not communicate with the other retailer due to privacy issues. Confirmation of the incoming retailer's identity is dependent on information obtained from Western Power.</i> A customer will report an erroneous transfer to the Alinta team, and the process for remediation begins from this point. The Sales team will notify Billing to commence an order within the B2B system. This order will go through to Western Power, who communicate with the other retailer to resolve the issue. Alinta does not communicate with the other retailer directly at any stage in the process. If the transfer is from an incoming retailer, a notification will automatically sent from Western Power to Alinta confirming the transfer. In situations where the incoming retailer's identity has not been provided, Alinta will contact Western Power for assistance in identifying the incoming retailer. There have been no erroneous transfers during the audit period.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>2. <i>Orders can be cancelled during the prescribed cooling off period.</i> As per the <i>Alinta Energy Electricity Customer Service Charter</i>, Australian Consumer Law stipulates there must be a 10 business day cooling off period for unsolicited contracts (Note that a separate <i>Recommendation 5/2018</i> is raised for the application of cooling off period to unsolicited contracts only). During this period, a customer must communicate to Alinta via email or phone their clear intention to cancel the contract. Sales will communicate this to Billing via email or face to face communication, who will cancel the order in B2B. The order is cancelled immediately and automatically updated in the WPP. This has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		
3/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>34 - A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.</p> <p>39 - A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, if there has been an objection from Western Power to the customer transfer request, both Alinta and Western Power will liaise to agree on a revised nominated transfer date. Communication can be via email or via B2B system on Gentrack. If Western Power inform that a meter read is not able to be obtained on the nominated transfer date, Alinta will also work with</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p> <p>Team Leader Billing</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Western Power to determine a revised nominated transfer date. For contestable customers, Alinta will propose via email a new transfer date as soon as practicable to the original nominated transfer date with the customer. Sample testing and walkthrough performed confirm this.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		<p>Due Date: 31 October 2018</p>
4/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation:</p> <p>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.</p> <p>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.</p> <p>57 – If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.</p> <p>58 – A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.</p> <p>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.</p>	<p>Management to implement written policies and procedures for its disputes resolution process which include the minimum timeframe required for meeting with the disputing parties.</p>	<p>Action Plan: Procedure to be drafted for dealing with disputes between Alinta Sales and other Code participants.</p> <p>Responsible Officer: Business Sales Manager</p> <p>Due Date: 31 December 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>457 – If any dispute arises between any Code participants then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.</p> <p>458 - If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.</p> <p>459 – If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.</p> <p>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.</p> <p>461 - The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in sub clause 8.3(1).</p> <p>Details:</p> <p>There are no written policies or procedures for required actions relating to the obligations in the case disputes arise. However, it was noted from our discussion with the Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant that, in the case a dispute arises, it will be escalated appropriately to a higher authority within the firm, although the escalation path does not currently include the timeframes for meeting as per the obligations.</p> <p>The Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant confirmed that, during the period from 1 June 2014 to 31 May 2018, Alinta had not acted as a disputing party nor had it been an arbitrator of a dispute.</p>		

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.		
5/2018	<p>Non Compliance Controls improvement Rating: B / 3</p> <p>Legislative Obligation: 96 - A non-standard contract must include details about the cooling off period specified in the regulation. 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.</p> <p>Details: A walkthrough was conducted with Senior Business Account Consultant to observe the process where contracts are issued to the customer to confirm the compliant non-standard contract is issued to small-use customers. A system generated email attaches the appropriate documentation in accordance with Clause 2.3(2) of the Code to be sent to a customer is dependent on customer type, and if they are small use (<160MwH) the non-standard terms and conditions are attached. It was confirmed the non-standard terms and conditions are not altered, however, special conditions can be present on the particulars of contract.</p> <p>Review of the non-standard terms and conditions noted it did not include the details of cooling off period for a non-standard contract (the cooling off period specified in the terms and conditions only refers to unsolicited contracts).</p> <p>The Electricity Industry (Customer Contracts) Regulations 2005, regulation 32 requires a cooling off period for all non-standard contracts, regardless of whether contracts are solicited or unsolicited. However, we note that the 'cooling off period' as stipulated in Alinta's non-standard contracts (for electricity) only apply to 'unsolicited consumer' or 'contracts entered into as a result of door to door marketing'.</p>	We recommend that the Legal team update the non-standard contract to include within the contract the cooling off period for non-standard contracts.	<p>Action Plan: Electricity Supply Non-Standard Contract to be amended such that a customer has a right to terminate the contract within 10 business days regardless of whether the contract was unsolicited or not as per cl 32(2) of the Electricity Industry (Customer Contract) Regulations 2005.</p> <p>Responsible Officer: Legal Advisor – Retail Markets</p> <p>Due Date: 31 December 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Obligation #96 requires that the "A non-standard contract must include details about the cooling off period specified in the regulation." In this instance, there seems to be a gap of which such cooling off period is not being applied to other consumer falling under the non-standards contract as required under the regulation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>		
6/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 105 - A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.</p> <p>Details: Discussion with the Manager Regulatory Compliance noted that Licence obligations, including payment dates of licence fees, are tracked with the Regulatory Obligations Register; access is restricted to the Legal & Regulatory team (nationally). We noted that there are 2 types of licence fees payment required to be made, i.e. an annual charge due within one month from 19 May and quarterly standing charges which are applied for a period of 3 months ending 30 September, 31 December, 31 March and 30 June.</p> <p>Examination of the document noted the license fee payment date for the annual charge was present but the quarterly standing charges had not been diarised on the register. The excel document is a manual control that does not automatically alert the regulatory team for upcoming obligations due.</p> <p>Discussion further noted Alinta is moving to improve the license fee tracking process through compliance software – InControl, which will contain a calendar with alert functionality. Currently this system is being</p>	Alinta to diarise payment for annual licence fees and standing charges in InControl once calendar alert functionality is implemented to provide automatic alerts to the relevant stakeholders.	<p>Action Plan: Annual licence fees and standing charges to be diarised in InControl once calendar functionality is implemented.</p> <p>Responsible Officer: Manager Regulatory Compliance</p> <p>Due Date: 30 June 2019</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>implemented for logging compliance issues with the calendar application to follow.</p> <p>Sample testing of 2 payments of licence fees confirmed that the prescribed licence fees were paid in accordance with the Licensing Funding Regulations, within the required time.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
7/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 106 - 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>Details: Through discussion with the Business Sales Manager and Senior Account Consultant, it was observed that Alinta, as an electricity retailer, relies on Western Power as the network operator to minimise the extent or duration of interruption or restriction of supply. Western Power manages Alinta's role in the event of a supply interruption, suspension or restriction.</p> <p>However, in the case that a customer contacts Alinta regarding interruptions, suspensions or restrictions to the supply of electricity, Alinta will either direct customer to Western Power's fault line or contact the Accounts Manager at Western Power on the customer's behalf and escalate the issue.</p> <p>It was also observed that Alinta do not have emergency or business continuity procedures that document how the situation must be handled in the event that an interruption or suspension to electricity supply occurs.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some</p>	<p>We recommend that management develops policies and procedures that will detail best practice in order 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>Action Plan: Procedure to be drafted for dealing with emergency situations.</p> <p>Responsible Officer: Business Sales Manager</p> <p>Due Date: 31 December 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	improvement needed and Alinta has complied with the licence condition, during the audit period.		
8/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 143 - If a retailer agrees to sell electricity to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor. 144 - 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>Details: The billing team is primarily in charge of processing transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p> <ol style="list-style-type: none"> <i>The process of forwarding the transfer request to the distributor is completely automated.</i> Once an order is placed in Gentrack to connect a customer's supply address, a notification is sent to the WPP to complete the connection. Errors may occur if there is miscommunication between the customer and the Sales team resulting in an erroneous transfer. If this occurs, the erroneous transfer request process is followed. <i>The same day request process is reliant on the proactivity of the Billing team.</i> When a request for connection is placed with the Sales team, the Billing team receives an email in their communal inbox. The obligation requires the order to be placed on the same day, and this is dependent on the proactivity of the Billing team as the requests are not auto-assigned. The team is driven to complete these through the use of KPIs. Sample testing of two transfer requests confirms this observation. <i>Quarterly reconciliation is done between CRM and Gentrack.</i> 	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Through discussion with Senior Business Account Consultant, it is noted that the CRM and Gentrack systems are reconciled to reflect the same information and highlight differences between the two.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
9/2018	<p>Non Compliance Controls improvement Rating: B / 2</p> <p>Legislative Obligation: 155 - 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>Details: Section 6.3 of Alinta's non-standard contract states: <i>Each bill will show the information required to be included in accordance with clause 4.5(1) of the Code, other than the information in clause 4.5(1)(b) and (bb) of the Code, which you agree the bill is not required to show.</i> We noted that: <ul style="list-style-type: none"> - Clause 4.5(1)(b) is a requirement for customers with Type 7 connections points, which is not relevant for Alinta customers, during the audit period. - Clause 4.5(1)(bb) requires, with respect to residential customers, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services". It is noted that the bills reviewed during our sample testing contained the National </p>	<p>We recommend that management update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. In additions, management should implement a monitoring process to ensure that any changes to the non-standard contract and supporting terms and conditions have been aligned with the requirements of the Code of Conduct.</p>	<p>Action Plan: Electricity Supply Non-Standard Contract to be reviewed and amended as required to ensure correct clauses are referenced and amended contract to be implemented by business.</p> <p>Responsible Officer: Legal Advisor – Retail Markets and Manager Business Sales</p> <p>Due Date: 31 December 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Interpreter Symbol and the words "Interpreter Services". Thus, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included.</p> <p>- Our examination of Alinta's bill template and non-standard contract also highlighted that it has not contained the requirements for clause 4.5(1)(dd). The clause requires, to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period covered by the bill, the previous bill and the bill for same period last year. Thus, consent to not include has not been sought from the customer.</p> <p>The above findings were also consistent with the findings from the 2014 ERL6 Performance Audit Report (Issue 5/2014). From discussion with the Manager Regulatory Compliance and from our review of the email correspondence provided by the Manager Regulatory Compliance, we noted that in September 2016 the Legal and Regulatory team proposed amendments to the non-standard contract to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. However, these amendments were not reflected on the updated non-standard contract subsequently.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>		
10/2018	<p>Non Compliance</p> <p>Controls improvement</p> <p>Rating: C / 3</p> <p>Legislative Obligation:</p> <p>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).</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, system walkthroughs and relevant sample testing, it is noted that Alinta does not notify its customers when they are given an estimated bill. When estimations are used for customer bills, the estimated amount is generated in the B2B</p>	<p>We recommend that Alinta liaises with Gentrack to ensure estimated bill flag is correctly populating on the Fuji Xerox field.</p> <p>We recommend that Alinta implements a reviewing and monitoring process to ensure that when changes are made to the billing system, the bill template aligns with the requirements of the Code of Conduct.</p>	<p>Action Plan:</p> <p>Amend system to ensure estimated bill flag is correctly populating Fuji Xerox field.</p> <p>Implement review and monitoring process to ensure bill template is compliant in the event changes are made to the billing system.</p> <p>Responsible Officer:</p> <p>Team Leader Billing</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>system and calculated into the total owed amount. Gentrack clearly identifies when a bill is based on an estimated reading. However, when this information is sent to Fuji Xerox for printing, the xml file containing the estimated bill flag is not populating in the Fuji Xerox field when the bill is generated. This is confirmed through our sample testing.</p> <p>Following from the issue identified in the 2014 ERL6 Performance Audit (Issue 6/2014), Alinta reconfigured the billing system to correctly identify and flag estimated invoices in the bill file and for Fuji to print the message notifying customers of the estimated read. When the billing system was later upgraded from version 3 to version 4, Alinta confirmed with Gentrack that the field was active and would populate as required. However, this audit has identified that the required field was not populated after the upgrade.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>		<p>Due Date: 31 December 2018</p>
11/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 164 - 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>Details: Through discussion with Team Leader – Billing and sample testing of meter test requests, the following is noted:</p> <ol style="list-style-type: none"> <i>The customer contacts Alinta to request test.</i> Generally, the customer will contact their Sales and Account Manager to request a meter test. The order is placed in B2B by the Billing team after confirmation from the Sales team that the customer is aware of the charges. The order is automatically updated in the WPP and a technician is sent to complete the work within the timeframe specified in Schedule 2 of the Service Level Agreement (SLA) held between Western Power and Alinta. <i>"Costs" are determined by the SLA.</i> 	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Depending on the type of test required and the locale of the customer, the costs will differ. The Sales and Account Manager will communicate this to the customer before confirming the test. If a customer has a history of requesting tests for non-issues, the Sales team may ask for upfront payment from the customer as a deterrent.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
12/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 165 - 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>Details: Through discussion with Team Leader – Billing and the WA Payments and Credits Manager, it is noted that refunds are processed via the Credits team. If a refund is to be given to the customer, the request is made to the Credit and Payments team. They will process the order via Gentrack in the customer's preferred method.</p> <p>Discussions with the Team Leader – Billing noted there had been no tests that resulted in a negative result during the audit period. Sample testing of two meter requests noted that the tests both returned non-defective results.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
13/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 168 - If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.</p> <p>Details: Through discussion with Team Leader – Billing and sample testing, it is noted that at account closure, the customer can request the final bill address. When a customer closes an account, they are asked where they want the final bill to be sent. The customer can indicate either the supply address, billing address or email. The request is placed with the Billing team, and a bill is generated as per normal procedures, and is sent as per customer instructions.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.		
14/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 169 - 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. 170 - 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).</p> <p>Details: Through discussion with Team Leader – Billing, WA Credits and Payments Manager and system walkthrough, the following was noted:</p> <ol style="list-style-type: none"> <i>Unless the customer specifies at the time of account closure, credits are not automatically refunded.</i> If a customer realises they have a credit on the account, they will generally contact their Sales and Account Manager. They can specify the method of receiving the credit, and this is distributed by the Credits and Payments team. If a customer does not specify how they want to receive the credit and they reconnect with Alinta at a later date, the credit is automatically rolled over the new account. In discussion with Credit and Payments Officer, there were no business accounts in credit at closure during the audit period. <i>Credits will be used to offset debts of the customer on account closure.</i> If an account is closed with an outstanding debt and credit present, the customer does not have the option to receive the credit as a 	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>cheque or bank transfer. The customer will be informed by a member of the Credits and Payments team of the forfeiture of the credit and will receive a written notice via their preferred billing method (email or posted letter). If the customer is unhappy with the outcome, it will be escalated to the WA Credits and Payments Manager to resolve. The customer can proceed to lodge a complaint with the Energy and Water Ombudsman if they are not satisfied with the outcome. This has not occurred during the audit period, therefore no sample testing can be performed to verify compliance; two accounts' closing statements were checked and neither were noted as being in credit.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
15/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 171 - 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. 174 - A retailer must inform a customer of the outcome of the review of a bill as soon as practicable. 175 - 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>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Details:</p> <p>Through discussion with Team Leader – Billing, sample testing and walkthrough of the B2B system, the following is noted:</p> <ol style="list-style-type: none"> 1. <i>Customers contact either the Billing Team or their Sales and Account Managers when requesting a bill review.</i> If the customer has a dispute with their bill, the Sales and Account Manager will attempt to resolve it in cohesion with the Credits and Payments Team. They can enlist the help of the Billing team to analyse past bills and confirm data extracted from the WPP. 2. <i>Customers are informed of bill review outcomes by their dedicated Sales and Account Manager.</i> Once a review is complete, the customer will be contacted by their Sales and Account Manager. It is noted from our sample testing that customers had been informed within 20 business days of the date of receipt for the review request. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>Due Date:</p> <p>31 October 2018</p>
16/2018	<p>Non Compliance</p> <p>Controls improvement</p> <p>Rating: B / 2</p> <p>Legislative Obligation:</p> <p>172 - If a retailer has reviewed a customer's bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount. The retailer must advise the customer that the customer may request for a</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations. In this instance, the responsible area should also ensure that customers are well informed of the options for requesting a meter test as well as the complaints handling processes as part of a bill review.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>meter test in accordance with the applicable law; and also the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</p> <p>Details:</p> <p>Through discussion with WA Credits and Payments Manager, sample testing and walkthrough of the B2B system, it is noted that customers are not informed of the internal and external complaints handling procedures when their account is under review. Through sample testing, it is confirmed that Alinta has not explicitly informed customers of the complaints process after a bill review has been completed. In one sample, the customer requested a meter test during the course of the review, but this was not offered to another customer.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>		<p>compliant with any relevant regulatory obligations, including that customers may request a meter test and must be advised of complaint handling procedures.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
17/2018	<p>Controls improvement</p> <p>Rating: B / NR</p> <p>Legislative Obligation:</p> <p>173 - 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>Details:</p> <p>Through discussion with WA Credits and Payments Manager, it is noted that the customer can request the method of adjustment. If it is</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>determined after a bill review that the charges are incorrect, the customer can decide the method of payment to the account. During the audit period, a bill has not been adjusted after a review due to incorrect charges.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		<p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
18/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 176 - If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified.</p> <p>Details: Through discussion with Team Leader – Billing and sample testing of undercharged customer accounts, it is noted that the customer can nominate the payment method. If a customer has been undercharged on their bill, they will be contacted by a member of the Billing team once the discovery is made. The customer can decide if they wish to have the bill reissued, or if they would prefer a line item adjustment on their next bill. If the customer cannot be contacted after multiple attempts and before the next bill is generated, a line item adjustment will generally be done on the account. The decision to do this would be made by the Sales and Account Manager for the customer.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
19/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 176A - 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>Details: Through discussion with Team Leader – Billing, Alinta would generally not charge interest to a small use customer, but this is at the discretion of the Sales and Account Manager from reviewing the circumstances of each individual customer. This has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
20/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 177 - If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), 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.</p> <p>Details: Through discussion with Team Leader – Billing and WA Credits and Payments Manager, sample testing and system walkthrough, it is noted that where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method for refund. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
21/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 178 - A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions. 184 - 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.</p> <p>Details: Through discussion with Team Leader – Billing and WA Credits and Payments Manager, sample testing and system walkthrough, it is noted that as soon as instructions are received, the preferred refund method is processed. Refunds are not automatically processed by the system, and are instead, initiated by the Credits and Payments Team. Once confirmation is received from the customer, the refund is approved and processed by the credit officers. If need be, the amount is confirmed with the Manager of the Credits and Payments Team.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>
22/2018	<p>Controls improvement Rating: B / NR</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Legislative Obligation:</p> <p>179 - 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.</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, it is noted that when a customer is contacted regarding a credit, they will be notified multiple times by their dedicated account manager within the 5 business days. This is confirmed through walkthroughs with Billing Officers. If the customer cannot be contacted after multiple attempts and before the next bill is generated, a line item adjustment will generally be done on the account. The decision to do this would be made by the Sales and Account Manager for the customer. However, this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>	<p>management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
23/2018	<p>Non compliance</p> <p>Controls improvement</p> <p>Rating: B / 2</p> <p>Legislative Obligation:</p> <p>181 - A 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. If, after the set off, there remains an amount of</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p> <p>We suggest Alinta researches the system capabilities of Gentrack to ensure customers are notified of credits being used to offset debts on accounts, prior to the completion of this process, particularly to include the capability to auto-generate written notice to inform customers of the offset, unless it is in relation to a customer experiencing payment difficulties or financial hardship.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.</p> <p>Details:</p> <p>Through discussion with WA Credits and Payments Manager, walkthrough and sample testing performed, the following is noted:</p> <ol style="list-style-type: none"> <i>Gentrack has an automated process which assigns any credit on an account to offset debt owing to the customer. The Billing team communicates the outcome with the customer.</i> If an overcharged amount is to be used to offset a debt, the Billing team will communicate this with the customer via email or phone. The customer can request to receive the overcharged amount as a cheque or bank transfer, but this will generally be declined by the WA Credits and Payments Manager if they owe a debt to Alinta and the manager has reasonable belief that they will not repay the amount owed. When a credit is placed on an account, it will be input to the bill balance, and be deducted from any amount owing. They do not notify customers prior to using the credit to offset a debt as it is an automated system update. Walkthroughs of the system confirmed this. <i>Gentrack generates a financial tracker report.</i> This report outlines those customers on payment arrangements for debts and is cross-referenced with those customers who have been overcharged, to ensure the customer is not experiencing financial hardship or payment difficulties. <i>Written communication is not given to customers.</i> As the adjustments appear as credits on the account, Gentrack will automatically assign the credit to offset the debt. Customers are not given written communication of this prior to the debt being used as a result. Walkthroughs of the system confirmed this. <i>If an amount under \$100 is still owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer.</i> B2B has an inbuilt process which automatically credits the customer if the overcharge is under \$100. If a member of the billing team sees it, then they can raise it to the customer, otherwise it is automatically processed. This has not occurred during the audit period. <i>If an amount is owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer within 10 business days.</i> 		<p>relevant regulatory obligations, including the requirement to provide written notice to a customer regarding using an overcharge amount to offset debt.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period. This impact has not been rated as moderate as the customer will receive a bill stating the credited amount, regardless of direct communication or not.</p>		
24/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>182 - 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).</p> <p>Details:</p> <p>Through discussion with WA Credits and Payments Manager and walkthrough of the system, it is noted that where Alinta has undercharged the customer, the balance is automatically attached to the customer's next account as a separate item along with an explanation of the amount. The customer is then advised of the balance. In the event of an undercharge, Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date the customer is notified of the undercharge. However, this is only acknowledged in the Code of Conduct and is not input to B2B as a preventative measure. No interest or fee is to</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p> <p>Team Leader Billing</p> <p>Due Date:</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>be paid relevant to the correcting payment. Alinta offers the customer to have either:</p> <ol style="list-style-type: none"> 1. The current bill cancelled and re-issued with the correct value; 2. The current bill to remain unchanged and the adjustment to be included as a line item adjustment on the next bill; or 3. Alternative payment arrangements, including an instalment payment plan covering a period at least equal to the period of the undercharge. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		31 October 2018
25/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation:</p> <p>183 - If the meter is read under 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 ask the customer for instructions about the repayment of the amount subject to subclauses 4.19(5) and 4.19(7).</p> <p>185 - 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.</p> <p>186 - A retailer may, after notifying the customer in writing, use an amount of an adjustment to set off that customer's debt owed to the retailer, provided that the customer is not a residential customer in payment difficulties or financial hardship. If, after the set off, there</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>remains an amount of credit, the retailer must deal with that amount in accordance with subclause 4.19(2) or, if the amount is less than \$100, subclause 4.19(5).</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing and WA Credits and Payments Manager and system walkthroughs, it is noted that there have been no refunds arising from faulty meter readings during the audit period. During the audit period, no meter test requests returned with a faulty reading. As a result, no credits have been applied on customer accounts. It was noted by a billing officer, that the adjustment process would be the same as the customer refund process noted in obligations #177, #178 and #181.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		<p>Due Date:</p> <p>31 October 2018</p>
26/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>197 - A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in subclause 5.7(1).</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, sample testing, and walkthroughs, it is noted that once the Sales team has been notified of the customer vacating the address, they will place an order with the</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p>

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	<p>Billing team to finalise the account. Meter readings from the day of vacating the premises, up until midnight, are to be used to calculate the final bill. Once the account has been finalised, no further bills can be generated.</p> <p>We also noted that any or all payments for consumption are only recoverable from the commencement of the contract. Once a contract is established in Gentrack by the Sales Team, the system does not permit an amount to be billed to the previous customer of the same supply address. It has been confirmed that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
27/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 198 - If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.</p> <p>Details: Through discussion with Team Leader – Billing, sample testing and system walkthroughs, it is noted that when the customer informs the</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Sales team of the eviction, they need to provide reasonable evidence of this to close the account. Alinta will not require a customer to pay for usage beyond the period of notice if the customer is forced to vacate the supply address and the customer notifies Alinta. It is confirmed that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		<p>Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
28/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 201A - 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>Details: Through discussion with WA Credits and Payments Manager and system walkthrough, the following is noted:</p> <p>1. <i>Although debt can be transferred, it has not been done during the audit period.</i> The Credits and Payments Manager will consider each customer on a case by case basis. The customer will contact their Sales and Account Manager or the Billing team to begin the resolution process. It will be forwarded to the Credits and Payments team to consider the appropriate action, and refer to the Credits and Payments Manager</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>for approval. Based on the customer's circumstances, the request will either be confirmed or denied. Transfer of debt is not a common occurrence, and although it can be done, it is generally not approved by the Credits and Payment Manager. The reasoning is that this may be unfair to the new customer, and can be overturned through legal means if complaints arise. The only time it may be considered by the team is if the debt is transferred from a child to parent company with the capacity to take on the debt, and the legal necessity to do so. If a customer is not satisfied with the outcome, they can be referred to the Complaints team or the Water and Electricity Ombudsman.</p> <p>2. <i>Debt cannot be transferred through the system.</i> Due to system requirements and preventative controls, negative balances cannot be transferred between accounts.</p> <p>No sample testing was completed as there have been no such occurrence in the current audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
29/2018	<p>Non compliance</p> <p>Controls improvement</p> <p>Rating: B / 2</p> <p>Legislative Obligation:</p> <p>229 - 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</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>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>Details:</p> <p>Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p> <ol style="list-style-type: none"> <i>Notice is given via email communication, with the Credits and Payments Manager and the Sales and Account Manager notified.</i> If a customer is to be disconnected for non-payment, a notice is sent via email (or their preferred communication method). If they do not respond to the notice as specified within the document, a call is made to their preferred phone number. Gentrack will notify the Credits and Payments team to complete follow up and contact the customer as soon as possible. There is no maximum or minimum number of attempts that will be made, it depends on the individual circumstances. <i>Reminder notices are not always given within the correct timeframe.</i> Clause 7.1(1)(c) required warning being given not less than 15 business days from the date of dispatch of the bill. Sample testing notes one sample being not compliant during the audit period, with notice given 9 business days after the dispatch of the bill, although notice given contained information on how Alinta may assist with payment difficulties and their telephone number as required under Clause 7.1(1)(a)(i) & (ii). <i>Disconnection notices are not always given within the correct timeframe.</i> Disconnection notices are sent via the customer email with reference to the timeframes for disconnection as well the complaints process. Sample testing notes one sample did not comply during the audit period, with notice given 14 business days after the dispatch of the bill, although notice had been given in the correct manner and contained the correct timeframe as required under Clause 7.1(1)(c)(i) & (ii). Clause 7.1(1)(c) required warning being given not less than 20 business days from the date of dispatch of the bill. <p>We noted that notices are not always given within the correct timeframe. However, samples drawn showed that notices are given earlier rather</p>		<p>relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>than later than the required timeframe, thus this only has a minor impact on customer receiving the supply.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a minor impact on customers or third parties.</p>		
30/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>230 - 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>Details:</p> <p>Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p> <ol style="list-style-type: none"> <i>Orders take 48 hours to process through B2B and the WPP.</i> The Credits and Payments team will place a disconnection order the day after the end of the disconnection period. The order is received in the WPP and the customer will be disconnected after 48 hours of the end of the disconnection period. <i>Gentrack tracks all conversations and documentation from customer requests.</i> 	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>If a customer has a payment plan in place, this information is documented within Gentrack, and the Payments and Credits team can access this information when processing an order.</p> <p>3. <i>There is currently no system process for preventing these orders from being transferred if they fall under this clause.</i></p> <p>Although the Credits and Payments team act in accordance with the Code of Conduct, there are currently no automated system processes to prevent these orders from going through if they fall under circumstances as specified in subclause 7.2(1). This may result in customers being disconnected in error.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
31/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>232 - 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>Details:</p> <p>Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>1. <i>If a customer denies access to a meter, the reasoning is recorded in Gentrack.</i> Customers denying access to a meter is a common occurrence. The customer is notified after every occurrence via email or phone communication, of the next test date and the likelihood of disconnection if they continue to deny access. If access is denied due to physicality (i.e. meter is located inside a closed building), the retailer will contact the relevant landlord or authorities to gain access.</p> <p>2. <i>Alinta has not disconnected a customer for denying access to a meter.</i> Through discussion with the Commercial Credit Officer, it is noted that Alinta has not disconnected a customer for denying access to the meter during the audit period. There was one instance of a customer denying access to a meter when Alinta was placing a disconnect order due to unpaid bills, however, the company went into liquidation and access was granted after this. Sample testing confirms compliance to the obligation.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		<p>WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>
32/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>234 - Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.</p>	We recommend that Alinta develops a Disconnection Procedure to ensure that the Credit and Billing team are aware of the appropriate procedures to initiate a disconnection of supply, and the conditions that must stand as per the Code of Conduct before this is performed.	<p>Action Plan:</p> <p>As part of its Credit Framework, Alinta Sales will draft a Disconnection Procedure to ensure the correct procedure is followed when disconnecting a</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Details:</p> <p>Through discussion with the WA Credit and Payments Manager and consideration of Alinta's disconnection and reconnection processes, it was observed that a customers' supply addresses is not to be disconnected until all required communication has been made regarding the cause of disconnection (including resolution of any complaint made by the customer directly related to the reason for the disconnection). If there is a complaint or any relevant information relating to the customer and their potential supply disconnection, a commercial note is manually entered into Gentrack by the Advocacy team. Therefore, when Commercial Officers enter into Gentrack, they are able check the status of the complaint/ dispute, before submitting a service order to Western Power for disconnection.</p> <p>If disconnection is required and all complaints/ disputes are resolved, the Commercial Officer will submit a service order within Gentrack which will be received by Western Power via the Metering Service Web Portal. Western Power will then perform the disconnection based on the service order supplied by Alinta.</p> <p>It was also noted that Western Power are responsible for performing the physical disconnection. Therefore, it is Western Power's responsibility to ensure that disconnections will not be arranged after 3.00 pm Monday to Thursday; after 12.00 noon on a Friday; or on a Saturday, Sunday, public holiday or on the business day before a public holiday.</p> <p>Through discussions with the WA Credit and Payments Manager, it was further noted that a Credit Framework is in the process of being developed to re-alliterate compliance with the code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>customer.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 December 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
33/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 235 - 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>Details: Through discussions with Sales and Service Support and the Billing Team Leader, the default selection on a non-standard contract details that the customer requires life support, unless otherwise indicated on the form. Therefore, the customer needs to specifically indicate 'No' on the life support applicability to advise Alinta that they do not require life support. If the customer stipulates that they require life support through the contract, Alinta's Accounts Consultant will contact the customer via email to fill out a Life Support Equipment Registration Form. This form details the customer's personal details and approved medical authorisation.</p> <p>Once this form is completed and authorised, Alinta's sales team will send the form to the Billing team. The Billing team will then register the customer's contact details and supply address as a life support equipment address on the Alinta Energy Life Support database within Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Further, the Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was also noted that there is no procedural</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>documentation in place to ensure Alinta will notify Western Power that the customer's supply address is a life support equipment address, and of the contact details of the customer:</p> <ul style="list-style-type: none"> (i) that same day, if the confirmation is received before 3pm on a business day; or (ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment. <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are generally adequate controls in place and Alinta has complied with the obligation, during the audit period.</p>		
34/2018	<p>Non compliance</p> <p>Controls improvement</p> <p>Rating: B / 4</p> <p>Legislative Obligation:</p> <p>236 - 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 a change in contact details; or - that the address no longer requires registration as life support equipment address. <p>Details:</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p> <p>We also recommend that management has in place a stringent process in ensuring details or change of details for customer requiring life support is promptly updated and updated within the required timeframe so as to not disrupt supply to the life support equipment.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations, including that changes in customer details are notified to Western Power within the specified timeframes.</p> <p>Responsible Officer:</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was noted that the Senior Accounts Consultant will notify the Billing Team to make a change to the customer's supply address within Gentrack. The Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>It was also noted that there is no procedural documentation in place to ensure Alinta will notify Western Power that the customer's supply address is a life support equipment address, and of the contact details of the customer:</p> <ul style="list-style-type: none"> (i) that same day, if the confirmation is received before 3pm on a business day; or (ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment. <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Further, it was confirmed by the Energy Billing Officer that only three instances of a change required to the supply address of a person requiring life support occurred during the audit period. Out of the samples tested, it was noted that there was one occurrence where Alinta did not register the change within Gentrack within the specified timeframes specified under subclause 7.7(2). This occurrence was related to a single case of a life support customer whereby Alinta did not register that the customer no longer required life support at an address on Gentrack within the timeframes specified in the Code.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta</p>		<p>Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	has not complied with the licence condition, during the audit period, creating a major impact on customers or third parties.		
35/2018	<p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 240 - 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>Details: Through discussions with Sales and Service Support and the Team Leader – Billing, it was noted that there is no process currently in place to contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstance specified in subclause 7.7(6).</p> <p>It was also noted that a local file is kept by the Billing team with follow-up dates to check whether life support equipment is required or to request re-certification in the timeframe. However this local file is inconsistently updated, making it an unreliable source to understand when to contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe under the code.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>	We recommend Alinta to utilise the existing file that contains follow-up dates for ascertaining whether life support equipment is required or to request re-certification in the timeframe, manner and circumstance specified in subclause 7.7(6). This will require a delegated member of authority within the Billing Team to hold accountability for updating the local file.	<p>Action Plan: Alinta Sales to implement process for updating life support equipment file as required.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 December 2018</p>
36/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 300 - A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).</p>	We recommend Alinta amend the Standard Complaints and Dispute Resolution Procedures guide that is available to customers to include information specific to WA, including the Western Australian Energy Ombudsman Contact details.	<p>Action Plan: Standard Complaints and Dispute Resolution Procedures guide to be updated to include information specific to WA, including</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Details:</p> <p>Discussion with the Group Manager Customer Operations noted the process outlined in the Standard Complaints and Dispute Resolution Procedures is followed by Alinta staff in regards to dealing with complaints. The customer is notified of the Complaints and Dispute Resolution Procedures, which is available online and at no cost.</p> <p>Review of the Standard Complaints and Dispute Resolution Procedures and sample complaints noted the following observations:</p> <ul style="list-style-type: none"> - Alinta will escalate a complaint to a senior manager at the request of a customer if requested; - The customer has the right refer the matter to the Energy Ombudsman. It is noted that whilst other states' Ombudsmen contact details are present, the Western Australian Energy Ombudsman's details are not provided. It appears that this Procedure is only for the QLD, NSW, SA and Victoria. A WA specific complaints procedure could not be located. However review of the Alinta website and the Customer Charter noted the WA Ombudsman details were present; and - Customers were informed of the reason for the response of the complaint in writing. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>Ombudsman details.</p> <p>Responsible Officer: Group Manager Customer Operations</p> <p>Due Date: 31 December 2018</p>
37/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>302 - A retailer must comply with any guideline developed by the ERA to distinguish customer queries from complaints.</p> <p>Details:</p> <p>Discussion with the Group Manager Customer Operations and Billing Team members noted if customers contact Alinta with any element of dissatisfaction, it is treated as per a complaint, and the complaints handling process is followed. It was additionally noted through discussion</p>	<p>We recommend Alinta to update the Standard Complaints and Dispute Resolution Procedures guide to distinguish between a query and a complaint as per the ERA Complaints Guidelines.</p>	<p>Action Plan: Standard Complaints and Dispute Resolution Procedures guide to be updated to include steps on distinguishing between a query and a complaint.</p> <p>Responsible Officer: Group Manager Customer Operations</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>with a member of the Billing Team that it will be clarified with the customer if they wish to make a complaint. If the customer does not show dissatisfaction and does not explicitly say they want to make a complaint, then it will be treated as a query.</p> <p>Review of the publicly available Complaints and Dispute Resolution Procedures noted it did not define how Alinta distinguished between customer queries and complaints.</p> <p>Review of complaints noted they had been clarified with the customer as to if a complaint was to be raised.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>Due Date: 31 December 2018</p>
38/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 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. 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. 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).</p> <p>Details: Through discussion with WA Credits and Payments Manager, it is noted that if a customer is to be compensated for disconnection or reconnection delays, they can decide how they wish to receive the compensatory payment. As business customers are considered "priority reconnects" by</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Western Power, there are generally no delays in reconnection. Over the audit period this has not occurred, and this is confirmed by the Credits and Payments Officer.</p> <p>There are currently no processes in place for completing this as it has not occurred in recent years and during the audit period.</p> <p>Review of the Customer Charter noted it outlined the required payments if Alinta fails to reconnect the customer within the required timeframes, in accordance with the Code of Conduct.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
39/2018	<p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 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).</p> <p>Details: Discussion with the Group Manager Customer Operations and Billing Team members noted they were not aware of the requirement and that currently there was no process set up currently to ensure that \$20 was paid to the customer in the instance where the Alinta as failed to acknowledge or respond to a complaint within the timeframes prescribed.</p> <p>It was observed via walkthrough of the complaints handling process that all complaints are responded as soon as possible, with follow up on all open complaints reinforced via a system queue that forms part of Billing Team member's task lists. This forms the compensating control to ensure that team handles complaints in a timely manner, thus avoiding the need to pay penalty on failure to do so.</p>	We recommend that Alinta re-communicate to the complaints handling team, the requirement for \$20 to be paid to the customer where Alinta fail to acknowledge or respond to a complaint within the required timeframes and ensure that all complaints lodged are tracked & closed out on a timely manner.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations, including those concerning responding to customer complaints within appropriate timeframes and the requirement to pay a monetary penalty if timeframes are not met.</p> <p>Responsible Officer: Group Manager Customer Operations</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Review of the Customer Charter noted it includes Alinta's obligation to pay the customer \$20 if a written response is not acknowledged, or responded to, within the timeframes prescribed.</p> <p>It was confirmed by members of the sales team that they had not received any complaints in writing from electricity customers, during the audit period.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		<p>Due Date: 31 October 2018</p>
40/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 371 - 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>Details: Through discussion with Team Leader – Billing, system walkthroughs and sample testing, it is noted that if there is a discrepancy between the metering installation and the metering database, Alinta will lodge a query with Western Power via the B2B system. If there is an urgent requirement for explanation, a member of the billing team will either email or call a liaison in Western Power. They will liaise on the appropriate approach for resolving the issue. It is noted that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.		
41/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 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.</p> <p>Details: Through discussion with Team Leader – Billing, it is noted that Alinta's application of those rules and procedures relevant to its activities are demonstrated in its:</p> <ol style="list-style-type: none"> 1. Use of the Metering Service Centre web portal, in accordance with the instructions built into the system. The Metering Service Portal interfaces with Gentrack, as evidenced in the walkthrough. 2. Adherence to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodate the Metering Code Communication Rules and the Approved Metrology Procedure. <p>The system is automated for various billing and transfer processes to prevent non-compliance, but through discussion with Manager Regulatory Compliance, the controls in place centre around processes and procedures complying with Metering Code requirements.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

Reference (no./ year)	Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.		

3. Previous Non Compliances and Audit Recommendations

3.1. Previous audit non-compliances resolved before end of previous audit period

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
2/2014	<p>Non-compliant – 2</p> <p>Legislative Obligation: <i>Retail Licence condition 16.1</i></p> <p>Details: Alinta's Annual Compliance Reports are required to be submitted to the Authority by 31 August each year in hard copy and electronic format.</p> <p>Although an electronic copy of 2011/12 Compliance Report was submitted to the Authority by 31 August 2012, the hard copy submission was not provided until after 31 August, therefore not complying with the required timeframe. This issue was reported by Alinta to the Authority in 2012/13 Compliance Report.</p> <p>The 2014 performance audit identified that since 2013, Alinta has appointed a Regulator Advisor who is responsible for tracking all key regulatory notification and reporting dates in a Regulatory Obligation Register and has submitted subsequent reports in a timely fashion. As such, no further action is proposed.</p>	N/A	N/A	No

3.2. Previous audit non-compliances resolved during current Audit Period

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
1/2014	<p>Non-compliant – 2</p> <p>Legislative Obligation: <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 7</i></p> <p>Details: Examination of Alinta's non-standard contract and accompanying terms and conditions confirmed that the documents do not specify all the information required by Regulation 7 of the Customer Contracts Regulations. The 2014 performance audit identified that Regulation 7 requires the retailer to specify (amongst others):</p> <ul style="list-style-type: none"> • The registered office address and business address (if different from its registered office) (Regulation 7(c)) • The postal address. <p>Alinta Sales Pty Ltd.'s (the Licensee) registered office, per an ASIC search performed on 24 July 2014 is Level 11, 16-20 Bridge Street, Sydney NSW 2000. However:</p> <ul style="list-style-type: none"> • The non-standard contract only details Alinta's postal address in Western Australia • The terms and conditions list a number of addresses, however the registered address listed is outdated as it refers to an address in Adelaide. 	<p>Recommendation 1/2014</p> <p>Alinta should update both its non-standard contract and terms and conditions to reflect the appropriate registered address of Alinta Sales Pty Ltd.</p>	October 2016	No
3/3014	<p>Non-compliant – 2</p> <p>Legislative Obligation:</p>	<p>Recommendation 3/2014</p> <p>Alinta should:</p>	October 2014	No

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p><i>Code of Conduct Clause 2.1</i> <i>Code of Conduct Clause 2.2</i> <i>Code of Conduct Clause 2.3(1)(c)-(d)</i> <i>Code of Conduct Clause 2.3(2)</i> <i>Code of Conduct Clause 2.4(1)</i> <i>Code of Conduct Clause 2.4(2)</i> <i>Code of Conduct Clause 2.4(3)</i> <i>Code of Conduct Clause 2.5(2)</i> <i>Electricity Industry Act, Section 54(1)</i></p> <p>Details: The Code of Conduct for supply of electricity to small use customers contains specific requirements regarding the manner through which retailers or marketing agents can enter into contractual relationship with customers. The audit identified that Alinta entered into an arrangement to supply electricity to a customer in April 2013 utilising Alinta's advertised rates. We understanding that the arrangement was not unsolicited (i.e. the customer approached Alinta for the provision of services). However, the audit confirmed that:</p> <ul style="list-style-type: none"> • The arrangement is not supported by a formal contractual arrangement • The information Alinta is required to provide to customers, as outlined by the Code, had not been provided to the customer (for example, the non-standard contract terms and conditions) • Verifiable consent had not been obtained from the customer. <p>As Alinta did not formally engage the customer through a formal contract and provide appropriate information to the customer, Alinta has not complied with clause 2.1. Given the nature of the non-</p>	<p>(a) Formalise the contractual relationship between Alinta and the identified customer</p> <p>(b) Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer</p> <p>(c) Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.</p> <p>(d) Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.</p>		

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	compliance, Alinta has also not complied with clauses 2.2, 2.3(1) (c)-(d), 2.3(2), 2.4(1), 2.4(2) and 2.5(2).			
4/2014	<p>Non-compliant – 2 & 3</p> <p>Legislative Obligation: Retail Licence condition 23.1 [Non-compliant – 2] Retail Licence condition 23.2 [Non-compliant – 3] Code of Conduct Clause 2.6(3) [Non-compliant – 2]</p> <p>Details: Where Alinta representatives meet with customer face-to-face, they are required to:</p> <ul style="list-style-type: none"> • Inform the customer the purpose of their visit as soon as practicable (where unsolicited) • Wear a clearly visible and legible identity card, including mandated information • Provide the customer with written mandated information. <p>In February 2014, Alinta representatives met with 15 small use business customers face-to-face as part of a marketing campaign. Examination of the written information (i.e. business card) provided to customers by Alinta identified that it failed to detail the following three information requirements required by s.2.6(2)(c), including:</p> <ul style="list-style-type: none"> • The marketing agent's marketing identification number • Alinta's complaints telephone number • Australian Business or Company number of Alinta. 	<p>Recommendation 4/2014 Alinta should:</p> <ul style="list-style-type: none"> (a) Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur (b) Implement a process to ensure that the marketing and sales team provides periodic compliance updates to the Regulatory team. The Regulatory team should then periodically check marketing and sales performance. 	December 2014	No

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	The 2014 Performance audit identified that Alinta has since updated the business card to comply with the requirements of Code and acknowledged that whilst Alinta has since updated the business card to comply with the requirements of Code, Alinta's processes did not identify the breach of the Code of Conduct. As such, Alinta's processes for reporting the breach to the Authority were not triggered.			
7/2014	<p>Non-compliant – 2</p> <p>Legislative Obligation: <i>Code of Conduct Clause 10.1(1)</i></p> <p>Details: Clause 10.1(1) of the Code requires a retailer to give a notice to each of its customers affected by a variation in its tariffs as soon as practicable after the variation is published and, in any event, no later than the next bill in a customer's billing cycle.</p> <p>During the audit period, there were two tariffs variations effective from 1 July 2012 and 1 September 2013.</p> <p>As identified by the 2012 performance audit report, Alinta attempted to demonstrate compliance with requirements of clause 10.1(1) by including a 'blanket' notification statement on customer bills as a way of informing customers on any variation in its tariff. However, the 2012 performance audit determined that the 'blanket' statement did not adequately inform affected customers of an actual tariff variation. Alinta agreed to investigate and establish a plan for implementing the most appropriate method for notifying individual customers of any tariff changes on the customer's next bill.</p> <p>Our assessment identified that Alinta customers were:</p>	<p><u>Recommendation 7/2014</u></p> <p>Alinta should:</p> <ul style="list-style-type: none"> (a) Implement a process to enable timely and effective information to be provided to customers should a tariff change (b) Provide a status update to the Authority of the billing engine project and how the tariff change process will be reflected to address clause 10.1(1). 	December 2015	No

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> Not notified of the tariff change effective from 1 July 2012, outside of the blanket statement identified above. As such, Alinta has not complied with the requirements of cl.10.1(1) of the Code Notified of the tariff change effective from 1 September 2013 by way of a manual notification letter sent with the first bill following the tariff change. As such, Alinta has complied with the requirement of the Code. <p>The 2014 Performance audit also noted that Alinta's post audit implementation plan 4/2012 has not been addressed, as it is reliant on the introduction of a new billing engine. The development of the billing engine was ongoing at the time of the audit.</p>			
8/2014	<p>Non-compliant – 3</p> <p>Legislative Obligation: <i>Code of Conduct Clause 12.1(1)</i> <i>Code of Conduct Clause 12.1(2)</i></p> <p>Details: Clause 12.1 of the Code requires a retailer and distributor to develop, maintain and implement an internal process for handling complaints and resolving disputes, which addresses key factors, such as response time and methods of response.</p> <p>The 2014 Performance audit examined the Customer Complaints Report, detailing 22 complaints received by Alinta during the audit period (and status as at 1 July 2014) and observed:</p> <ul style="list-style-type: none"> 4 complaint records with the method of response and resolution status not recorded 	<p><u>Recommendation 8/2014</u></p> <p>Alinta should implement exception reporting or alerts to follow up on all non-resolved complaints with the necessary personnel and capture any progress updates.</p>	May 2015	No

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Date Resolved	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> 12 complaint records where the complaint had not been actioned within 3 months of complaint receipt. We identified: <ul style="list-style-type: none"> 6 of the 12 complaints were outstanding since 2012 5 of the 12 complaints were outstanding since 2013 1 complaint was outstanding since January 2014 All 16 complaints identified above were marked as 'in progress' within Gentrack and had not been updated to 'resolved' as they were finalised. <p>As such, our assessment of Alinta's customer complaints process identified that the monitoring and follow-up practices require attention to ensure that Alinta is managing complaints and agreeing resolutions in a timely fashion.</p>			

3.3. Unresolved at the end of current Audit Period

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
5/2014	<p>Non-compliant – 2</p> <p>Legislative Obligation: <i>Code of Conduct Clause 4.5(1)</i></p> <p>Details: Alinta is required, per clause 4.5(1) of the Code to include particular information on its bill unless a customer agrees otherwise. In August 2011, Alinta amended its non-standard contract to provide for customers to consent for specific elements not to be included on the standard bill. Section 6.3 of Alinta's non-standard contract stated: <i>Each bill will show the information required to be included in accordance with clause 4.5[1] of the Code, other than the information in clause 4.5[1] [b] and [bb] of the Code, which you agree the bill is not required to show.</i></p> <p>However, as the Code of Conduct was updated during the audit period, effective from 1 January 2013, the clause references mentioned in section 6.3 of Alinta's non-standard contract are incorrect:</p> <ul style="list-style-type: none"> • Clause 4.5(1) (b) (now cl.4.5 (1) (c) (ii)) originally required current meter reading or estimate, where the customer had an accumulation meter installed. Given the change in Code, it now refers to requirements where the customer has a Type 7 connection point, which is not relevant to Alinta's customers • Clause 4.5(1)(bb) (now cl.4.5(1)(dd)) originally required, to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period covered by the bill, the previous bill and the bill for the same period last year. Given the change in the Code, it now refers to the requirement for the national interpreter symbol to be included. <p>As such, Alinta has been obtaining consent from customers to not include specific particulars on this bill that are actually included.</p>	<p><u>Recommendation 5/2014</u></p> <p>Alinta should:</p> <ol style="list-style-type: none"> Update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills Implement a monitoring process to ensure that the non-standard contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated. 	Refer to Recommendation 9/2018.

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>Conversely, consent has not been obtained for the removal of two clause requirements.</p> <p>Examination of Alinta's bill template and non-standard form contract also highlighted that the requirements for clause 4.5(1) (d) (ii) have not been included in the bill. Consent to not include has not been sought from the customer.</p>		
6/2014	<p>Non-compliant – 2</p> <p>Legislative Obligation: <i>Code of Conduct Clause 4.8(2)</i></p> <p>Details: Clause 4.8(2) requires a retailer to detail on a customer's bill, if based on an estimated read, the following:</p> <ul style="list-style-type: none"> • The fact that the retailer has based the bill on an estimation (cl.4.8(2)(a)) • (On request) the basis and reason for estimation (cl.4.8(2)(b)) • The customers' ability to request a verification of a meter reading and an actual meter reading (cl.4.8 (2) (c)). <p>Through discussions with the Energy Billing Officer and walkthrough of Alinta's billing processes, we determined that Alinta has the following arrangements in place for estimated bills:</p> <ul style="list-style-type: none"> • Alinta's procedures provide for Western Power to generate an estimated value based on previous billed amounts in the event that a meter read data is not received • The estimated data provided by Western Power (via the web portal) is to be updated into Gentrack. • Gentrack is to identify those interval periods where an estimation has been performed • Gentrack identifies which bills contain estimations to facilitate printing of relevant information on the customer's bill i.e. that their bill has been calculated using estimated metering data. 	<p><u>Recommendation 6/2014</u> Alinta should:</p> <ul style="list-style-type: none"> (a) Update the estimated bill template to include all required elements of clause 4.8 of the Code (b) Implement a monitoring process to ensure that the estimated bill template aligns with the requirements of the Code of Conduct, specifically where updated. 	Refer to Recommendation 10/2018.

Issue	Compliance Rating/ Legislative Obligation/ Details of the issue)	Auditors' Recommendation	Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>Alinta's processes had required an estimated bill template to include the following note to demonstrate compliance with the requirements of subclause 4.8:</p> <p><i>"This invoice is based on metering data that includes estimates. For details on the basis and reason for the meter data estimates, or to request a meter verification or reading, please contact Alinta on 13 13 58."</i></p> <p>However in November 2012, Alinta's estimated bill template was updated to include a notification about Alinta's service standard payments (per cl.10.3A). The updated resulted in the above notation about estimated meter reads being removed. As such, estimated bills issued since November 2012 did not include the specified information per cl 4.8(2).</p>		

4. Compliance summary

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
6	Electricity Industry Customer Transfer Code, clause 3.2(2)	4	X						X					
7	Electricity Industry Customer Transfer Code, clause 3.4(1)	4	X						X					
8	Electricity Industry Customer Transfer Code, clause 3.5(3)	4	X										X	
9	Electricity Industry Customer Transfer Code, clause 3.6(2)	4	X										X	
16	Electricity Industry Customer Transfer Code, clause 3.9(1)	4	X						X					
17	Electricity Industry Customer Transfer Code, clause 3.9(2)	4	X						X					
18	Electricity Industry Customer Transfer Code, clause 3.9(3)	4	X						X					
19	Electricity Industry Customer Transfer Code, clause 3.9(4)	4	X						X					
23	Electricity Industry Customer Transfer Code, clause 4.2(2)	4		X					X					
24	Electricity Industry Customer Transfer Code, clause 4.3	4		X					X					
25	Electricity Industry Customer Transfer Code, clause 4.4(1)	4		X					X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
26	Electricity Industry Customer Transfer Code, clause 4.4(2)	4			X								X	
27	Electricity Industry Customer Transfer Code, clause 4.5(1)	4		X					X					
28	Electricity Industry Customer Transfer Code, clause 4.6(3)	4			X								X	
29	Electricity Industry Customer Transfer Code, clause 4.7	4		X					X					
30	Electricity Industry Customer Transfer Code, clause 4.8(2)	4	X										X	
34	Electricity Industry Customer Transfer Code, clause 4.9(6)	4		X					X					
39	Electricity Industry Customer Transfer Code, clause 4.11(3)	4		X					X					
40	Electricity Industry Customer Transfer Code, clause 4.12(3)	5	X						X					
43	Electricity Industry Customer Transfer Code, clause 4.15	5	X						X					
44	Electricity Industry Customer Transfer Code, clause 4.16	4	X							X				
45	Electricity Industry Customer Transfer Code, clause 4.17	4		X					X					
48	Electricity Industry Customer Transfer Code, clause 5.2	4	X						X					
48A	Electricity Industry Customer Transfer Code, clause 6.1	4	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
49	Electricity Industry Customer Transfer Code, clause 6.2	4		X					X					
52	Electricity Industry Customer Transfer Code, clause 6.4(1)	4	X						X					
53	Electricity Industry Customer Transfer Code, clause 6.4(2)	4	X							X				
54	Electricity Industry Customer Transfer Code, clause 6.6	4	X						X					
55	Electricity Industry Customer Transfer Code, clause 7.1(1)	5		X									X	
56	Electricity Industry Customer Transfer Code, clause 7.1(2)	5		X									X	
57	Electricity Industry Customer Transfer Code, clause 7.1(3)	4		X									X	
58	Electricity Industry Customer Transfer Code, clause 7.2(4)	5		X									X	
59	Electricity Industry Customer Transfer Code, clause 7.3(2)	5		X									X	
78	Electricity Industry Act, section 51	4	X						X					
79	Electricity Industry (Customer Contracts) Regulations 2005, regulation 5	4	X						X					
80	Electricity Industry (Customer Contracts) Regulations 2005, regulation 6	4	X						X					
81	Electricity Industry (Customer	4	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Contracts) Regulations 2005, regulation 7													
82	Electricity Industry (Customer Contracts) Regulations 2005, regulation 8	4	X						X					
83	Electricity Industry (Customer Contracts) Regulations 2005, regulation 9	4	X						X					
84	Electricity Industry (Customer Contracts) Regulations 2005, regulation 10	4	X						X					
85	Electricity Industry (Customer Contracts) Regulations 2005, regulation 11	4	X						X					
86	Electricity Industry (Customer Contracts) Regulations 2005, regulation 12	4	X						X					
87	Electricity Industry (Customer Contracts) Regulations 2005, regulation 13	4	X						X					
88	Electricity Industry (Customer Contracts) Regulations 2005, regulation 14	4	X						X					
89	Electricity Industry (Customer Contracts) Regulations 2005, regulation 15	4	X						X					
90	Electricity Industry (Customer Contracts) Regulations	4	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	2005, regulation 16 and 34													
91	Electricity Industry (Customer Contracts) Regulations 2005, regulation 17	4	X						X					
92	Electricity Industry (Customer Contracts) Regulations 2005, regulation 18	4	X						X					
93	Electricity Industry (Customer Contracts) Regulations 2005, regulation 19	4	X						X					
94	Electricity Industry (Customer Contracts) Regulations 2005, regulation 20	4	X						X					
95	Electricity Industry (Customer Contracts) Regulations 2005, regulation 21	4	X						X					
96	Electricity Industry (Customer Contracts) Regulations 2005, regulation 32	4		X							X			
97	Electricity Industry (Customer Contracts) Regulations 2005, regulation 33(2)	4					X						X	
98	Electricity Industry (Customer Contracts) Regulations 2005, regulation 33(3) and (4)	4	X						X					
100	Electricity Industry (Customer Contracts) Regulations	4					X						X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	2005, regulation 38													
101	Electricity Industry Act, section 13(1)	5	X						X					
105	Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014	4		X					X					
106	Electricity Industry Act, section 31(3)	5		X					X					
107	Electricity Industry Act, section 41(6)	4						X						X
108	Electricity Industry Act, section 54(1)	3	X						X					
109	Electricity Industry Act, section 54(2)	4	X						X					
110	Electricity Industry Act, section 76	4						X						X
111	Electricity Industry Act, section 101	4	X						X					
113	Electricity Industry Act, section 115(2)	4					X						X	
114	Retail Licence, condition 23.1	4	X						X					
115	Retail Licence, condition 23.2	4	X										X	
116	Retail Licence, condition 24.2	5					X						X	
117	Retail Licence, condition 24.3	5					X						X	
118	Retail Licence, condition 25.1	4	X						X					
119	Retail Licence, condition 12.1	4	X						X					
120	Retail Licence, condition 13.4	4						X						X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
121	Retail Licence, condition 14.2	4	X						X					
123	Retail Licence, condition 15.1	4	X						X					
124	Retail Licence, condition 16.1	4	X						X					
125	Retail Licence, condition 17.1 and 17.2	4	X						X					
126	Retail Licence, condition 18.1	4	X						X					
129	Code of Conduct, clause 2.1 Retail Licence, condition 23.1	4	X						X					
130	Code of Conduct, clause 2.2(1) Retail Licence, condition 23.1	4					X						X	
131	Code of Conduct, clause 2.2(2) Retail Licence, condition 23.1	4					X						X	
132	Code of Conduct, clause 2.3(1) Retail Licence, condition 23.1	4	X						X					
133	Code of Conduct, clause 2.3(2) Retail Licence, condition 23.1	4		X							X			
135	Code of Conduct, clause 2.3(5) Retail Licence, condition 23.1	4	X						X					
137	Code of Conduct, clause 2.4(2) Retail Licence, condition 23.1	4	X						X					
138	Code of Conduct, clause 2.5(1) Retail Licence, condition 23.1	4	X						X					
139	Code of Conduct, clause 2.5(2) Retail Licence, condition 23.1	4	X						X					
140	Code of Conduct, clause 2.6	4					X						X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
141	Code of Conduct, clause 2.9 Retail Licence, condition 23.1	4					X						X	
142	Code of Conduct, clause 2.10 Retail Licence, condition 23.1	4	X						X					
143	Code of Conduct, clause 3.1(1)	4		X					X					
144	Code of Conduct, clause 3.1(2)	4		X					X					
145	Code of Conduct, clause 4.1	4	X							X				
154	Code of Conduct, clause 4.4	4	X						X					
155	Code of Conduct, clause 4.5(1)	4		X						X				
156	Code of Conduct, clause 4.5(3)	4	X						X					
157	Code of Conduct, clause 4.6(1)	4	X						X					
158	Code of Conduct, clause 4.7	5	X						X					
159	Code of Conduct, clause 4.8(1)	4	X						X					
160	Code of Conduct, clause 4.8(2)	4			X						X			
161	Code of Conduct, clause 4.8(3)	4	X										X	
162	Code of Conduct, clause 4.9	4	X						X					
163	Code of Conduct, clause 4.10	5	X						X					
164	Code of Conduct, clause 4.11(1)	4		X					X					
165	Code of Conduct, clause 4.11(2)	4		X									X	
166	Code of Conduct, clause 4.12(1)	4					X						X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
167	Code of Conduct, clause 4.13	4	X										X	
168	Code of Conduct, clause 4.14(1)	5		X					X					
169	Code of Conduct, clause 4.14(2)	4		X									X	
170	Code of Conduct, clause 4.14(3)	4		X									X	
171	Code of Conduct, clause 4.15	4		X					X					
172	Code of Conduct, clause 4.16(1)(a)	4		X						X				
173	Code of Conduct, clause 4.16(1)(b)	4		X									X	
174	Code of Conduct, clause 4.16(2)	4		X					X					
175	Code of Conduct, clause 4.16(3)	4		X					X					
176	Code of Conduct, clause 4.17(2)	4		X					X					
176A.	Code of Conduct, clause 4.17(3)	4		X									X	
177	Code of Conduct, clause 4.18(2)	5		X					X					
178	Code of Conduct, clause 4.18(3)	4		X					X					
179	Code of Conduct, clause 4.18(4)	5		X									X	
180	Code of Conduct, clause 4.18(6)	4	X										X	
181	Code of Conduct, clause 4.18(7)	4		X						X				
182	Code of Conduct, clause 4.19(1)	4		X					X					
183	Code of Conduct, clause 4.19(2)	4		X									X	
184	Code of Conduct, clause 4.19(3)	4		X					X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
185	Code of Conduct, clause 4.19(4)	5		X									X	
186	Code of Conduct, clause 4.19(7)	5		X									X	
187	Code of Conduct, clause 5.1	4	X						X					
188	Code of Conduct, clause 5.2	4	X						X					
190	Code of Conduct, clause 5.4	4	X						X					
197	Code of Conduct, clause 5.7(1)	4		X					X					
198	Code of Conduct, clause 5.7(2)	4		X									X	
199	Code of Conduct, clause 5.7(4)	4	X						X					
201	Code of Conduct, clause 5.8(2)	4	X						X					
201A.	Code of Conduct, clause 5.9	4		X									X	
228	Code of Conduct, clause 6.11	4	X						X					
229	Code of Conduct, clause 7.1(1)	4		X						X				
230	Code of Conduct, clause 7.2(1)	4		X					X					
232	Code of Conduct, clause 7.4(1)	4		X					X					
234	Code of Conduct, clause 7.6	4		X					X					
235	Code of Conduct, clause 7.7(1)	2		X					X					
236	Code of Conduct, clause 7.7(2)	2		X								X		
240	Code of Conduct, clause 7.7(6)	2			X								X	
241	Code of Conduct, clause 7.7(7)	4	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
242	Code of Conduct, clause 8.1(1)	4	X										X	
243	Code of Conduct, clause 8.1(2)	4	X										X	
272	Code of Conduct, clause 10.1(1)	3	X						X					
273	Code of Conduct, clause 10.1(2)	4	X						X					
274	Code of Conduct, clause 10.1(3)	4	X						X					
280	Code of Conduct, clause 10.3A	4	X						X					
281	Code of Conduct, clause 10.4	4	X						X					
282	Code of Conduct, clause 10.5	4	X						X					
290	Code of Conduct, clause 10.9	5	X						X					
291	Code of Conduct, clause 10.10(1)	4	X						X					
292	Code of Conduct, clause 10.10(2)	4	X						X					
297	Code of Conduct, clause 10.12(2)	4	X										X	
298	Code of Conduct, clause 12.1(1)	4	X						X					
299	Code of Conduct, clause 12.1(2)	4	X						X					
300	Code of Conduct, clause 12.1(3)	4		X					X					
301	Code of Conduct, clause 12.1(4)	2	X										X	
302	Code of Conduct, clause 12.2	4		X					X					
303	Code of Conduct, clause 12.3	4	X						X					
304	Code of Conduct, clause 12.4	4	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
305	Code of Conduct, clause 13.1	4	X						X					
306	Code of Conduct, clause 13.2	4	X						X					
307	Code of Conduct, clause 13.3	4	X						X					
308	Code of Conduct, clause 14.1(1)	4		X									X	
310	Code of Conduct, clause 14.2(1)	4		X									X	
312	Code of Conduct, clause 14.3(1)	4			X								X	
315	Code of Conduct, clause 14.7(1)	4		X									X	
324	Electricity Industry Metering Code, clause 3.3B	4	X						X					
339	Electricity Industry Metering Code, clause 3.11(3)	4	X										X	
371	Electricity Industry Metering Code, clause 4.4(1)	5		X									X	
372	Electricity Industry Metering Code, clause 4.5(1)	5	X										X	
373	Electricity Industry Metering Code, clause 4.5(2)	4	X						X					
388	Electricity Industry Metering Code, clause 5.4(2)	5	X						X					
402	Electricity Industry Metering Code, clause 5.17(1)	4	X						X					
405	Electricity Industry Metering Code, clause 5.18	4					X						X	
406	Electricity Industry Metering Code, clause 5.19(1)	5	X										X	
407	Electricity Industry Metering Code, clause 5.19(2)	5	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 14 for details)						Compliance Rating (Refer to the 5 point rating scale on page 14 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
408	Electricity Industry Metering Code, clause 5.19(3)	4	X						X					
410	Electricity Industry Metering Code, clause 5.19(6)	5	X						X					
416	Electricity Industry Metering Code, clause 5.21(5)	4	X						X					
417	Electricity Industry Metering Code, clause 5.21(6)	4	X						X					
435	Electricity Industry Metering Code, clause 5.27	4	X						X					
448	Electricity Industry Metering Code, clause 6.1(2)	4		X					X					
451	Electricity Industry Metering Code, clause 7.2(1)	5	X						X					
453	Electricity Industry Metering Code, clause 7.2(4)	4	X						X					
454	Electricity Industry Metering Code, clause 7.2(5)	4	X							X				
455	Electricity Industry Metering Code, clause 7.5	4	X						X					
456	Electricity Industry Metering Code, clause 7.6(1)	4	X						X					
457	Electricity Industry Metering Code, clause 8.1(1)	5		X									X	
458	Electricity Industry Metering Code, clause 8.1(2)	5		X									X	
459	Electricity Industry Metering Code, clause 8.1(3)	5		X									X	
460	Electricity Industry Metering Code, clause 8.1(4)	4		X									X	
461	Electricity Industry Metering Code, clause 8.3(2)	5		X									X	

5. Observations – Performance Audit Details

The following sets out the audit findings. The obligations are listed as these appear in the Electricity Compliance Reporting Manual: July 2017.

The management responses to this section provided by Alinta Sales are found in Section 2.14, 2.15 and Appendix 4. This constitutes the post implementation plan and does not form part of the audit report prepared by KPMG.

5.1. Unresolved observations during the audit period (with recommendations)

Compliance Manual Reference: 23, 24, 25, 27, 29, 45, 49		Compliance Rating B / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 4.2(2), 4.3, 4.4(1), 4.5(1), 4.7, 4.17, and 6.2		Reporting Type 2
Obligation Description		
23	A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed.	
24	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	
25	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	
27	A retailer 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.	
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.	
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.	
49	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	
Observations		
<p>The billing team is primarily in charge of processing transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p>		
<p>1. <i>Each connection point as a unique National Meter Identifier (NMI).</i> A customer transfer request can be entered either directly onto the Western Power Portal (WPP) or via Gentrack, which is a B2B system which interfaces with WPP. The WPP allows for only one NMI to be entered per request. If multiple requests were submitted for the same NMI via Gentrack, the system automatically rejects the order, and the Billing team will receive a same day notification of the rejection. From the discussion with Team Leader – Billing, it is noted that the Gentrack system was updated in November 2014, with one of the improvements removing the ability to manually alter data in B2B. This affects customers who were in the old system, and prevents their details from being updated when transferring the service. In these circumstances, the Billing Officers place the order directly on WPP, and the order continues as per usual. A walkthrough of the process was conducted and it was observed that the WPP only allows for one NMI to be entered per request.</p>		
<p>2. <i>When the order is entered into the system, the transfer type must be entered.</i> Through discussions with Team Leader – Billing, it was noted that when an order is placed, the system prompts the user to enter the transfer type.</p>		
<p>3. <i>Alinta has a current Access Contract with Western Power.</i> On the 25th of July 2003, Western Power Corporation, Alinta Electricity Trading Pty Ltd, and Alinta Co-generation (Pinjarra) Pty Ltd signed a Network Access Agreement allowing Alinta access to the Electricity Network for the purpose of supplying electricity to customers. The contract is valid until the 30th of June 2035, unless terminated prior. On the 6th of August 2004, Western Power, Alinta Electricity, Alinta Co-Generation and Alinta Sales Pty Ltd entered a deed of amendment to remove the original Alinta parties from the agreement, and replace them with Alinta Sales. This was approved by all parties, and the agreement was considered changed from this date. Alinta Sales Pty Ltd is the current Licensee for the Access Contract.</p>		
<p>4. <i>The access contract is used with every transfer.</i> A version of the access contract is attached to every transfer request from Alinta to Western Power. Our sample testing confirms this.</p>		
<p>5. <i>The B2B system prevents more than 20 transfer requests on the same business day.</i> Once an order is placed in the B2B system, the WPP receives the information. If it receives more than 20 orders in one business day, the order will be rejected immediately, and a notification is sent to the Billing email inbox. A member of the Billing team will go back to the B2B system and update the transfer date.</p>		
<p>6. <i>If more transfers need to be processed, Alinta will communicate with Western Power.</i> As some meters need to be manually read, there may be instances where more than 20 transfers need to be completed. In this case, Alinta will communicate with Western Power to open up the restriction within the WPP for the particular request. This communication is either verbal or via email. A walkthrough of the process was conducted and it was observed that Alinta will communicate with Western Power to increase the number of transfers in a day.</p>		
<p>7. <i>Contracts stipulate the transfer date.</i> When a customer requests a transfer to Alinta, the contract will stipulate the transfer date. This generally runs in line with the contract end date of the current retailer to minimise costs associated with ending a contract early.</p>		
<p>8. <i>A customer cannot request a transfer to occur more than 50 days in the future.</i></p>		

9.	<p>If a customer requests a transfer to occur in more than 50 business days, the order will not be placed until the correct amount of time has passed. The Billing team will be notified via email from the Sales team when the order is ready to be processed. <i>Gentrack and B2B prevent bills for charges incurred after the transfer date.</i></p>
	<p>The B2B system has in built processes which prevent bills being generated for customers who have transferred out of Alinta. Once an account is closed, the information is "purged" from the system and bills can no longer be generated.</p>
10.	<p><i>Each address has a unique NMI to identify the property.</i></p>
	<p>An NMI is used across the WPP, Gentrack and other Retail Portals to identify the property, mitigating the risk of an erroneous transfer. When an order is placed in the Gentrack system, the NMI is listed on the request and will be used to identify the corresponding transfer request in the WPP.</p>
<p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>	
<p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed
Compliance Rating	1 – Compliant
<p>Corrective Action/Opportunity for Improvement: <i>Recommendation 1/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	

Compliance Manual Reference: 26, 28		Compliance Rating C / NR
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 4.4(2) Electricity Industry Customer Transfer Code, clause 4.6(3)		Reporting Type 2
Obligation Description		
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.	
28	A retailer must withdraw a customer transfer request if the contestable customer’s verifiable consent ceases to apply before the transfer occurs.	
Observations The billing team is primarily in charge of processing erroneous transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:		
<div>1. <i>Alinta does not communicate with the other retailer due to privacy issues. Confirmation of the incoming retailer’s identity is dependent on information obtained from Western Power.</i> A customer will report an erroneous transfer to the Alinta team, and the process for remediation begins from this point. The Sales team will notify Billing to commence an order within the B2B system. This order will go through to Western Power, who communicate with the other retailer to resolve the issue. Alinta does not communicate with the other retailer directly at any stage in the process. If the transfer is from an incoming retailer, a notification will automatically sent from Western Power to Alinta confirming the transfer. In situations where the incoming retailer's identity has not been provided, Alinta will contact Western Power for assistance in identifying the incoming retailer. There have been no erroneous transfers during the audit period.</div> <div>2. <i>Orders can be cancelled during the prescribed cooling off period.</i> As per the <i>Alinta Energy Electricity Customer Service Charter</i>, Australian Consumer Law stipulates there must be a 10 business day cooling off period for unsolicited contracts (Note that a separate <i>Recommendation 5/2018</i> is raised for the application of cooling off period to unsolicited contracts only). During this period, a customer must communicate to Alinta via email or phone their clear intention to cancel the contract. Sales will communicate this to Billing via email or face to face communication, who will cancel the order in B2B. The order is cancelled immediately and automatically updated in the WPP. This has not occurred during the audit period.</div> <div>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</div> <div>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</div>		
Adequacy of Controls Rating	C – inadequate controls - significant improvement required	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: <i>Recommendation 2/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 34, 39		Compliance Rating B / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 4.9(6) Electricity Industry Customer Transfer Code, clause 4.11(3)		Reporting Type 2
Obligation Description		
34	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	
39	A network operator and the retailer must take certain action if the contestable customer’s meter is not read on the nominated transfer date.	
Observations		
<p>Through discussion with Team Leader – Billing, if there has been an objection from Western Power to the customer transfer request, both Alinta and Western Power will liaise to agree on a revised nominated transfer date. Communication can be via email or via B2B system on Gentrack. If Western Power inform that a meter read is not able to be obtained on the nominated transfer date, Alinta will also work with Western Power to determine a revised nominated transfer date. For contestable customers, Alinta will propose via email a new transfer date as soon as practicable to the original nominated transfer date with the customer. Sample testing and walkthrough performed confirm this.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement:		
Recommendation 3/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 55, 56, 58, 59, 457, 458, 459, 461		Compliance Rating B / NR
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 7.1(1), (2), 7.2(4) and 7.3(2) Electricity Industry Metering Code, clause 8.1 (1) – (3) and 8.3(2)		Reporting Type NR
Obligation Description		
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.	
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.	
58	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	
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.	
457	If any dispute arises between any Code participants then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	
458	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	
459	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	
461	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in sub clause 8.3(1).	
Observations <p>There are no written policies or procedures for required actions relating to the obligations in the case disputes arise. However, it was noted from our discussion with the Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant that, in the case a dispute arises, it will be escalated appropriately to a higher authority within the firm, although the escalation path does not currently include the timeframes for meeting as per the obligations.</p> <p>The Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant confirmed that, during the period from 1 June 2014 to 31 May 2018, Alinta had not acted as a disputing party nor had it been an arbitrator of a dispute.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement <i>Recommendation 4/2018</i> Management to implement written policies and procedures for its disputes resolution process which include the minimum timeframe required for meeting with the disputing parties.		

Compliance Manual Reference: 57 and 460		Compliance Rating B / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 7.1(3) Electricity Industry Metering Code, clause 8.1 (4)		Reporting Type 2
Obligation Description		
57	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	
460	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	
Observations <p>There are no written policies or procedures for required actions relating to the obligations in the case disputes arise. However, it was noted from our discussion with the Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant that, in the case a dispute arises, it will be escalated appropriately to a higher authority within the firm, although the escalation path does not currently include the timeframes for meeting as per the obligations.</p> <p>The Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant confirmed that, during the period from 1 June 2014 to 31 May 2018, Alinta had not acted as a disputing party nor had it been an arbitrator of a dispute.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement <i>Recommendation 4/2018</i> Management to implement written policies and procedures for its disputes resolution process which include the minimum timeframe required for meeting with the disputing parties.		

Compliance Manual Reference: 96, 133		Compliance Rating B / 3
Licence Condition: Retail Licence, condition 5.1 Electricity Industry Act, section 82		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 32 Code of Conduct, clause 2.3(2) Retail Licence, condition 23.1		Reporting Type 2
Obligation Description		
96	A non-standard contract must include details about the cooling off period specified in the regulation.	
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.	
Observations		
<p>A walkthrough was conducted with Senior Business Account Consultant to observe the process where contracts are issued to the customer to confirm the compliant non-standard contract is issued to small-use customers. A system generated email attaches the appropriate documentation in accordance with Clause 2.3(2) of the Code to be sent to a customer is dependent on customer type, and if they are small use (<160MWh) the non-standard terms and conditions are attached. It was confirmed the non-standard terms and conditions are not altered, however, special conditions can be present on the particulars of contract.</p> <p>Review of the non-standard terms and conditions noted it did not include the details of cooling off period for a non-standard contract (the cooling off period specified in the terms and conditions only refers to unsolicited contracts).</p> <p>The Electricity Industry (Customer Contracts) Regulations 2005, regulation 32 requires a cooling off period for all non-standard contracts, regardless of whether contracts are solicited or unsolicited. However, we note that the ‘cooling off period’ as stipulated in Alinta’s non-standard contracts (for electricity) only apply to ‘unsolicited consumer’ or ‘contracts entered into as a result of door to door marketing’.</p> <p>Obligation #96 requires that the “A non-standard contract must include details about the cooling off period specified in the regulation.” In this instance, there seems to be a gap of which such cooling off period is not being applied to other consumer falling under the non-standards contract as required under the regulation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>		
Adequacy of Controls Rating	B– Generally adequate controls – improvement needed	
Compliance Rating	3 – Non-compliant – moderate impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Recommendation 5/2018 We recommend that the Legal team update the non-standard contract to include within the contract the cooling off period for non-standard contracts.		

Compliance Manual Reference: 105		Compliance Rating B / 1
Licence Condition: Retail Licence, condition 4.1		
Obligation under Condition: Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014		Reporting Type 2
Obligation Description		
105	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	
Observations		
<p>Discussion with the Manager Regulatory Compliance noted that Licence obligations, including payment dates of licence fees, are tracked with the Regulatory Obligations Register; access is restricted to the Legal & Regulatory team (nationally). We noted that there are 2 types of licence fees payment required to be made, i.e. an annual charge due within one month from 19 May and quarterly standing charges which are applied for a period of 3 months ending 30 September, 31 December, 31 March and 30 June.</p> <p>Examination of the document noted the license fee payment date for the annual charge was present but the quarterly standing charges had not been diarised on the register. The excel document is a manual control that does not automatically alert the regulatory team for upcoming obligations due.</p> <p>Discussion further noted Alinta is moving to improve the license fee tracking process through compliance software – InControl, which will contain a calendar with alert functionality. Currently this system is being implemented for logging compliance issues with the calendar application to follow.</p> <p>Sample testing of 2 payments of licence fees confirmed that the prescribed licence fees were paid in accordance with the Licensing Funding Regulations, within the required time.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
<i>Recommendation 6/2018</i> Alinta to diarise payment for annual licence fees and standing charges in InControl once calendar alert functionality is implemented to provide automatic alerts to the relevant stakeholders.		

Compliance Manual Reference: 106		Compliance Rating B / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Act, section 31(3)		Reporting Type NR
Obligation Description		
106	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.	
Observations		
<p>Through discussion with the Business Sales Manager and Senior Account Consultant, it was observed that Alinta, as an electricity retailer, relies on Western Power as the network operator to minimise the extent or duration of interruption or restriction of supply. Western Power manages Alinta’s role in the event of a supply interruption, suspension or restriction.</p> <p>However, in the case that a customer contacts Alinta regarding interruptions, suspensions or restrictions to the supply of electricity, Alinta will either direct customer to Western Power’s fault line or contact the Accounts Manager at Western Power on the customer's behalf and escalate the issue.</p> <p>It was also observed that Alinta do not have emergency or business continuity procedures that document how the situation must be handled in the event that an interruption or suspension to electricity supply occurs.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 7/2018</i></p> <p>We recommend that management develops policies and procedures that will detail best practice in order 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>		

Compliance Manual Reference: 143, 144		Compliance Rating B/ 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 3.1(1) Code of Conduct, clause 3.1(2)		Reporting Type 2
Obligation Description		
143	If a retailer agrees to sell electricity to a customer or arrange for the connection of the customer’s supply address, the retailer must forward the customer’s request for the connection to the relevant distributor.	
144	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.	
Observations		
<p>The billing team is primarily in charge of processing transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p> <p>1. <i>The process of forwarding the transfer request to the distributor is completely automated.</i></p> <p>Once an order is placed in Gentrack to connect a customer’s supply address, a notification is sent to the WPP to complete the connection. Errors may occur if there is miscommunication between the customer and the Sales team resulting in an erroneous transfer. If this occurs, the erroneous transfer request process is followed.</p> <p>2. <i>The same day request process is reliant on the proactivity of the Billing team.</i></p> <p>When a request for connection is placed with the Sales team, the Billing team receives an email in their communal inbox. The obligation requires the order to be placed on the same day, and this is dependent on the proactivity of the Billing team as the requests are not auto-assigned. The team is driven to complete these through the use of KPIs. Sample testing of two transfer requests confirms this observation.</p> <p>3. <i>Quarterly reconciliation is done between CRM and Gentrack.</i></p> <p>Through discussion with Senior Business Account Consultant, it is noted that the CRM and Gentrack systems are reconciled to reflect the same information and highlight differences between the two.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement:		
<p>Recommendation 8/2018</p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 155		Compliance Rating B / 2
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.5(1)		Reporting Type 2
Obligation Description		
155	A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer’s bill, unless the customer agrees otherwise.	
Observations		
<p>Section 6.3 of Alinta’s non-standard contract states:</p> <p><i>Each bill will show the information required to be included in accordance with clause 4.5(1) of the Code, other than the information in clause 4.5(1)(b) and (bb) of the Code, which you agree the bill is not required to show.</i></p> <p>We noted that:</p> <ul style="list-style-type: none">- Clause 4.5(1)(b) is a requirement for customers with Type 7 connections points, which is not relevant for Alinta customers, during the audit period.- Clause 4.5(1)(bb) requires, with respect to residential customers, the telephone number for interpreter services together with the National Interpreter Symbol and the words “Interpreter Services”. It is noted that the bills reviewed during our sample testing contained the National Interpreter Symbol and the words “Interpreter Services”. Thus, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included.- Our examination of Alinta’s bill template and non-standard contract also highlighted that it has not contained the requirements for clause 4.5(1)(dd). The clause requires, to the extent that the data is available, a graph or bar chart illustrating the customer’s amount due or consumption for the period covered by the bill, the previous bill and the bill for same period last year. Thus, consent to not include has not been sought from the customer. <p>The above findings were also consistent with the findings from the 2014 ERL6 Performance Audit Report (Issue 5/2014). From discussion with the Manager Regulatory Compliance and from our review of the email correspondence provided by the Manager Regulatory Compliance, we noted that in September 2016 the Legal and Regulatory team proposed amendments to the non-standard contract to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. However, these amendments were not reflected on the updated non-standard contract subsequently.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Recommendation 9/2018		
We recommend that management update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. In additions, management should implement a monitoring process to ensure that any changes to the non-standard contract and supporting terms and conditions have been aligned with the requirements of the Code of Conduct.		

Compliance Manual Reference: 160		Compliance Rating C / 3
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.8(2)		Reporting Type 2
Obligation Description		
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).	
Observations		
<p>Through discussion with Team Leader – Billing, system walkthroughs and relevant sample testing, it is noted that Alinta does not notify its customers when they are given an estimated bill. When estimations are used for customer bills, the estimated amount is generated in the B2B system and calculated into the total owed amount. Gentrack clearly identifies when a bill is based on an estimated reading. However, when this information is sent to Fuji Xerox for printing, the xml file containing the estimated bill flag is not populating in the Fuji Xerox field when the bill is generated. This is confirmed through our sample testing. Bill samples sighted also did not contain specification that Alinta will inform customer, on request, of the basis of and reason for the estimation and that customer may request a verification of energy data and a meter reading in accordance with Clause 2.3(b) and (c).</p> <p>Following from the issue identified in the 2014 ERL6 Performance Audit (Issue 6/2014), Alinta reconfigured the billing system to correctly identify and flag estimated invoices in the bill file and for Fuji to print the message notifying customers of the estimated read. When the billing system was later upgraded from version 3 to version 4, Alinta confirmed with Gentrack that the field was active and would populate as required. However, this audit has identified that the required field was not populated after the upgrade.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>		
Adequacy of Controls Rating	C – Inadequate controls – significant improvement required	
Compliance Rating	3 – Non-compliant – moderate impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Recommendation 10/2018		
We recommend that Alinta liaises with Gentrack to ensure estimated bill flag is correctly populating on the Fuji Xerox field.		
We recommend that Alinta implements a reviewing and monitoring process to ensure that when changes are made to the billing system, the bill template aligns with the requirements of the Code of Conduct.		

Compliance Manual Reference: 164		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.11(1)		Reporting Type 2
Obligation Description		
164	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.	
Observations		
Through discussion with Team Leader – Billing and sample testing of meter test requests, the following is noted:		
<div>1. <i>The customer contacts Alinta to request test.</i> Generally, the customer will contact their Sales and Account Manager to request a meter test. The order is placed in B2B by the Billing team after confirmation from the Sales team that the customer is aware of the charges. The order is automatically updated in the WPP and a technician is sent to complete the work within the timeframe specified in Schedule 2 of the Service Level Agreement (SLA) held between Western Power and Alinta.</div> <div>2. <i>“Costs” are determined by the SLA.</i> Depending on the type of test required and the locale of the customer, the costs will differ. The Sales and Account Manager will communicate this to the customer before confirming the test. If a customer has a history of requesting tests for non-issues, the Sales team may ask for upfront payment from the customer as a deterrent. We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</div> <div>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</div>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement:		
<i>Recommendation 11/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 165		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.11(2)		Reporting Type 2
Obligation Description		
165	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.	
Observations		
<p>Through discussion with Team Leader – Billing and the WA Payments and Credits Manager, it is noted that refunds are processed via the Credits team. If a refund is to be given to the customer, the request is made to the Credit and Payments team. They will process the order via Gentrack in the customer’s preferred method.</p> <p>Discussions with the Team Leader – Billing noted there had been no tests that resulted in a negative result during the audit period. Sample testing of two meter requests noted that the tests both returned non-defective results.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	N/R - Not Rated	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 12/2018</i></p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 168		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.14(1)		Reporting Type NR
Obligation Description		
168	If a customer requests a retailer to issue a final bill at the customer’s supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer’s request.	
Observations		
<p>Through discussion with Team Leader – Billing and sample testing, it is noted that at account closure, the customer can request the final bill address. When a customer closes an account, they are asked where they want the final bill to be sent. The customer can indicate either the supply address, billing address or email. The request is placed with the Billing team, and a bill is generated as per normal procedures, and is sent as per customer instructions.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 13/2018</i></p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 169, 170		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.14(2) and (3)		Reporting Type 2
Obligation Description		
169	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.	
170	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).	
Observations		
Through discussion with Team Leader – Billing, WA Credits and Payments Manager and system walkthrough, the following was noted:		
<div>1. <i>Unless the customer specifies at the time of account closure, credits are not automatically refunded.</i> If a customer realises they have a credit on the account, they will generally contact their Sales and Account Manager. They can specify the method of receiving the credit, and this is distributed by the Credits and Payments team. If a customer does not specify how they want to receive the credit and they reconnect with Alinta at a later date, the credit is automatically rolled over the new account. In discussion with Credit and Payments Officer, there were no business accounts in credit at closure during the audit period.</div> <div>2. <i>Credits will be used to offset debts of the customer on account closure.</i> If an account is closed with an outstanding debt and credit present, the customer does not have the option to receive the credit as a cheque or bank transfer. The customer will be informed by a member of the Credits and Payments team of the forfeiture of the credit and will receive a written notice via their preferred billing method (email or posted letter). If the customer is unhappy with the outcome, it will be escalated to the WA Credits and Payments Manager to resolve. The customer can proceed to lodge a complaint with the Energy and Water Ombudsman if they are not satisfied with the outcome. This has not occurred during the audit period, therefore no sample testing can be performed to verify compliance; two accounts’ closing statements were checked and neither were noted as being in credit.</div> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Recommendation 14/2018 We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 171, 174, 175		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.15, 4.16(2), and 4.16(3)		Reporting Type 2
Obligation Description		
171	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.	
174	A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	
175	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.	
Observations		
Through discussion with Team Leader – Billing, sample testing and walkthrough of the B2B system, the following is noted:		
1. Customers contact either the Billing Team or their Sales and Account Managers when requesting a bill review. If the customer has a dispute with their bill, the Sales and Account Manager will attempt to resolve it in cohesion with the Credits and Payments Team. They can enlist the help of the Billing team to analyse past bills and confirm data extracted from the WPP.		
2. Customers are informed of bill review outcomes by their dedicated Sales and Account Manager. Once a review is complete, the customer will be contacted by their Sales and Account Manager. It is noted from our sample testing that customers had been informed within 20 business days of the date of receipt for the review request.		
We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 15/2018 We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 172		Compliance Rating B / 2
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.16(1)(a)		Reporting Type 2
Obligation Description		
172	If a retailer has reviewed a customer’s bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount. The retailer must advise the customer that the customer may request for a meter test in accordance with the applicable law; and also the existence and operation of the retailer’s internal complaints handling processes and details of any applicable external complaints handling processes.	
Observations		
<p>Through discussion with WA Credits and Payments Manager, sample testing and walkthrough of the B2B system, it is noted that customers are not informed of the internal and external complaints handling procedures when their account is under review. Through sample testing, it is confirmed that Alinta has not explicitly informed customers of the complaints process after a bill review has been completed. In one sample, the customer requested a meter test during the course of the review, but this was not offered to another customer.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
<i>Recommendation 16/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations. In this instance, the responsible area should also ensure that customers are well informed of the options for requesting a meter test as well as the complaints handling processes as part of a bill review.		

Compliance Manual Reference: 173		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.16(1)(b)		Reporting Type 2
Obligation Description		
173	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.	
Observations		
<p>Through discussion with WA Credits and Payments Manager, it is noted that the customer can request the method of adjustment. If it is determined after a bill review that the charges are incorrect, the customer can decide the method of payment to the account. During the audit period, a bill has not been adjusted after a review due to incorrect charges.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>Recommendation 17/2018</p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 176		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.17(2)		Reporting Type 2
Obligation Description		
176	If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified. ⁸	
Observations		
<p>Through discussion with Team Leader – Billing and sample testing of undercharged customer accounts, it is noted that the customer can nominate the payment method. If a customer has been undercharged on their bill, they will be contacted by a member of the Billing team once the discovery is made. The customer can decide if they wish to have the bill reissued, or if they would prefer a line item adjustment on their next bill. If the customer cannot be contacted after multiple attempts and before the next bill is generated, a line item adjustment will generally be done on the account. The decision to do this would be made by the Sales and Account Manager for the customer.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 18/2018</i></p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 176A		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.17(3)		Reporting Type NR
Obligation Description		
176A	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.	
Observations		
<p>Through discussion with Team Leader – Billing, Alinta would generally not charge interest to a small use customer, but this is at the discretion of the Sales and Account Manager from reviewing the circumstances of each individual customer. This has not occurred during the audit period.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – inadequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>Recommendation 19/2018</p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 177		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.18(2)		Reporting Type NR
Obligation Description		
177	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), 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.	
Observations		
<p>Through discussion with Team Leader – Billing and WA Credits and Payments Manager, sample testing and system walkthrough, it is noted that where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method for refund. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 20/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 178, 184		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.18(3) Code of Conduct, clause 4.19(3)		Reporting Type 2
Obligation Description		
178	A retailer must pay the amount overcharged in accordance with the customer’s instructions within 12 business days of receiving the instructions.	
184	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.	
Observations		
<p>Through discussion with Team Leader – Billing and WA Credits and Payments Manager, sample testing and system walkthrough, it is noted that as soon as instructions are received, the preferred refund method is processed. Refunds are not automatically processed by the system, and are instead, initiated by the Credits and Payments Team. Once confirmation is received from the customer, the refund is approved and processed by the credit officers. If need be, the amount is confirmed with the Manager of the Credits and Payments Team.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 21/2018 We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 179		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.18(4)		Reporting Type NR
Obligation Description		
179	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.	
Observations		
<p>Through discussion with Team Leader – Billing, it is noted that when a customer is contacted regarding a credit, they will be notified multiple times by their dedicated account manager within the 5 business days. This is confirmed through walkthroughs with Billing Officers. If the customer cannot be contacted after multiple attempts and before the next bill is generated, a line item adjustment will generally be done on the account. The decision to do this would be made by the Sales and Account Manager for the customer. However, this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<i>Recommendation 22/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 181		Compliance Rating B / 2
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.18(7)		Reporting Type NR
Obligation Description		
181	A 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. If, after the set off, there remains an amount of credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.	
Observations		
Through discussion with WA Credits and Payments Manager, walkthrough and sample testing performed, the following is noted:		
<div>1. <i>Gentrack has an automated process which assigns any credit on an account to offset debt owing to the customer. The Billing team communicates the outcome with the customer.</i> If an overcharged amount is to be used to offset a debt, the Billing team will communicate this with the customer via email or phone. The customer can request to receive the overcharged amount as a cheque or bank transfer, but this will generally be declined by the WA Credits and Payments Manager if they owe a debt to Alinta and the manager has reasonable belief that they will not repay the amount owed. When a credit is placed on an account, it will be input to the bill balance, and be deducted from any amount owing. They do not notify customers prior to using the credit to offset a debt as it is an automated system update. Walkthroughs of the system confirmed this.</div> <div>2. <i>Gentrack generates a financial tracker report.</i> This report outlines those customers on payment arrangements for debts and is cross-referenced with those customers who have been overcharged, to ensure the customer is not experiencing financial hardship or payment difficulties.</div> <div>3. <i>Written communication is not given to customers.</i> As the adjustments appear as credits on the account, Gentrack will automatically assign the credit to offset the debt. Customers are not given written communication of this prior to the debt being used as a result. Walkthroughs of the system confirmed this.</div> <div>4. <i>If an amount under \$100 is still owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer.</i> B2B has an inbuilt process which automatically credits the customer if the overcharge is under \$100. If a member of the billing team sees it, then they can raise it to the customer, otherwise it is automatically processed. This has not occurred during the audit period.</div> <div>5. <i>If an amount is owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer within 10 business days.</i> Where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill.</div> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period. This impact has not been rated as moderate as the customer will receive a bill stating the credited amount, regardless of direct communication or not.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact in customers or third parties	
Corrective Action/Opportunity for Improvement		
Recommendation 23/2018 We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations. Management should also have in place monitoring process to ensure customer is given written notice if an amount overcharged is used to set off a debt owed to the retailer, unless it is in relation to a customer experiencing payment difficulties or financial hardship.		

Compliance Manual Reference: 182		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.19(1)		Reporting Type 2
Obligation Description		
182	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).	
Observations		
<p>Through discussion with WA Credits and Payments Manager and walkthrough of the system, it is noted that where Alinta has undercharged the customer, the balance is automatically attached to the customer's next account as a separate item along with an explanation of the amount. The customer is then advised of the balance. In the event of an undercharge, Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date the customer is notified of the undercharge. However, this is only acknowledged in the Code of Conduct and is not input to B2B as a preventative measure. No interest or fee is to be paid relevant to the correcting payment. Alinta offers the customer to have either:</p> <ol style="list-style-type: none">1. The current bill cancelled and re-issued with the correct value;2. The current bill to remain unchanged and the adjustment to be included as a line item adjustment on the next bill; or3. Alternative payment arrangements, including an instalment payment plan covering a period at least equal to the period of the undercharge. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p>Recommendation 24/2018</p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 183, 185, 186		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.19(2), 4.19(4) and 4.19(7)		Reporting Type NR
Obligation Description		
183	If the meter is read under 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 ask the customer for instructions about the repayment of the amount subject to subclauses 4.19(5) and 4.19(7).	
185	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.	
186	A retailer may, after notifying the customer in writing, use an amount of an adjustment to set off that customer's debt owed to the retailer, provided that the customer is not a residential customer in payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with that amount in accordance with subclause 4.19(2) or, if the amount is less than \$100, subclause 4.19(5).	
Observations		
<p>Through discussion with Team Leader – Billing and WA Credits and Payments Manager and system walkthroughs, it is noted that there have been no refunds arising from faulty meter readings during the audit period. During the audit period, no meter test requests returned with a faulty reading. As a result, no credits have been applied on customer accounts. It was noted by a billing officer, that the adjustment process would be the same as the customer refund process noted in obligations #177, #178 and #181.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Recommendation 25/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 197		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 5.7(1)		Reporting Type 2
Obligation Description		
197	A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in subclause 5.7(1).	
Observations		
<p>Through discussion with Team Leader – Billing, sample testing, and walkthroughs, it is noted that once the Sales team has been notified of the customer vacating the address, they will place an order with the Billing team to finalise the account. Meter readings from the day of vacating the premises, up until midnight, are to be used to calculate the final bill. Once the account has been finalised, no further bills can be generated.</p> <p>We also noted that any or all payments for consumption are only recoverable from the commencement of the contract. Once a contract is established in Gentrack by the Sales Team, the system does not permit an amount to be billed to the previous customer of the same supply address. It has been confirmed that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 26/2018</i></p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 198		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 5.7(2)		Reporting Type 2
Obligation Description		
198	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.	
Observations		
<p>Through discussion with Team Leader – Billing, sample testing and system walkthroughs, it is noted that when the customer informs the Sales team of the eviction, they need to provide reasonable evidence of this to close the account. Alinta will not require a customer to pay for usage beyond the period of notice if the customer is forced to vacate the supply address and the customer notifies Alinta. It is confirmed that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 27/2018</i></p> <p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>		

Compliance Manual Reference: 201A		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 5.9		Reporting Type NR
Obligation Description		
201A	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.	
Observations		
Through discussion with WA Credits and Payments Manager and system walkthrough, the following is noted:		
<div>1. <i>Although debt can be transferred, it has not been done during the audit period.</i> The Credits and Payments Manager will consider each customer on a case by case basis. The customer will contact their Sales and Account Manager or the Billing team to begin the resolution process. It will be forwarded to the Credits and Payments team to consider the appropriate action, and refer to the Credits and Payments Manager for approval. Based on the customer’s circumstances, the request will either be confirmed or denied. Transfer of debt is not a common occurrence, and although it can be done, it is generally not approved by the Credits and Payment Manager. The reasoning is that this may be unfair to the new customer, and can be overturned through legal means if complaints arise. The only time it may be considered by the team is if the debt is transferred from a child to parent company with the capacity to take on the debt, and the legal necessity to do so. If a customer is not satisfied with the outcome, they can be referred to the Complaints team or the Water and Electricity Ombudsman.</div> <div>2. <i>Debt cannot be transferred through the system.</i> Due to system requirements and preventative controls, negative balances cannot be transferred between accounts.</div> <div>No sample testing was completed as there have been no such occurrence in the current audit period.</div> <div>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</div> <div>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</div>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<i>Recommendation 28/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 229		Compliance Rating B / 2
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.1(1)		Reporting Type 2
Obligation Description		
229	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).	
Observations		
Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:		
<div>1. <i>Notice is given via email communication, with the Credits and Payments Manager and the Sales and Account Manager notified.</i> If a customer is to be disconnected for non-payment, a notice is sent via email (or their preferred communication method). If they do not respond to the notice as specified within the document, a call is made to their preferred phone number. Gentrack will notify the Credits and Payments team to complete follow up and contact the customer as soon as possible. There is no maximum or minimum number of attempts that will be made, it depends on the individual circumstances.</div> <div>2. <i>Reminder notices are not always given within the correct timeframe.</i> Clause 7.1(1)(c) required warning being given not less than 15 business days from the date of dispatch of the bill. Sample testing notes one sample being not compliant during the audit period, with notice given 9 business days after the dispatch of the bill, although notice given contained information on how Alinta may assist with payment difficulties and their telephone number as required under Clause 7.1(1)(a)(i) & (ii).</div> <div>3. <i>Disconnection notices are not always given within the correct timeframe.</i> Disconnection notices are sent via the customer email with reference to the timeframes for disconnection as well the complaints process. Sample testing notes one sample did not comply during the audit period, with notice given 14 business days after the dispatch of the bill, although notice had been given in the correct manner and contained the correct timeframe as required under Clause 7.1(1)(c)(i) & (ii). Clause 7.1(1)(c) required warning being given not less than 20 business days from the date of dispatch of the bill.</div>		
We noted that notices are not always given within the correct timeframe. However, samples drawn showed that notices are given earlier rather than later than the required timeframe, thus this only has a minor impact on customer receiving the supply.		
We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.		
Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a minor impact on customers or third parties.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties.	
Corrective Action/Opportunity for Improvement		
Recommendation 29/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 230		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.2(1)		Reporting Type 2
Obligation Description		
230	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).	
Observations:		
Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:		
1. Orders take 48 hours to process through B2B and the WPP. The Credits and Payments team will place a disconnection order the day after the end of the disconnection period. The order is received in the WPP and the customer will be disconnected after 48 hours of the end of the disconnection period.		
2. Gentrack tracks all conversations and documentation from customer requests. If a customer has a payment plan in place, this information is documented within Gentrack, and the Payments and Credits team can access this information when processing an order.		
3. There is currently no system process for preventing these orders from being transferred if they fall under this clause. Although the Credits and Payments team act in accordance with the Code of Conduct, there are currently no automated system processes to prevent these orders from going through if they fall under circumstances as specified in subclause 7.2(1). This may result in customers being disconnected in error.		
We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 30/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 232		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.4(1)		Reporting Type 2
Obligation Description		
232	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.	
Observations		
Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:		
<p>1. <i>If a customer denies access to a meter, the reasoning is recorded in Gentrack.</i> Customers denying access to a meter is a common occurrence. The customer is notified after every occurrence via email or phone communication, of the next test date and the likelihood of disconnection if they continue to deny access. If access is denied due to physicality (i.e. meter is located inside a closed building), the retailer will contact the relevant landlord or authorities to gain access.</p> <p>2. <i>Alinta has not disconnected a customer for denying access to a meter.</i> Through discussion with the Commercial Credit Officer, it is noted that Alinta has not disconnected a customer for denying access to the meter during the audit period. There was one instance of a customer denying access to a meter when Alinta was placing a disconnect order due to unpaid bills, however, the company went into liquidation and access was granted after this. Sample testing confirms compliance to the obligation.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – some improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 31/2018 We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 234		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.6		Reporting Type 1
Description		
234	Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer’s supply address.	
Observations		
<p>Through discussion with the WA Credit and Payments Manager and consideration of Alinta’s disconnection and reconnection processes, it was observed that a customers’ supply addresses is not to be disconnected until all required communication has been made regarding the cause of disconnection (including resolution of any complaint made by the customer directly related to the reason for the disconnection). If there is a complaint or any relevant information relating to the customer and their potential supply disconnection, a commercial note is manually entered into Gentrack by the Advocacy team. Therefore, when Commercial Officers enter into Gentrack, they are able check the status of the complaint/ dispute, before submitting a service order to Western Power for disconnection.</p> <p>If disconnection is required and all complaints/ disputes are resolved, the Commercial Officer will submit a service order within Gentrack which will be received by Western Power via the Metering Service Web Portal. Western Power will then perform the disconnection based on the service order supplied by Alinta.</p> <p>It was also noted that Western Power are responsible for performing the physical disconnection. Therefore, it is Western Power’s responsibility to ensure that disconnections will not be arranged after 3.00 pm Monday to Thursday; after 12.00 noon on a Friday; or on a Saturday, Sunday, public holiday or on the business day before a public holiday.</p> <p>Through discussions with the WA Credit and Payments Manager, it was further noted that a Credit Framework is in the process of being developed to re-alliterate compliance with the code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p><i>Recommendation 32/2018</i></p> <p>We recommend that Alinta develops a Disconnection Procedure to ensure that the Credit and Billing team are aware of the appropriate procedures to initiate a disconnection of supply, and the conditions that must stand as per the Code of Conduct before this is performed.</p>		

Compliance Manual Reference: 235		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.7(1)		Reporting Type 1
Description		
235	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)	
Observations		
<p>Through discussions with Sales and Service Support and the Billing Team Leader, the default selection on a non-standard contract details that the customer requires life support, unless otherwise indicated on the form. Therefore, the customer needs to specifically indicate 'No' on the life support applicability to advise Alinta that they do not require life support. If the customer stipulates that they require life support through the contract, Alinta's Accounts Consultant will contact the customer via email to fill out a Life Support Equipment Registration Form. This form details the customer's personal details and approved medical authorisation.</p> <p>Once this form is completed and authorised, Alinta's sales team will send the form to the Billing team. The Billing team will then register the customer's contact details and supply address as a life support equipment address on the Alinta Energy Life Support database within Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Further, the Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was also noted that there is no procedural documentation in place to ensure Alinta will notify Western Power that the customer's supply address is a life support equipment address, and of the contact details of the customer:</p> <p>(i) that same day, if the confirmation is received before 3pm on a business day; or</p> <p>(ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment.</p> <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are generally adequate controls in place and Alinta has complied with the obligation, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 33/2018		
We recommend that Alinta develops a Disconnection Procedure to ensure that the Credit and Billing team are aware of the appropriate procedures to initiate a disconnection of supply, and the conditions that must stand as per the Code of Conduct before this is performed.		

Compliance Manual Reference: 236		Compliance Rating B / 4
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.7(2)		Reporting Type 1
Obligation Description		
236	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: <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 a change in contact details; or- that the address no longer requires registration as life support equipment address.	
Observations		
<p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was noted that the Senior Accounts Consultant will notify the Billing Team to make a change to the customer’s supply address within Gentrack. The Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>It was also noted that there is no procedural documentation in place to ensure Alinta will notify Western Power that the customer’s supply address is a life support equipment address, and of the contact details of the customer:</p> <p>(i) that same day, if the confirmation is received before 3pm on a business day; or</p> <p>(ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer’s supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment.</p> <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Further, it was confirmed by the Energy Billing Officer that only three instances of a change required to the supply address of a person requiring life support occurred during the audit period. Out of the samples tested, it was noted that there was one occurrence where Alinta did not register the change within Gentrack within the specified timeframes specified under subclause 7.7(2). This occurrence was related to a single case of a life support customer whereby Alinta did not register that the customer no longer required life support at an address on Gentrack within the timeframes specified in the Code.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a major impact on customers or third parties.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	4 – Non-compliant – major impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Recommendation 34/2018		
<p>We recommend that Alinta develops a Disconnection Procedure to ensure that the Credit and Billing team are aware of the appropriate procedures to initiate a disconnection of supply, and the conditions that must stand as per the Code of Conduct before this is performed.</p> <p>We also recommend that management has in place a stringent process in ensuring details or change of details for customer requiring life support is promptly updated and updated within the required timeframe so as to not disrupt supply to the life support equipment.</p>		

Compliance Manual Reference: 240		Compliance Rating C / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.7(6)		Reporting Type 2
Description		
240	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).	
Observations		
<p>Through discussions with Sales and Service Support and the Team Leader – Billing, it was noted that there is no process currently in place to contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstance specified in subclause 7.7(6).</p> <p>It was also noted that a local file is kept by the Billing team with follow-up dates to check whether life support equipment is required or to request re-certification in the timeframe. However this local file is inconsistently updated, making it an unreliable source to understand when to contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe under the code.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	C – Inadequate controls – improvement required	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Recommendation 35/2018		
We recommend Alinta to utilise the existing file that contains follow-up dates for ascertaining whether life support equipment is required or to request re-certification in the timeframe, manner and circumstance specified in subclause 7.7(6). This will require a delegated member of authority within the Billing Team to hold accountability for updating the local file.		

Compliance Manual Reference: 300		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 12.1(3)		Reporting Type 2
Obligation Description		
300	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).	
Observations		
<p>Discussion with the Group Manager Customer Operations noted the process outlined in the Standard Complaints and Dispute Resolution Procedures is followed by Alinta staff in regards to dealing with complaints. The customer is notified of the Complaints and Dispute Resolution Procedures, which is available online and at no cost.</p> <p>Review of the Complaints and Dispute Resolution Procedures and sample complaints noted the following observations:</p> <ul style="list-style-type: none">- Alinta will escalate a complaint to a senior manager at the request of a customer if requested;- The customer has the right refer the matter to the Energy Ombudsman. It is noted that whilst other states' Ombudsmen contact details are present, the Western Australian Energy Ombudsman's details are not provided. It appears that this Procedure is only for the QLD, NSW, SA and Victoria. A WA specific complaints procedure could not be located. However review of the Alinta website and the Customer Charter noted the WA Ombudsman details were present; and- Customers were informed of the reason for the response of the complaint in writing. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<i>Recommendation 36/2018</i> We recommend Alinta amend the Standard Complaints and Dispute Resolution Procedures guide that is available to customers to include information specific to WA, including the Western Australian Energy Ombudsman Contact details.		

Compliance Manual Reference: 302		Compliance Rating B / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 12.2		Reporting Type 2
Obligation Description		
302	A retailer must comply with any guideline developed by the ERA to distinguish customer queries from complaints.	
Observations		
<p>Discussion with the Group Manager Customer Operations and Billing Team members noted if customers contact Alinta with any element of dissatisfaction, it is treated as per a complaint, and the complaints handling process is followed. It was additionally noted through discussion with a member of the Billing Team that it will be clarified with the customer if they wish to make a complaint. If the customer does not show dissatisfaction and does not explicitly say they want to make a complaint, then it will be treated as a query.</p> <p>Review of the publicly available Complaints and Dispute Resolution Procedures noted it did not define how Alinta distinguished between customer queries and complaints.</p> <p>Review of complaints noted they had been clarified with the customer as to if a complaint was to be raised.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
Recommendation 37/2018		
We recommend Alinta to update the Standard Complaints and Dispute Resolution Procedures guide to distinguish between a query and a complaint as per the ERA Complaints Guidelines.		

Compliance Manual Reference: 308, 310, 315		Compliance Rating B / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 14.1(1), 14.2(1) and 14.7(1)		Reporting Type 2
Obligation Description		
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.	
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.	
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).	
Observations		
<p>Through discussion with WA Credits and Payments Manager, it is noted that if a customer is to be compensated for disconnection or reconnection delays, they can decide how they wish to receive the compensatory payment. As business customers are considered “priority reconnects” by Western Power, there are generally no delays in reconnection. Over the audit period this has not occurred, and this is confirmed by the Credits and Payments Officer.</p> <p>There are currently no processes in place for completing this as it has not occurred in recent years and during the audit period.</p> <p>Review of the Customer Charter noted it outlined the required payments if Alinta fails to reconnect the customer within the required timeframes, in accordance with the Code of Conduct.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement:		
Recommendation 38/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 312		Compliance Rating C / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 14.3(1)		Reporting Type 2
Obligation Description		
312	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4).	
Observations		
<p>Discussion with the Group Manager Customer Operations and Billing Team members noted they were not aware of the requirement and that currently there was no process set up currently to ensure that \$20 was paid to the customer in the instance where the Alinta as failed to acknowledge or respond to a complaint within the timeframes prescribed.</p> <p>It was observed via walkthrough of the complaints handling process that all complaints are responded as soon as possible, with follow up on all open complaints reinforced via a system queue that forms part of Billing Team member’s task lists. This forms the compensating control to ensure that team handles complaints in a timely manner, thus avoiding the need to pay penalty on failure to do so.</p> <p>Review of the Customer Charter noted it includes Alinta’s obligation to pay the customer \$20 if a written response is not acknowledged, or responded to, within the timeframes prescribed.</p> <p>It was confirmed by members of the sales team that they had not received any complaints in writing from electricity customers, during the audit period.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	C – Inadequate controls – improvement required	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>Recommendation 39/2018</p> <p>We recommend that Alinta re-communicate to the complaints handling team, the requirement for \$20 to be paid to the customer where Alinta fail to acknowledge or respond to a complaint within the required timeframes and ensure that all complaints lodged are tracked & closed out on a timely manner.</p>		

Compliance Manual Reference: 371		Compliance Rating B / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 4.4(1)		Reporting Type NR
Obligation Description		
371	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.	
Observations		
<p>Through discussion with Team Leader – Billing, system walkthroughs and sample testing, it is noted that if there is a discrepancy between the metering installation and the metering database, Alinta will lodge a query with Western Power via the B2B system. If there is an urgent requirement for explanation, a member of the billing team will either email or call a liaison in Western Power. They will liaise on the appropriate approach for resolving the issue. It is noted that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement:		
<i>Recommendation 40/2018</i> We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

Compliance Manual Reference: 448		Compliance Rating B / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 6.1(2)		Reporting Type 2
Description		
448	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	
Observations		
<p>Through discussion with Team Leader – Billing, it is noted that Alinta’s application of those rules and procedures relevant to its activities are demonstrated in its:</p> <ol style="list-style-type: none">1. Use of the Metering Service Centre web portal, in accordance with the instructions built into the system. The Metering Service Portal interfaces with Gentrack, as evidenced in the walkthrough.2. Adherence to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodate the Metering Code Communication Rules and the Approved Metrology Procedure. <p>The system is automated for various billing and transfer processes to prevent non-compliance, but through discussion with Manager Regulatory Compliance, the controls in place centre around processes and procedures complying with Metering Code requirements.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – some improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement:		
Recommendation 41/2018		
We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.		

5.2. Resolved observations during the audit period

Compliance Manual Reference: 44		Compliance Rating A / 2
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 4.16		Reporting Type 2
Obligation Description		
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.	
Observations Through discussion with the Senior Account Consultant, it was noted that prior to 3 rd October 2016, Alinta did not retain verifiable customer consent in relation to the lodgement of a customer transfer request for the required period of two years. However, on the 3 rd October 2016, it was noted that Alinta’ template <i>particulars of contract</i> document (which forms the ‘contract’ with the terms and conditions) was amended to obtain verifiable consent by a contestable customer in relation to the lodgement of a customer transfer request via a customer signature. It was noted that customer contracts are retained by Alinta on CRM indefinitely. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement No further action given resolution during the audit period 1 June 2014 to 31 May 2018. Management have updated the <i>particulars of contracts</i> during the audit period to effectively obtain verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request. From 3 rd October 2016, customer contracts have been retained by Alinta on CRM indefinitely.		

Compliance Manual Reference: 53, 454		Controls / Compliance Rating A / 2
Licence Clause: Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Customer Transfer Code clause 6.4(2) Electricity Industry Metering Code clause 7.2(5)		Reporting Type 2
Obligation Description		
53	A Retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	
454	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.	
Observations		
<p>As per the Customer Transfer Code; “contact details” means the <i>notified electronic</i> communication address, <i>notified</i> facsimile number, <i>notified</i> postal address and <i>notified</i> telephone number of a <i>network operator</i> or <i>retailer</i>, as applicable.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that during the 1 June 2014 to 31 May 2018, Alinta changed its contact details once.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that Alinta moved into its new Perth office premises on 26 March 2018 and Alinta’s Commercial Manager failed to advise Western Power within 3 business days. Following this, the Manager Regulatory Compliance included this non-compliance within the Issue Register as a Type 2 non-compliance breach.</p> <p>We acknowledged that Alinta subsequently notified its new address to Western Power within three business days of the request by Western Power. On the 12th April 2018, Western Power queried whether an update to the address details for Alinta were required and Alinta responded on the same day.</p> <p>It was also observed that, during the audit period, management have strengthened their internal monitoring process by adding the requirement of the above obligation to the Regulatory Obligations Register as “Infrequent Obligations” and this is monitored by the Manager Regulatory Compliance to ensure Western Power is notified of any future changes to its contact details at least 3 business days before the change takes effect.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
<p>No further action given resolution during the audit period 1 June 2014 to 31 May 2018.</p> <p>Management have added the requirement of the above obligation to the Regulatory Obligations Register as “Infrequent Obligations” and this is monitored by the Manager Regulatory Compliance to ensure Western Power is notified of any future changes to its contact details at least 3 business days before the change takes effect.</p>		

Compliance Manual Reference: 145		Compliance Rating A / 2
Licence Condition: Electricity Industry Act, section 82 Retail Licence, condition 5.1		
Obligation under Condition: Code of Conduct, clause 4.		Reporting Type 2
Obligation Description		
145	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.	
Observations Through discussion with Team Leader Billing and sample testing, the following was noted all customer bills are based on estimated or actual reads and are issued to customer on a bi-monthly or monthly cycle, thus satisfying the obligations of bills being distributed at least once per month, but no less than three months apart. In certain instances, billing may be prevented in alignment with circumstances of subclause 4.1, for example due to a meter read issue or meter set up issue. In these instances, a customer may not receive a bill within the 3 month requirement. From discussion with management and review of Alinta’s issues register, we noted that during the audit period, bills to Alinta’s small business electricity customers have been issued late due to Gentrack system upgrade which commenced in December 2014. Approximately 30-40 sites had been affected out of 3,700 customers. We acknowledged that this is a one-off issue which had a minor impact on the customers as customers have been contacted by the SME team regarding this issues. Following the rectification of this issue in May 2015, billing frequency had normalised as per requirement of the obligation. Sample testing of two bills confirms this. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Alinta has been non-compliant with minor impact on customers or third parties during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement No further action given resolution during the audit period 1 June 2014 to 31 May 2018. Issues in the delays of billing have been resolved in May 2015, and no non-compliances have been noted since.		

5.3. Observation detail on obligations (no recommendations)

Compliance Manual Reference: 6, 7		Compliance Rating A / 1
Licence Condition: Electricity Industry (License Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 3.2(2), 3.4 (1)		Reporting Type 2
Obligation Description		
6	A retailer must submit a separate data request for each connection point, unless otherwise agreed.	
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.	
Observations		
<p>Through discussions with Sales and Service Support and walkthrough of the Metering Service Centre web portal, it was confirmed that Alinta submits a separate data request electronically to Western Power via the Metering Service Centre web portal (maintained by Western Power), where a unique identifier (NMI) is assigned to each data request. According to the Electricity Industry Transfer Code, unless otherwise agreed with the network operator, a retailer must not submit more than 100 requests for standing data; and more than 100 requests for historical consumption data per business day.</p> <p>Given there is a prescribed number of standing and historical data requests authorised, the Metering Service Centre web portal acts as a system control to prevent data requests exceeding the authorised amount. However, if Alinta needs to submit more than the prescribed amount of historical data requests, the Sales Operation Manager will send an email to Western Power requesting an extension on the limit of requests. Western Power will then approve the limit of data requests via email and alter the prescribed amount on the Metering Service Centre web portal.</p> <p>Based on discussions with Sales and Service Support and review of documentation it was noted that as part of the on-boarding process, the sales support officers must ensure the Customer’s Verifiable Consent is obtained and is valid before a request will be made to Western Power through the portal. This is documented in the new contracting process.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 8		Compliance Rating A / NR
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 3.5(3)		Reporting Type 2
Obligation Description		
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.	
Observations		
<p>Through discussion with Sales and Service Support, it was noted that Alinta requires customer consent to retrieve historical consumption data from Western Power. This consent is received via email or phone voice recording. Customer consent is then stored in CRM and also on a shared folder location on the server (customer can be identified by ABN and NMI). If the customer consent ceases to apply, the pending request is withdrawn by Alinta submitting a request to Western Power.</p> <p>Through discussion with Sales and Service Support, it was confirmed that during the audit period, Alinta was not required to withdraw a request for historical consumption data.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 9		Compliance Rating A / NR
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 3.6(2)		Reporting Type 2
Obligation Description		
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.	
Observations		
Through discussion with the Revenue Assurance Manager and walkthrough of systems and processes, the following is noted:		
<div>1. <i>Invoices are prepared by Western Power and sent to Alinta.</i> Alinta continuously requests for historical consumption data to be supplied for purposes of renewing customer contracts, creating customer contracts and organising transfers. As a result, Alinta is billed monthly in two invoices; one for tariffs and one for all other items. These are emailed to Alinta with spreadsheets attached which list all charges. The Revenue Assurance team will divide these charges into bundled and unbundled customer contracts, as they can move some of these charges to unbundled customers. Once divided, the Revenue Assurance team will create a pivot table in the excel calculation spreadsheet to confirm the costs payable to Western Power. This is emailed to the Accounts Payable team to make payment. During the audit period, there have been no historical consumption data requests had been withdrawn.</div> <div>2. <i>Reasonable costs are not a fixed figure.</i> Alinta has determined reasonable costs to be anything out of the ordinary. On average, their bill ranges from \$10,000 to \$15,000 per month. Any charges over \$500 for individual items are investigated with the Sales and Account Managers to which they pertain to. Once satisfied that the charge is correct, the invoice is given to the Accounts Payable team. During the audit period, they have not had an incorrect charge, but if they believe it to be incorrect, they would contact Western Power directly to resolve the issue.</div> <div>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</div>		
Adequacy of Controls Rating	A –adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 16		Compliance Rating A / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 3.9(1)		Reporting Type 2
Obligation Description		
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 customer.	
Observations		
<p>Through discussion with Sales and Service Support, it was also confirmed that Alinta only uses data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by Alinta; or to initiate a transfer of that customer. Prior to collecting customer data, consent is obtained from the customer.</p> <p>Review of the publicly available Privacy Policy noted that it includes the terms in which Alinta uses contestable customer data.</p> <p>Further, it was noted that all Alinta personnel who use customer data are required to complete online SALT compliance training at induction and a refresher once a year thereafter. SALT training includes a module called 'Introducing Privacy', which outlines the purposes in which customer data must only be used.</p> <p>During the audit period, it was confirmed that there have been no instances of Alinta requesting customer data for any other reason other than to provide that customer with a quotation for the supply of electricity.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 17		Compliance Rating A / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 3.9(2)		Reporting Type 2
Obligation Description		
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.	
Observations Through discussion with Sales and Service Support, it was noted that as a practice, Alinta does not aggregate a contestable customer’s historical consumption data with that of other contestable customers for the purposes of internal business development. Data is only used to provide a customer with a quotation for the supply of electricity by the retailer or to initiate a transfer of that customer. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 18, 19		Compliance Rating A / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 3.9 (3) (4)		Reporting Type 2
Description		
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.	
19	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	
Observations		
<i>Obligation 19</i> Through discussion with Sales and Service Support, it was confirmed that Alinta will obtain customer consent to retrieve their data from Western Power or lodge a customer transfer request. This consent is received via email or via phone voice recording. Customer consent is then stored in CRM and also on a shared folder location on the server (customer can be identified by ABN and NMI).		
Further, through discussion with the Business Sales Manager and Senior Account Consultant and review of documentation, it was confirmed that Alinta keeps a copy of verifiable consent received from a contestable customer on CRM and on a shared folder location on the server indefinitely. This was noted to be in line with Alinta’s customer transfer procedures and privacy policy.		
<i>Obligation 18</i> It was also confirmed that Alinta only discloses contestable customer data to a third party if they obtain a signed Letter of Authority from the customer. Internally, different access permissions are granted to those who have access to the billing engine. Access to data within the billing engine requires approval from the IT service desk before access. A Privacy Policy is publicly available on Alinta’s website and stipulates the terms in which Alinta will disclose contestable data to other people and third parties.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 30		Compliance Rating A / NR
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 4.8(2)		Reporting Type 2
Obligation Description		
30	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	
Observations		
<p>Through discussion with the Revenue Assurance Manager, and walkthrough of invoices, it is noted that although a withdrawn transfer request has not resulted in charges to Alinta for the installation of a meter during the audit period, there is still a process in place if it was to occur. Alinta is billed monthly in two invoices; one for tariffs and one for all other items. These are emailed to Alinta with spreadsheets attached which list all charges. The Revenue Assurance team will divide these charges into bundled and unbundled customer contracts, as they can move some of these charges to unbundled customers. Once divided, the Revenue Assurance team will create a pivot table in the excel calculation spreadsheet to confirm the costs payable to Western Power. This is emailed to the Accounts Payable team to make payment. If Alinta has to pay Western Power for the cost of a meter, it will appear on these invoices.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 40, 43		Compliance Rating A / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 4.15, 4.12(3)		Reporting Type NR
Description		
40	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	
43	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.	
Observations		
<p>Through discussions with the Business Sales Manager and Senior Accounts Consultant and a walkthrough of Alinta’s customer transfer procedures, we observed that these procedures require Alinta to negotiate any necessary amendments to the access contract to facilitate the transfer in good faith. Communication of these amendments are facilitated via email between Alinta and Western Power or via a face-to-face meeting. During the audit period, it was observed that 5 amendments to the access contract have taken place. Through review of each contract, it was also noted that each contract amendment has been signed by the Director/ Company Secretary of Alinta and the Director/ Executive Officer of Western Power or the Electricity Networks Corporation.</p> <p>Further, we observed that these procedures require Alinta, in the event of an erroneous transfer, to act in good faith, while working with Western Power and the other retailer to maintain the customer’s rights and obligations. Alinta will submit a transfer request to the previous retailer dated when the customer was erroneously churned.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 48, 48A, 451		Compliance Rating A / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2) Retail Licence, condition 5.1 Transmission Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 7.2(1) Electricity Industry Customer Transfer Code, clause 5.2, 6.1		Reporting Type NR
Obligation Description		
48	A network’s communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	
48A	All notices must be in writing and delivered as described in sub clauses 6.1(a)-(c).	
451	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.	
Observations Through discussions with the Business Sales Manager and Senior Account Consultant, and consideration of the role of the Metering Service Centre web portal, it was noted that Alinta communicates with Western Power via telephone, email, post, facsimile and the web portal. Specifically, Account Managers have dedicated phone and email addresses which are provided to Western Power and updated as required and within email signatures. Western Power has been notified of Alinta’s relevant telephone number through the web portal registration. It was noted that notices are usually sent from Western Power to Alinta. Through transactions tested for other obligations, it was noted that communications on a BAU basis are being undertaken through the web portal or via email. During the audit period, no communications were sent or received via fax or post. Further, section 19 of the Network Access Agreement between Alinta and Western Power, and Western Power’s Communication Rules sets out the methods and protocols approved for use by the network operator and retailer to exchange or provide information and data as required under the code. Through discussion with the Business Sales Manager, Senior Account Consultant and the Manager Regulatory Compliance, and examination of relevant training records (e.g. SALT training), we deemed that Alinta staff are trained to communicate with their network operator in accordance with the Electricity Industry Metering Code. All relevant Alinta personnel are required to complete on-line SALT compliance training at induction and a refresher once a year thereafter. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 52, 453		Controls / Compliance Rating A / 1
Licence Clause: Electricity Industry (Licence Conditions) Regulations regulation 5(2) Retail Licence condition 5.1		
Licence Obligation: Electricity Industry Customer Transfer Code clause 6.4(1) Electricity Industry Metering Code clause 7.2(4)		Reporting Type 2
Obligation Description		
52	A Retailer must notify its contact details to a network operator within three business days of a request.	
453	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.	
Observations		
<p>As per the Customer Transfer Code; “contact details” means the <i>notified electronic</i> communication address, <i>notified</i> facsimile number, <i>notified</i> postal address and <i>notified</i> telephone number of a <i>network operator</i> or <i>retailer</i>, as applicable.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that during the 1 June 2014 to 31 May 2018, Alinta changed its contact details once.</p> <p>Through discussion with the Manager Regulatory Compliance and review of documentation, it was advised that Alinta did notify its new address to Western Power within three business days of the request. On the 12th March 2018, Western Power queried whether an update to the address details for Alinta were required and Alinta responded on the same day.</p> <p>It was also observed that, during the audit period, management have strengthened their internal monitoring process by adding the requirement of the above obligation to the Regulatory Obligations Register as “Infrequent Obligations” and this is monitored by the Manager Regulatory Compliance to ensure Western Power is notified of any future changes to its contact details at least 3 business days before the change takes effect.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 54		Compliance Rating A / 1
Licence Condition: Electricity Industry (Licence Conditions) Regulation, regulation 5(2)		
Obligation under Condition: Electricity Industry Customer Transfer Code, clause 6.6		Reporting Type 2
Obligation Description		
54	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	
Observations		
<p>Through discussions with the Business Sales Manager and Senior Accounts Consultant, it was confirmed that Alinta and Western Power communicate through the Metering Service Centre web portal on a daily basis. It was observed that the web portal maintains current electronic communication addresses and facilitates Alinta’s discharge of its responsibilities relating to automated response messages.</p> <p>Communications received from Western Power via email are received by Alinta’s Accounts Manager who then refers the communication to the appropriate Alinta personnel via email.</p> <p>Further, section 19 of the Network Access Agreement between Alinta and Western Power, and Western Power’s Communication Rules sets out the methods and protocols approved for use by the network operator and retailer to exchange or provide information and data as required under the code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 78		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Act, section 51		Reporting Type 2
Obligation Description		
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.	
Observations		
<p>Examination of the Standard Form Contract available on the Alinta website noted that it matched the corresponding contract published on the ERA website. This is with the exception of the business address, which was updated in March 2018. The terms and conditions between the corresponding contracts were the same and as such, the standard form contract had complied with the licensee approved standard form contract on the ERA's website for the period of the audit. In September 2017, Alinta carried out a review of their Standard Form Contract. Review of correspondence between Alinta and the ERA confirmed this version was authorised by the ERA.</p> <p>Discussion with the Business Sales Manager and Senior Business Account Consultant and review of documentation noted Alinta does not generally sign up electricity customer under the standard form contract. There are however, times where it is used as an interim contract in the absence of an executed non-standard contract. For example, when supply is being taken during contract negotiation. In this circumstance, customers are notified they are on the standard form contract and directed to the Alinta website where it is available free of charge.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 79		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 5		Reporting Type 2
Obligation Description		
79	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	
Observations		
<p>Review of the Non-Standard Contract and Accompanying Terms and Conditions noted it was presented in a format that was easy to read and was expressed in clear, simple and concise language. Subclause 36.3 notes the terms and conditions are written in a “simple English” style.</p> <p>Discussions with the Manager Regulatory Compliance noted the terms and conditions were originally developed with a media organisation to ensure ease of interpretation. Examination of the changes made during the update that occurred in 2017 noted there was no change that altered the format, or expression, so as to change its overall readability or clarity.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 80		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 6		Reporting Type 2
Obligation Description		
80	A non-standard contract must specify when it comes into effect and the period for which it has effect.	
Observations		
<p>Examination of the Non-Standard Contract noted Clause 28 specifies that the contract will come into effect when Alinta accept the offer set out in the customer schedule and will continue until the contract ends (in accordance with other clauses) or when the contract term ends. Review of the particulars of contract noted that the start and end of the contract is defined. Discussions with the Manager Regulatory Compliance and Sales Operations Manager noted all customers who agree to an offer from Alinta are placed on non-standard contracts. As observed in Obligation #78, customers may be supplied under a standard form contract for a short period of time before the non-standard contract is executed, for example when a customer moves into a site and commences supply.</p> <p>Sample testing of two particulars of contract included defined start and end dates.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 81		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 7		Reporting Type 2
Obligation Description		
81	A non-standard contract must specify certain information about the retailer.	
Observations		
<p>Examination of the Non-Standard Contract Terms and Conditions noted the following observations regarding the information specified by the retailer:</p> <ul style="list-style-type: none">- Company name and business name: Alinta Sales Pty Ltd trading as Alinta Energy- Australian Business Number: An online ABN check confirmed this as the correct ABN.- Registered Address: Level 13, Grosvenor Place, 225 George Street, Sydney NSW 2000- Business Address: Level 18 Raine Square, 300 Murray Street, Perth WA 6000- Postal Address: PO Box 8348, Perth BC, WA 6849- Telephone number: 13 13 58; it was noted that the facsimile was also provided.- Email address: customer.services@alintaenergy.com.au- Internet website address: alintaenergy.com.au <p>Sample testing of two contracts that were active during the audit period noted they were contracted on the template non-standard contract and accompanying terms and conditions and as such contained the required information about the retailer.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 82		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 8		Reporting Type 2
Obligation Description		
82	A non-standard contract must give an exact description of the goods and services that the retailer will provide under the contract.	
Observations		
Examination of the non-standard contract terms and conditions noted Clause 1 specifies the contract is for the supply of electricity to the customer, subject to laws and regulations. Clause 2 specifies subject to the customers’ equipment and the network equipment the customer may use as much electricity as they want. The Particulars of Contract specify an ‘Annual Quantity’, however this is used to determine contract items such as shortfall quantities and does not limit the amount of electricity that may be used by the customer.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 98		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulations 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 33(3) & (4), 34		Reporting Type 2
Obligation Description		
83	A non-standard contract must require the customer to pay for electricity supplied under the contract.	
84	A non-standard contract must prohibit the customer from tampering with, or bypassing, network equipment or allowing any other person to do so.	
85	A non-standard contract must describe the circumstances under which a retailer has the right to disconnect supply and is required to reconnect supply.	
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.	
87	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.	
88	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.	
89	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation.	
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.	
91	A non-standard contract must specify the assignment of rights and obligations, including assignment without the customer's consent.	
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.	
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.	
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.	
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,	
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.	
Observations		
Examination of the Non-Standard Contract's accompanying Terms and Conditions noted the following observations (in order of obligation):		
<ul style="list-style-type: none">- Clause 1 stipulates the contract is an agreement for Alinta to sell electricity to the customer and for the customer to pay for the electricity supplied under the contract.- Clause 11 prohibits the customer from tampering, bypassing or otherwise interfering with the meter, or to allow anyone else to do so.- Clause 20 outlines the circumstances under which the retailer has the right to disconnect supply and when it is required to reconnect supply. Clause 21 provides a description of circumstances where Alinta cannot disconnect supply.- Clause 15.3 includes all relevant aspects as per Regulation 12 of the Electricity Industry (Customer Contracts) Regulations 2005 that pertains to Security deposits.- Clause 3.2 outlines Alinta's obligations in relation to the provision of prices and tariff information.- Clause 19 states Alinta can change the terms and conditions, and that they will notify the customer in the instance they are changed. Subregulation 16(2) of the Customer Contracts Regulations 2005 also requires the contract to include- Clause 6 outlines how Alinta prepares and issues its bills to customers.- Clause 25 specifies the processes for terminations; the following observation was made: All requirements for the terminations process are included in accordance with Regulation 15 of the <i>Customer Contracts Regulations 2005</i> which forms the 'manner specified' referred to in the obligation description.- Clause 19 stated that Alinta can change the terms and conditions without the customer's consent, and that they will notify the customer in the instance they are changed. It also outlines that the customer can end the contract if they do not agree with the amended terms and conditions via the process outlined in Clause 25. Subregulation 16(2) of the Customer Contracts Regulations 2005 also requires the contract to include how the amendment will be published. Clause 36.5 notes that all notices given under the terms and conditions (including change to the terms and conditions) will be provided to the address for service at the contract.		

- Clause 26 specifies that the customer cannot assign the contract. Clause 27 specifies that Alinta can assign the contract without consent of the customer.
- Clause 12 outlines the complaints handling procedure and notes the Complaints Handling Process can be provided at no charge. It is noted this process, the Standard Complaints and Dispute Resolution Procedures, is publically available on the Alinta website.
- Clause 30 specifies the steps required to be taken by Alinta to ensure that the customer's information is dealt with in a confidential manner.
- Clause 36.5 notes the governing legislation, the effect of an invalid or unenforceable provision, how notices will be given, and how Alinta use electronic communication.
- There are no provisions that purport to exclude, restrict or modify the Code of Conduct for the Supply of Electricity to Small Use Customers.
- Subclause 25.1 specifies that the customer may terminate the contract at any time under the condition 20 days' notice is given. Subclause 25.4 specifies the fees and items payable when the contract ends.

Review of documentation noted the agreement is executed via a Particulars of Contract document and the non-standard contract terms and conditions together form the contractual agreement.

A walkthrough was conducted with Senior Business Account Consultant to observe the process where contracts are issued to the customer to confirm the compliant non-standard contract is issued to small-use customers. A system generated email attaches the appropriate documentation to be sent to a customer is dependent on customer type, and if they are small use (<160MwH) the non-standard terms and conditions are attached. It was confirmed the non-standard terms and conditions are not altered, however, special conditions can be present on the particulars of contract.

Sample testing of 2 particulars of contracts noted the special conditions present did not result in a non-compliance with the regulations for a contract with small-use customers.

Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.

Adequacy of Controls Rating	A – Adequate controls – no improvement needed
Compliance Rating	1 - Compliant
Corrective Action/Opportunity for Improvement	
N/A	

Compliance Manual Reference: 101		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 14.1		
Obligation under Condition: Electricity Industry Act, section 13(1)		Reporting Type NR
Obligation Description		
101	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.	
Observations		
<p>Examination of the Notice of the 2014 ERL6 Performance Audit for Alinta that was published on the ERA’s website noted the next audit period would cover 1 June 2014 to 31 May 2018. It is noted this is consistent with the audit plan for the 2018 ERL6 Performance Audit that was approved in writing by the ERA on 9 July 2018.</p> <p>Examination of the Approval of Auditor Letter for the ‘independent expert acceptable to the ERA’ (KPMG) noted approval was given in writing on 11 April 2018.</p> <p>Regulatory audits are tracked by the Manager Regulatory Compliance within an excel tracker. Examination of the tracker noted the correct period for the Audit had been recorded.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 108		Compliance Rating A / 1
Licence Condition: Integrated Regional Licence, condition 24.1 Retail Licence, condition 24.1		
Obligation under Condition: Electricity Industry Act, section 54(1)		Reporting Type 2
Obligation Description		
108	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non- standard contract that complies with the Act.	
Observations		
Through discussion with the Business Sales Manager and Senior Accounts Consultant, a walkthrough with the Senior Accounts Consultant, in addition to a review of relevant documentation, we observed that in accordance with requirements of section 54(1) of the Act, Alinta’s processes require electricity to be provided to small use customers through the approved non-standard contacts “Electricity Supply Agreement – Particulars of Contract”, with the accompanying Electricity Supply Non-Standard Contract Terms and Conditions.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A– Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 109, 118		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 11 Electricity Industry Act, section 54(2)		
Obligation under Condition: Retail Licence, condition 25.1 and 25.4		Reporting Type 2
Obligation Description		
109	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	
118	A licensee can only amend the standard form contract with the ERA's approval.	
Observations		
<p>Discussion with the Manager Regulatory Compliance noted that the ERA did not direct Alinta to amend the Standard Form Contract with the ERA contacting them first, during the audit period.</p> <p>It was noted however, Alinta did notify the ERA of an internal review of the SFC in April 2017. Subsequent to Alinta submitting the amendments for review, the ERA requested further changes (no time period was specified). A second amended SFC was then provided to the ERA after inclusion of the required changes, and was approved as evidenced by a letter from the ERA. Examination of the correspondence between the ERA and Alinta, including changes to the SFC, noted that directions were complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 111		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 21.1		
Obligation under Condition: Electricity Industry Act, section 101		Reporting Type 2
Obligation Description		
111	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by, and compliant, with any decision or direction of the electricity ombudsman under the approved scheme.	
Observations Through discussion with the Manager of Regulatory Compliance, it was observed that Alinta has been granted an electricity retail licence, which precludes Alinta from supplying electricity to small use contestable customers unless it is a member of an approved electricity ombudsman scheme. Through review of the Electricity Ombudsman website it was noted that Alinta is as an industry member of the electricity industry ombudsman scheme. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 115		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 11		
Obligation under Condition: Retail Licence, condition 23.2		Reporting Type 2
Obligation Description		
115	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe.	
Observations		
Discussions with the Manager Regulatory Compliance noted all identified potential breaches are logged in the internal Issues Register maintained by the Regulatory team and reported to the ERA as required. Examination of the Issues Register noted there had not been any identified violations of the Code of Conduct by an electricity marketing agent, during the audit period.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
NA		

Compliance Manual Reference: 114, 129, 455, 456		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 11, 82 Retail Licence, condition 5.1		Reporting Type 2
Obligation under Condition: Retail Licence, condition 23.1 Code of Conduct, clause 2.1 Electricity Industry Metering Code, clause 7.5, 7.6 (1)		
Obligation Description		
114	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	
129	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	
455	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.	
456	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	
Observations		
<p><i>Obligation 114 and 129</i></p> <p>Through discussion with the Business Sales Manager, Senior Accounts Consultant and the Manager Regulatory Compliance, and examination of relevant training records, we determined that Alinta staff are trained to provide services to customers in accordance with the Code of Conduct for the Supply of Electricity to Small Use Customer. Further, Alinta expects all marketing representatives to comply with the Code of Conduct for the Supply of Electricity to Small Use Customers. All relevant Alinta personnel who engage with marketing and advertising are required to complete on-line SALT compliance training at induction and a refresher once a year thereafter. The 2018 training modules include:</p> <ul style="list-style-type: none">1. Introducing Competition Law2. Advertising3. Introducing Privacy Policy <p>In addition, Sales personnel are required to complete two additional training modules from the “Competition and Consumer Protection” unit: “Introducing Competition Law” and “Advertising”. The Manager Regulatory Compliance runs a SALT Summary Report and a Completed Users Report for Sales personnel to determine who has completed and passed the modules.</p> <p>Through discussion with the Business Sales Manager, it was confirmed that during the audit period, Alinta has not engaged in face-to face door knocking for the purposes of marketing and advertising. Customers are only engaged face-to face once a contract has been signed. However, in the case that Alinta do meet with the customer face-to-face, Alinta employees have on hand their business cards and email signature which have details of their marketing ID. The complaints and ombudsman telephone number are provided to the customer prior to face-to-face interaction via an email attachment of the Electricity Customer Charter and terms and conditions.</p> <p>The Business Sales Manager, Senior Accounts Consultant and the Manager Regulatory Compliance also confirmed that Alinta had not engaged any external electricity marketing agent during the audit period. Further during the audit period, a customer has not requested Alinta to provide them with the marketing agents marketing identification number, the complaints telephone number or the telephone number of the electricity ombudsman.</p> <p>Further, it is noted that clause 2.2 of the Code of Conduct does not apply to Alinta as they have not engaged customers in standard form contracts during the audit period. Compliance with clause 2.3 of the code of Conduct is covered in the new contracting process.</p> <p><i>Obligation 455 and 456</i></p> <p>Sub-clause 7.4 of the Code defines “confidential information” as:</p> <ul style="list-style-type: none">a) Standing data and energy datab) Other information which is confidential information of, or commercially sensitive to, a customer or Code participant. <p>Through walkthrough of the Metering Service Centre web portal, it was noted that security measures are in place to limit unauthorised use of metering database information or commercially sensitive information.</p> <p>Through discussion with the Business Sales Manager, Senior Accounts Consultant and Manager Regulatory Compliance, we observed that Alinta’s confidentiality requirements are addressed in training provided to new staff, which emphasise the need to verify the customer’s identity over the phone prior to disclosing any details. A Privacy Policy is also publicly available on the website and steps out what personal information Alinta collect, who it is distributed to, and what it is used for. Alinta’s Customer Charter, which is also publicly available on their website, states the terms retailers, distributors, and electricity marketing agents must comply to when dealing with confidential information. Further, the non-standard terms and conditions provided to small-use customers details the terms of which Alinta will keep the customer’s information confidential. This is signed by the customer. According to the non-standard terms and conditions, Alinta will:</p> <ul style="list-style-type: none">a) keep your information confidential; and		

- b) only use your information for purposes relating to our business activities [for example, for debt collection purposes or to fully investigate complaints or to market energy and other products and services, including third party products and services which we believe may be of benefit to you]; and
- c) not pass on your information to anyone else [exceptions to this are stated in the conditions].

It was also noted that Alinta applies a consistent approach to establishing confidentiality arrangements with staff and third party advisors and consultants.

Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.

Adequacy of Controls Rating	A – Adequate controls – no improvement needed
Compliance Rating	1 - Compliant
Corrective Action/Opportunity for Improvement	
N/A	

Compliance Manual Reference: 119		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 11		
Obligation under Condition: Retail Licence, condition 12.1		Reporting Type 2
Obligation Description		
119	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	
Observations		
<p>Through discussion with the Senior Financial Reporting Manager, we understand that there is a process and procedure in place for maintaining financial statements. Alinta's financial reporting period is 30 June. Financial statements are prepared by Alinta Group in Sydney and audited by KPMG as a group. There had been no adverse findings from the audit in the previous years.</p> <p>Review of Alinta's Financial Reports (audited by KPMG External Audit team) for the audit period revealed the Alinta group reporting structure in which the licensee (Alinta) is a subsidiary, has complied with the Australian Accounting Standards Board (AASB) Standards and unmodified audit reports had been issued for the financial year ended 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 121		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 11		
Obligation under Condition: Retail Licence, condition 14.2		Reporting Type 2
Obligation Description		
121	A licensee must comply, and require its auditor to comply, with the ERA’s standard audit guidelines for a performance audit.	
Observations As per the Performance Audit Plan ERL6 approved by the ERA in 9 July 2018, the Auditors (KPMG) prepared the Plan in accordance with the Audit and Review Guidelines: Electricity and Gas Licences (April 2014). Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 123		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 11		
Obligation under Condition: Retail Licence, condition 15.1		Reporting Type 2
Obligation Description		
123	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.	
Observations		
<p>The Manager Regulatory Compliance is responsible for notifying the ERA if Alinta is under external administration, or a significant change in circumstances that may affect the licensee's ability to meet its obligations.</p> <p>Discussion with the Manager Regulatory Compliance noted that Alinta Energy, parent company of Alinta, the operator of the ERL6 Licence underwent an ownership change on 29 April 2017. As per a letter dated 11 May 2017, Alinta notified the ERA of the change within the prescribed time frame (10 business days). This also has not affected the licensee's ability to perform its obligation under the retail licence as there had been no change in the existing business operations.</p> <p>Manager Regulatory Compliance confirmed that Alinta had not been placed under external administration during the period.</p> <p>An online ABN search noted that there had not been a change in Alinta ABN or name, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 124, 125, 126		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 11		
Obligation under Condition: Retail Licence, condition 16.1, 17.1, 17.2 & 18.1		Reporting Type 2
Obligation Description		
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.	
125	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	
126	All notices must be in writing, unless otherwise specified.	
Observations		
<p>Discussions with the Manager Regulatory Compliance noted the Regulatory team utilise an excel spreadsheet, to record compliance and regulatory requirements. This includes reporting, audits, and licence fee payments. For the Western Australian operations, the Manager Regulatory Compliance is required to review and maintain the register, and ensure compliance.</p> <p>Sample testing of 2 (2016 & 2017) performance reports required by the ERA noted the following observations:</p> <ul style="list-style-type: none">- They were prepared in the manner prescribed by the ERA (I.e. as per the Retail Datasheets).- They were published within the timeframes specified by the ERA (7 calendar days). <p>All correspondence between Alinta and the ERA reviewed was in writing.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 132, 135, 137		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 24.1 Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 2.3(1) (2) (5), 2.4(2) Retail Licence, condition 23.1		Reporting Type 2
Obligation Description		
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).	
135	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.	
137	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.	
Observations		
<i>Obligation 132 and 137</i> Through discussions with the Business Sales Manager and Senior Accounts Consultant and review of documentation, it was noted that once data is inputted within PDM (Alinta’s pricing engine), PDM produces the customer’s contract, non-standard terms & conditions, and Electricity Customer Charter (specifies Code of Conduct and information specified in subclause 2.3(2)). PDM is linked with Outlook. These documents are then provided to the customer via email who will sign the contract (contract states contact details of Alinta, including telephone number for the purposes of enquiries, verifications and complaints). The signed contract is kept on CRM and the shared file.		
<i>Obligation 135</i> Through discussions with the Business Sales Manager and Senior Accounts Consultant and review of documentation, it was noted that Alinta obtain the customer’s verifiable consent by way of customer providing a signature on the customer’s non-standard contract. The customer is provided with the specified information via the electricity customer charter, non-standard contract terms and conditions and their contract.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A– Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 138, 142, 273, 274, 281, 282		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82 Retail Licence, condition 23.1		
Obligation under Condition: Code of Conduct, clause 2.5(1), 2.10, 10.1(2) (3), 10.4 and 10.5 Retail Licence, condition 23.1 (Obligation 142)		Reporting Type 2
Obligation Description		
138	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.5(1).	
142	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.	
273	On request and at no charge, a retailer must provide a customer with reasonable information on its tariffs, including alternative tariffs.	
274	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.	
281	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.	
282	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	
Observations		
<p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, system walkthroughs and sample testing, the following is noted:</p> <ol style="list-style-type: none"><i>The information is provided to every customer in various methods.</i> When a customer joins Alinta, they are provided with the Customer Charter. This contains the Alinta Complaints contact number and the Energy and Water Ombudsman contact information.<i>Electricity Marketing Agent ID numbers are present on some Email Signatures.</i> Through the course of the review, it is noted that Marketing Agent IDs are present on a few email signatures, but this is not consistent. Provision for marketing IS number is not compulsory as the obligation only requires the ID number to be given "on request".<i>Through discussion with the Business Sales Manager and a Senior Accounts Consultant, it is confirmed that they retain customer information for a minimum period of two years.</i> Review of customer data confirmed this.<i>All customers are contracted via a particulars of contract document (and non-standard terms and conditions), which includes the tariffs agreed to.</i><i>A customer can request information regarding their tariffs by contacting either their Sales and Account Manager or a Sales team member (each customer has a dedicated account manager). Alinta has never charged a customer for access to this information.</i> Sample testing of two email requests confirms that information is provided to the customer on request and within the correct timeframes.<i>General Information is listed on Alinta's website.</i> If a customer contacts Alinta regarding general information for typical running costs or cost effective and efficient ways to use information, they are provided with the information immediately. The information be accessed at any time by the customer through the Alinta website. Sample testing confirms information provided to customer on request.<i>Alinta will contact Western Power for this information.</i> If a customer requests information regarding the distribution of electricity, Alinta will contact the relevant Account Manager at Western Power to organise resolution with the customer directly. The customer can be contacted via phone, email or face to face with a representative from Western Power. Sample testing confirms communication to Western Power for distribution of electricity queries. <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 139		Compliance Rating
Licence Condition:		A / 1
Electricity Industry Act, section 82		
Obligation under Condition:		Reporting Type
Code of Conduct, clause 2.5(2)		2
Obligation Description		
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); andProvide the written information specified in subclause 2.5(2) (b) as soon as practicable following a request by the customer.	
Observations		
<p>Through discussion with the Business Sales Manager) and Senior Accounts Consultant, system walkthroughs and sample testing, the following is noted:</p> <ol style="list-style-type: none"><i>The employee ID contains the following information:</i><ol style="list-style-type: none">The employees first and last name;The employees photograph;The employees Marketing ID number; andThe Alinta Energy logo.<i>The employee business card and email signature contain the following information:</i><ol style="list-style-type: none">The employees first and last name;The employees Marketing ID NumberThe Alinta Energy logo; andThe business address of Alinta.The complaint contact details can be provided on request to the customer in the form of the Customer Charter and the contract terms and conditions. Sample testing of two employee ID cards and business cards confirms this information.<i>Alinta has addressed Recommendation 3/2014 (a) raised in the previous audit</i><p>In the previous ERA audit, it was noted that Alinta entered into an agreement where the arrangement was not supported by a formal contractual agreement. Alinta management issued an action to formalise the contractual relationship between Alinta and the identified customer. Through discussion with the Business Sales manager and Senior Accounts Consultant, it was noted that during the current audit period, all contractual agreements are required to be signed by both the customer and Alinta. Further, all contracts sampled within the current audit period were signed by both the customer and Alinta.</p><i>Alinta has addressed Recommendation 3/2014 (b), (c), and (d) raised in the previous audit</i><p>In the previous ERA audit, it was noted that Alinta entered into an agreement where the information Alinta is required to provide to customers, as outlined by the Code, had not been provided to the customer. It was also noted that verifiable consent had not been obtained from the customer.</p><p>Alinta management issued an action to review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer. Through discussion with the Business Sales Manager and Senior Accounts Consultant, a walkthrough with the Senior Accounts Consultant, in addition to a review of relevant documentation, we noted the process of acquiring new contracts is as follows:</p><ul style="list-style-type: none">First, Alinta will obtain customer consent to retrieve their data from Western Power. This consent is received via email or phone voice recording. Customer consent is then stored in CRM and also on a shared folder location on the server (customer can be identified by ABN and NMI).Once Alinta receives customer consent, Alinta will request customer data from Western Power. Once this data is received, the Senior Accounts Consultant at Alinta will enter the customer's NMI into the Metering Service Portal to determine if the customer is a small or high use customer (below 160MwH is a small customer). Anything above is a high use customer. As a second check, the sales team will enter data from Western Power into the pricing engine system (PDM – Power Deal Manager West Coast) to determine whether the customer is small use or high use. The PDM system will then ensure the appropriate contract, Terms and Conditions and Electricity Customer Charter is sent out to the customer based on their size and energy type. It was noted that all contractual agreements are in writing and stored on CRM.All contracts sampled within the current audit period are in writing and verifiable consent has been obtained from each customer. Testing of three contractual relationships suggests that applicable information regarding the contractual agreement has also been sent to the customer (i.e. Code of Conduct, Electricity Customer Charter, contract, and Terms and Conditions).<p>Alinta management also issued an action to consider implementing an automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Through discussions with the Business Sales manager, it was noted that the pricing engine system – PDM was implemented in December 2014 to ensure that the triggers for differing contractual relationships are correctly applied. It was also noted that the Legal Team conducted training for the Business Sales Team about the differing contractual relationships and the associated triggers for their use in October 2014.</p>		

Alinta management further issued an action to consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place. Through discussions with the Business Sales Manager, it was noted that prior to December 2014, the PDM system was not in place to ensure contracts were sent out to customers based on their size and energy type. However, after December 2014, PDM was introduced to act as a system control. It was also noted that contracts are up for renewal every 4 years at most. When a contract is up for renewal, the PDM system flags if the customer should be on a different contract. Due to this system control, all contracts have been reviewed to ensure the appropriate contractual relationships are in place.

Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.

Adequacy of Controls Rating	A – Adequate controls – no improvement needed
Compliance Rating	1 - Compliant
Corrective Action/Opportunity for Improvement	
N/A	

Compliance Manual Reference: 154, 157, 187, 188, 280, 402		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82 Retail Licence, condition 5.1		
Obligation under Condition: Code of Conduct, clause 4.4, 4.6(1), 5.1, 5.2, and 10.3A Electricity Industry Metering Code, clause 5.17(1)		Reporting Type 2
Obligation Description		
154	A retailer must issue a bill to a customer at the customer’s supply address, unless the customer has nominated another address or an electronic address.	
157	A retailer must base a customer’s bill on the following: - the distributor’s or metering agent’s reading of the meter at the customer’s supply address; - the customer’s reading of the meter in the circumstances specified in subclause 4.6(1)(b); or - if the connection point is a Type 7 connection point, the procedure is set out in the metrology procedure or Metering Code, or as set out in any applicable law.	
187	The due date on a bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.	
188	Unless otherwise agreed with a customer, a retailer must offer the customer at least the payment methods prescribed in clause 5.2.	
280	At least once a year, a retailer must provide a customer with written details of the retailer’s and distributor’s obligations to make payments to the customer under Part 14 of this Code and under any other legislation in Western Australia, including the amount of the payment and the eligibility criteria for the payment.	
402	A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user’s customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	
Observations		
Through discussion with Team Leader – Billing and sample testing, the following was noted:		
1. Address information is confirmed when an account is setup. When Sales set up a new account, an address (including email) other than the supply address can be specified for billing. If it is not specified by the customer, the bill is automatically sent to the supply address. It is noted that email addresses may be impacted by human error, resulting in a bill not sent out. If this occurs, it will be populated on the late payment report and the customer will receive a notice. Once confirmed with the customer, notation will be put on the account outlining the reason for late payment, and the bill may be reissued if requested by the customer. Sample testing of two bills confirms this.		
2. Bills are generated based on Western Power meter readings. Meters are read monthly by Western Power personnel, and this information is loaded into the WPP. The information is uploaded through Secure File Transfer Protocol (SFTP), and accessible through B2B. The information from the meter reading is auto assigned against the applicable NMI. Sample testing of two bills confirms this.		
3. The non-standard terms and conditions for contracts stipulates an exception to this obligation. As per clause 1.10 in the Code of Conduct, the retailer and operator can agree that clause 5.1 does not apply. Under the non-standard terms and conditions, the due date is set 14 days after the issue date. Sample testing of two bills confirms this.		
4. All payment options are supplied on the customer’s bill The prescribed payment options are built into the billing template. The template has been reformatted since the 2014 ERA review, and through sample testing of two bills, it is confirmed that the payment options appear on the customer bills.		
5. The obligations are on every bill, and form part of the billing template. A billing template is auto generated every month and contains the following information: “Service Standards - When your electricity retailer or distributor fails to meet certain service standards, such as reconnection, wrongful disconnection and query or complaint response timeframes, you may be entitled to receive a payment under Part 14 of the Code of Conduct for the Supply of Electricity to Small Use Customers and under other state legislation. If you believe you may be eligible to receive such a payment, please call Alinta Energy on 13 13 58.” Sample testing of two bills confirms this statement is present on the bills.		
6. Bills are provided to the customer from the user. This is evidenced through sample testing and compliance with the above obligations. Sample testing of two bills confirms this.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 156		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.5(3) Electricity Industry Customer Transfer Code, clause 5.2		Reporting Type 2
Obligation Description		
156	If a retailer identifies and wishes to bill a customer for a historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with, or on the customer’s next bill.	
Observations		
<p>Through discussion with the Business Sales Manager And Senior Accounts Consultant and consideration of Alinta’s billing processes, it was observed that in the event a historical debt is identified, the billing team will forward the reconciliation to the Sales team and Revenue Assurance team for review. The debt to be recovered appear under “other charges” on the standard bill in instances where the debt relates to the customer’s current supply address. Further, in the case that a historical debt is identified, Alinta’s Account Manager will liaise via phone call or email with the customers before their next bill. In cases where the customer’s debt is blended in to the customer’s renewal rates, Alinta’s Account Manager will still liaise with the customers before they are charged.</p> <p>Review of Alinta’s non-standard terms and conditions noted it also stipulates how billing of historical debt will be managed, in accordance of the timeframe required. The Electricity Customer Charter also states Alinta will follow the Code of Conduct in regards to managing historical debts.</p> <p>During the audit period, KPMG tested two instances where Alinta liaised with customers before their next bill in the instance they identified a historical debt. It was confirmed that in each instance, Alinta liaised with the customer before their next bill via email and/or phone call.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 158		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.7		Reporting Type NR
Obligation Description		
158	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.	
Observations		
<p>Through discussion with Team Leader – Billing, sample testing and walkthroughs, it is noted that:</p> <p>1. <i>Bills are generated based on Western Power meter readings.</i> Meters are read monthly by Western Power personnel, and this information is loaded into the WPP. The information is uploaded through Secure File Transfer Protocol (SFTP), and accessible through B2B. The information from the meter reading is auto assigned against the applicable NMI. Sample testing of two bills confirms this.</p> <p>2. <i>A daily unbilled report is generated to identify those customers who have not been billed in the correct timeframes</i> This report identifies those customers who have not been billed. If it is due to missing meter data, the Billing team will contact Western Power via B2B or email depending on the severity of the missing data.</p> <p>Sample testing of two bills confirms that meter reading data is obtained frequently as required to prepare its bills.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 159		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.8(1)		Reporting Type 2
Obligation Description		
159	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	
Observations		
Through discussion with Team Leader Billing, sample testing and system walkthroughs, it is noted that Alinta provides estimated bills to customers. If a meter read has not been conducted, Western Power will calculate an estimated bill based on the usage from the same period in the previous year. It will be noted on the account as an estimated read, and a new bill will be reissued once the meter read information is entered into the WPP.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 161		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.8(3)		Reporting Type 2
Obligation Description		
161	On request, a retailer must inform a customer of the basis and the reason for the estimation.	
Observations		
<p>Through discussion with Team Leader – Billing, sample testing of estimated bills and completion of system walkthroughs, it is noted that a customer contacts either the Sales or Billing Team for information. Providing the information is available to Alinta on the WPP, the reason for estimation can be provided to the customer. Western Power is not required to update the information frequently, so if there is no reason given in the WPP, the Billing team will calculate the estimation based on previous bills. This is generally communicated to the Sales and Account Manager, who will liaise with the customer. This has not occurred during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 162, 163		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.9 and 4.10		Reporting Type 2
Obligation Description		
162	In accordance with clause 4.19, 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.	
163	If a customer satisfies the requirements specified in subclause 4.10, a retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading.	
Observations		
Through discussion with Team Leader – Billing, sample testing of estimated bills and completion of system walkthroughs, the following is noted:		
1. <i>The adjustment method is determined by the customer.</i> The customer is able to determine the preferred method for adjustment. Depending on their preference, customers can ask for a new bill to be reissued or for a line item adjustment on the next bill. If a customer cannot be contacted prior to the next bill, Alinta’s preferred method is a line item adjustment.		
2. <i>The customer determines the replacement process.</i> As above, the customer can determine if they wish to have the bill replaced, or if they want a line item adjustment on the bill to indicate the change.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 167		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.13		Reporting Type 2
Obligation Description		
167	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.	
Observations		
<p>Through discussion with Team Leader Billing and sample testing, it is noted that Alinta does change their contracted fees. As mentioned above, tariff change dates are noted in the customer’s contract. The customer is informed of the date this will occur, and the change is reflected in the bill. The customer is notified via notice in their bill if the tariffs change due to network agreements with third parties. If a customer does not meet their contracted electricity usage, they will be charged a shortfall fee as explained in their contract. As Alinta cannot change their contracted fees, this has not occurred during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 180		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.18(6)		Reporting Type NR
Obligation Description		
180	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6).	
Observations		
Through discussion with Team Leader Billing and system walkthroughs, it is noted that Gentrack automatically credits the customer if it is under \$100. Gentrack has an inbuilt process which automatically credits the customer if the overcharge is under \$100. If a member of the billing team sees it, then they can raise it to the customer, otherwise it is automatically processed. This has not occurred during the audit period.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 190		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 5.4		Reporting Type 2
Obligation Description		
190	Upon request, a retailer must accept payment in advance from a customer. This will not require a retailer to credit any interest to the amounts paid in advance. Subject to clause 6.9, and unless otherwise agreed with a customer, the minimum amount for an advance payment that a retailer will accept is \$20.	
Observations		
Through discussion with Team Leader Billing and walkthroughs of the B2B system, it is noted that Gentrack is sufficiently automated to satisfy this obligation. If a customer wishes to put an advanced payment on their bill, they do not have to request this to Alinta. Instead, they pay more on their current bill. This reflects as an automated credit on the account and is deducted from the following bill. Alinta accepts payment for any amount (i.e. no minimum amount).		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 199		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 5.7(4)		Reporting Type 2
Obligation Description		
199	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).	
Observations		
Through discussion with Team Leader – Billing, sample testing, and walkthroughs, it is noted that any or all payments for consumption are only recoverable from the commencement of the contract. Once a contract is established in Gentrack by the Sales Team, the system does not permit an amount to be billed to the previous customer of the same supply address. It has been confirmed that this has not occurred during the audit period.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 201		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 5.8(2)		Reporting Type 2
Obligation Description		
201	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.	
Observations		
<p>Through discussion with WA Credits and Payments Manager and system walkthroughs, it is noted that after the account is closed, bills can no longer be generated for customers at the new supply address. After the new customer takes over the supply address, and Alinta is notified of the change in address, they will attempt to contact the previous owners to retrieve the debt. The supply address and NMI is changed to the new customer, and all debt is left on the previous account. As all debt is linked to the old account and not the supply address, the B2B system cannot generate new bills with the outstanding amount. As this is an automated process, sample testing could not be completed due to system constraints.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 228		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 6.11		Reporting Type 2
Obligation Description		
228	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	
Observations		
<p>Through discussion with WA Credits and Payments Manager, walkthroughs and sample testing, it is noted that payment plans are determined on the individual customer situation. When a customer is experiencing payment difficulties, they will contact their Sales and Account Manager to discuss payment options. These are negotiated in cohesion with the Credits and Payments team. Each case is reviewed individually based on its merits, and the likelihood of repayment. Final approval is given by the Credits and Payments Manager.</p> <p>Review of the Customer Charter notes Alinta will consider setting up an alternative payment arrangements if the customer is having trouble paying the account by the due date. Alinta’s contact number is provided.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 241		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 7.7(7)		Reporting Type 2
Description		
241	A retailer or a distributor must remove the customers’ details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).	
Observations		
<p>Through discussions with Sales and Service Support, if Alinta becomes aware of the circumstances specified in subclause 7.7(7) (typically through notification from the customer), the Billing team will then change the customer’s contact details and supply address as a life support equipment address on the Alinta Energy Life Support database within Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Further, the Billing team will populate a csv file with a change to life support customer details and email this through to Western Power that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 242, 243		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 8.1(1) (2)		Reporting Type 2
Obligation Description		
242	A retailer must arrange to reconnect a 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.	
243	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).	
Observations		
<p>Through discussion with the WA Credit and Payments Manager and consideration of Alinta’s disconnection and reconnection processes, it was observed that if a customer wishes to remedies their breach and wishes to reconnect their electricity supply, the customer will request reconnection by contacting the Accounts Manager or Commercial Officer at Alinta. The contact details of the Accounts Manager and Commercial Officers are stipulated on the customer’s contract. All customer requests are tracked via CRM.</p> <p>Once the Accounts Manager or Commercial Officer receives the request, together they may communicate to arrive at a solution to satisfy the customer's request.</p> <p>The Commercial Credit Officers or Accounts Manager (depending on who is contacted by customer) will then submit a reconnection service order to Western Power on the same day the request is received or the next business day if the request is received after 3 pm or on a Saturday, Sunday or public holiday. Commercial Officers and the Accounts Manager comply with the code of conduct when arranging for re-connection between the stipulated timeframes. However, it is noted that a Credit Framework is in the process of being developed to re-alliterate compliance with the code.</p> <p>Through discussion with the Commercial Credit Officer, it was confirmed that during the audit period, there were no instances of Alinta disconnecting for failure to pay a bill, the customer denying access to the meter or illegal use of electricity. Therefore, during the audit period, there have been no instances of Alinta arranging for a reconnection.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 272		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 10.1(1)		Reporting Type 2
Obligation Description		
272	A retailer must give notice of any variations in its tariffs to each of its customers affected by the variation no later than the next bill in the customer’s billing cycle.	
Observations		
Through discussion with Team Leader – Billing and sample testing, it is noted that customers are notified of tariff changes within their next bill. If Alinta needs to change its tariffs as a result of external communication, they will implement the changes through Gentrack and notify the customer via their bill. The notification will include the price increase/ decrease as well as an explanation for the changes. Sample testing confirms this.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 290		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 10.9		Reporting Type NR
Obligation Description		
290	To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, concise language and in a format that is easy to understand.	
Observations		
<p>Discussions with the Manager Regulatory Compliance noted all amendments to letters, bills, and publicly available documents are reviewed by Legal and Regulatory teams prior to release to ensure they are expressed in clear, simple, concise language and in a format that is easy to understand. Review of the Customer Charter bills, terms and conditions (both standard and non-standard), and particulars of contract noted they are presented in simple English and are easy to understand.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 291, 292		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 10.10(1) &(2)		Reporting Type 2
Obligation Description		
291	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.	
292	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.	
Observations		
<p>Review of Alinta’s website noted the Code of Conduct has been made available at no charge. Discussion with the Team Leader – Billing noted Alinta has processes in place to provide customers with the Code of Conduct via email at no charge if requested. Additionally, Alinta’ Customer Charter contains directions to where the Code of Conduct can be found or requested, including Alinta’s contact number. The Customer Charter is sent to every customer when the contract is sent for signing and is also available on the Alinta website free of charge</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 297		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 10.12(2)		Reporting Type 2
Obligation Description		
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.	
Observations		
Through discussion with the Business Sales Manager and Senior Account Consultant, it was noted that if a customer contacts Alinta regarding the availability of different types of meters, Alinta will refer the customer directly to Western Power.		
Through discussion with the Business Sales Manager and Senior Account Consultant it was confirmed that during the audit period, Alinta did not receive a request from a customer to provide them with information regarding the availability of different types of meters.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 298, 299		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 12.1(1-2)		Reporting Type 2
Obligation Description		
298	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	
299	The complaints handling process under subclause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.	
Observations		
<p>Discussion with the Group Manager Customer Services and Manager Regulatory Compliance noted Alinta have developed the Standard Complaints and Dispute Resolution Procedures as the process for handling complaints and resolving disputes. Review of this document noted the following:</p> <ul style="list-style-type: none">- It has been written in a way that complies with Australian Standard AS/NZS 10002:2014;- Outlines the process for how customers must lodge complaints (including the Teletype for hearing impaired);- Outlines how the complaint will be handled: in an equitable, objective and unbiased manner; including the following:- The document outlines how the complaint will be handled: in an equitable, objective and unbiased manner; including the following:<ul style="list-style-type: none">• Acknowledge the enquiry, complaint or dispute as soon as possible within 24 hours of receipt and aim to resolve the enquiry within five business days from when we receive your feedback in a fair and reasonable manner;• The right of the customer to escalate the matter to a senior manager; and• The customer will be contacted by phone regarding the complaint, unless they have requested to be contacted in writing. <p>Review of the Alinta website noted the Standard Complaints and Dispute Resolution Procedure is available free of charge. Additionally, the Customer Charter and non-standard terms and conditions provide guidance on how Alinta deals with complaints, and are provided to customers free of charge.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 301		Compliance Rating A / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 12.1(4)		Reporting Type 2
Obligation Description		
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.	
Observations		
<p>Discussion with the Group Manager Customer Service noted the Standard Complaints and Dispute Resolution Procedures are followed by Alinta staff in processing complaints. It was noted that the customer representative (usually an Account Consultant) will inform the customer that Alinta attempt to respond to the customer within 5 business days.</p> <p>A walkthrough was conducted with a member of the Billing Team and it is noted that complaints are communicated to members of the Billing Team via email and are logged within Gentrack. Complaints are logged to the applicable customer’s account and sent to the appropriate team for addressing within Alinta (if applicable). The complaint will then go into the Billing Team’s task queue (checked daily), and will include the date to complete by. This will be followed up on a daily basis by the Billing Team member. Additionally, once a month a complaints listing is generate for reporting purposes and for greater oversight of complaint status. Once the complaint has been addressed and the customer has provided notice of satisfaction, it will be marked as complete within Gentrack.</p> <p>Discussions with members of the Sales team noted no written complaints had been received from electricity customers, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 303		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 12.3		Reporting Type 2
Obligation Description		
303	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.	
Observations		
Discussion with a member of the Billing Team noted customers will be directed to website to obtain the Standard Complaint and Dispute Resolution Procedures, which is available free of charge on the Alinta website. It is also noted the Customer Charter, which is provided to all customers, also contains information regarding the complaints handling procedures including the contact number of the WA Energy Ombudsman.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 304		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 12.4		Reporting Type 2
Obligation Description		
304	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be appropriate to deal with the complaint (if known).	
Observations		
Discussions with members of the Billing Team noted where a complaint is received that does not relate to Alinta’s functions, the customer will be referred to the relevant organisation (if known).		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 305, 306, 307		Compliance Rating A / 1
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clauses 13.1, 13.2, 13.3		Reporting Type 2
Obligation Description		
305	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	
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.	
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.	
Observations		
<p>Submitting annual compliance reports is the responsibility of the Manager Regulatory Compliance, who tracks the required dates via the Regulatory Obligations Register. Each year, the ERA publish the Electricity Retail Licence Performance Reporting Handbook which outlines the required performance indicators and how and when the data must be provided to the ERA. For the applicable reporting years (reporting year refers to 30 June, within that year) within the requirement, the following dates were prescribed:</p> <ul style="list-style-type: none">- 20 September 2014- 30 September 2015- 30 September 2016- 2 October 2017 <p>In addition to this, the ERA publish each year an accompanying Retail Datasheet (which acts as the template for the report. When the Handbook is published (April/May of each year), the Manager Regulatory Compliance will update the Register with the required date, ERA contact, and the required submission address (email). The Manager Regulatory Compliance prepares the reports in accordance with the Handbook and Datasheet.</p> <p>Review of correspondence and reports between Alinta and the ERA for a sample of two reporting years noted the performance reports had been provided by the due date, and had been published on the Alinta website within the timeframe specified by the ERA. It was also noted the reports were developed in accordance with the manner and form prescribed, utilising the Retail Datasheet published by the ERA for that reporting year.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate Controls – No improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 324		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 3.3Bs		Reporting Type 2
Obligation Description		
324	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to 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.	
Observations		
<p>Through discussions with Sales and Service Support, it was observed that where Alinta becomes aware of bi-directional electricity flows at a metering point that was not previously subject to 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, Alinta will send the customer an Indemnity Letter to sign via email that stipulates the customer is liable for the result of any bi-directional meter installations.</p> <p>If a customer wishes to apply for a new bi-directional electricity flow at a metering point that was not previously subject to 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 customer will submit a signed application form to Alinta who will assess the application for eligibility. If approved, Alinta will send the customer an indemnity letter to assist the customer in understanding the issues around the new bi-directional electricity flow and the additional terms and conditions that will apply for Alinta to continue to supply their site with electricity. Once the signed letter is returned to Alinta, Alinta will request the Billing team to raise a service order through Gentrack with Western Power within 48 hours. Sales Service Support will then submit the corresponding ETAF (Electricity Transfer Application Form) through email. The ETAF is a form completed by Alinta on behalf of the customer when applying for a change to a bi-directional electricity flow.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 339		Compliance Rating A / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 3.11(3)		Reporting Type 2
Obligation Description		
339	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	
Observations		
<p>Through discussions with the Business Sales Manager and Senior Accounts Consultant, and consideration of Western Power’s Communication Rules, the Network Access Agreement and Service Level Agreement between Alinta and Western Power, it was noted that if Alinta receives information from a customer regarding an outage or malfunction of a metering installation, the customer’s dedicated account manager will notify the Account Manager at Western Power via the WPP as soon as practicable and request the meter to be investigated. This notification is then recorded in the customer’s account within Gentrack.</p> <p>It was confirmed with the Business Sales Manager and Senior Accounts Consultant that an instance of Alinta receiving information from a customer regarding an outage or malfunction of a metering installation, has not occurred during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 372		Compliance Rating A / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 4.5(1)		Reporting Type NR
Obligation Description		
372	A Code participant must not knowingly permit the registry to be materially inaccurate.	
Observations		
<p>Through discussion with Team Leader Billing, it is noted that if Alinta correctly follows all processes when opening an account, it reduces the likelihood of a materially inaccurate register. During the audit period, Alinta has not knowingly or unknowingly permitted the registry to be inaccurate.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 373		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 4.5(2)		Reporting Type 2
Obligation Description		
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.	
Observations Through discussion with the Team Leader Billing, it is noted that Alinta will contact Western Power if they are notified of any issue with the register. As soon as the Billing team is aware of any inaccuracies or changes in the standing data, they will contact the relevant department in Western Power via phone. If need be, they will use email communication. Sample testing confirms this. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 388		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.4(2)		Reporting Type 2
Obligation Description		
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).	
Observations		
<p>Discussion with the Manager Regulatory Compliance noted Alinta will communicate to the customer on Western Power’s behalf to provide access to their meter, request a time for access, and to ensure safe access (e.g. restrain pets). Examination of the standard and non-standard terms and conditions noted the customer is contractually obliged to provide un-restricted access to Alinta and Western Power.</p> <p>Review of emails confirmed Alinta corresponded with the customer to ensure Western Power was able to access the meter to obtain energy data on an agreed date.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate Controls – No improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 406		Compliance Rating A / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.19(1)		Reporting Type NR
Obligation Description		
406	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.	
Observations		
<p>Through discussions with the Business Sales Manager and Senior Accounts Consultant, and consideration of Western Power’s Communication Rules, the Network Access Agreement and Service Level Agreement (SLA) between Alinta and Western Power, we noted that these procedures provide for Alinta to provide Western Power with customer information upon request. It was also noted that when Alinta enters into a new contractual agreement, all relevant information regarding the attributes of the customer and metering installation are recorded in Gentrack. Once this information is recorded in Gentrack, Western Power is able to via all customer information via the Western Power web portal.</p> <p>Through discussions with the Business Sales Manager and Senior Accounts Consultant, it was confirmed that, during the audit period, Alinta did not receive a request from Western Power to collect information from customers, 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>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place. However due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 407		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.19(2)		Reporting Type NR
Obligation Description		
407	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	
Observations		
Through discussion with Team Leader Billing, system walkthroughs and sample testing, it is noted that all information relating to connection points is stored in Gentrack. Gentrack stores all information relating to connection points within the system. This information is drawn from WPP, and is accessible by any party with access to the systems, including Western Power staff. Accounts and all information will remain on the system, even if the account is closed.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement: N/A		

Compliance Manual Reference: 408		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.19(3)		Reporting Type 2
Obligation Description		
408	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.	
Observations		
<p>Through discussions with Sales and Service Support and the Team Leader – Billing, it was observed that the Metering Service Centre web portal acts as the electronic communication mechanism for Alinta to notify Western Power in the event of any changes relevant to attributes of Alinta customers’ within one business day.</p> <p>If the customer notifies Alinta of any change in address, site or customer attributes, the Billing Team will update the attribute within Gentrack on the same day. This then automatically raises a notice within the Metering Service Centre web portal (as the two systems are linked).</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 –Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 410		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.19(6)		Reporting Type NR
Obligation Description		
410	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.	
Observations Through discussions with Sales and Service Support and the Team Leader – Billing, it was noted that standing data updates occur via the B2B system between Gentrack and WPP. If Western Power changes a customer attribute, the B2B system acts as a control and will not submit a notification to Western Power based on an update that has been received by Alinta via this method. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 416, 417		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.21(5) and 5.21(6)		Reporting Type 2
Obligation Description		
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 (Independent Market Operator).	
417	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.	
Observations Through discussion with Team Leader – Billing, the following is noted: 1. <i>A request cannot be raised in B2B if the Code participant is not a user.</i> If a user ceases to be a user, they can validate data with the network operator for the purposes of customer billing. Orders cannot be placed in the WPP unless there is valid user access. This has not occurred in the audit period as Alinta has remained a user throughout this time. 2. <i>Alinta has not made a request inconsistent with any access arrangement or agreement.</i> Alinta has complied with the access agreement during the audit period. This is evidenced by through confirmation with Team Leader – Billing that no inconsistent requests were made during the audit period. If a request had been made, Alinta would be subject to breach of licence condition under the Electricity Industry Act 2004 (WA) and would be liable for penalties. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 435		Compliance Rating A / 1
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.27		Reporting Type 2
Obligation Description		
435	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	
Observations		
<p>Through discussions with Sales and Service Support, it was noted that if requested by Western Power, additional relevant information regarding customer attributes are to be obtained from the customer by Alinta (via email or phone call). The Billing team will update Gentrack with missing/ incorrect information from the customer within two business days. This will then automatically raise a notice within the Metering Service Centre web portal (as the two systems are linked).</p> <p>It was also noted that the details stipulated in the customer’s contract are all uploaded on the WPP, minimising the likelihood of missing/ incorrect customer information.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – compliant	
Corrective Action/Opportunity for Improvement		
N/A		

5.4. Obligations rated Not Performed or Not Applicable during the audit period

Compliance Manual Reference: 97		Compliance Rating NP / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 33(2)		Reporting Type 2
Obligation Description		
97	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days’ notice.	
Observations		
Customer Contracts Regulation clause 33 addresses contracts “other than fixed term contracts”. The Manager Regulatory Compliance confirmed Alinta engages customers only on fixed term contracts, and as such there is no relevant activity subject to assessment for the period subject to audit.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 100, 130, 131		Compliance Rating NP/ NR
Licence Condition: Retail Licence, condition 28.1 Electricity Industry Act, section 82		
Obligation under Condition: Electricity Industry (Customer Contracts) Regulations 2005, regulation 38 Code of Conduct, clause 2.2(1) (2)		Reporting Type 2
Obligation Description		
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.	
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).	
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.	
Observations		
Through discussion with the Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant, it was confirmed that, during the audit period, Alinta did not make use of standard form contracts. Therefore, an assessment of compliance with this clause cannot be made for the period subject to audit.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 107		Compliance Rating NA / NA
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Act, section 41(6)		Reporting Type 2
Obligation Description		
107	A licensee must pay the costs of taking an interest in land or an easement over land.	
Observations The Manager Regulatory Compliance confirmed that Alinta did not have an interest in land or an easement over land, during the audit period. We have also sighted trial balance of the entity and confirmed that there is no record of a land asset. Based on enquiries, it was concluded that the licence condition was not applicable to Alinta during the audit period.		
Adequacy of Controls Rating	NA – Not Applicable	
Compliance Rating	NA – Not Applicable	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 110		Compliance Rating NA / NA
Licence Condition: Retail Licence, condition 27.1		
Obligation under Condition: Electricity Industry Act, section 76		Reporting Type 2
Obligation Description		
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.	
Observations		
The Manager Regulatory Compliance confirmed that Alinta had not been designated as a supplier of last resort for the audit period.		
Based on enquiries, it was concluded that the licence condition was not applicable to Alinta during the audit period.		
Adequacy of Controls Rating	NA – Not Applicable	
Compliance Rating	NA – Not Applicable	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 113		Compliance Rating NP / NR
Licence Condition: Integrated Regional Licence, condition 5.1 Retail Licence, condition 5.1 Transmission Licence, condition 5.1		
Obligation under Condition: Electricity Industry Act, section 115(2)		Reporting Type 2
Obligation Description		
113	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct that hinders or prohibits access.	
Observations		
<p>Through discussion with the Sales Manager and Senior Account Consultant, it was observed that Alinta, as an electricity retailer does not have access to services and is unable to hinder or prohibit access to services belonging to Western Power.</p> <p>The Western Power Network Access Agreement 2003, stipulates that Alinta must not engage in conduct that hinders or prohibits access. It is noted that multiple amendments have been made to the Access Agreement since 2003, however, none of which alter the specific agreement relating to this clause. Further, the term of the Access Agreement ends on 30 June 2035. Specifically, the agreement states:</p> <p><i>20.1 Operational Covenants by the PSC</i></p> <p>"The PSC covenants with Western Power to comply with the Regulations, Technical Codes and this Access Agreement in relation to the operation of the Power Station under this Access Agreement, and in particular, but without limitation, to:</p> <p>(a) subject to its rights under this Access Agreement or the Works Contract, not act in any way to hinder Western Power's rights under the Regulations or this Access Agreement including, without limitation, to Western Power's rights to disconnect the Power Station from the Network;</p> <p>Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.</p>		
Adequacy of Controls Rating	NP – Not performed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 116, 117		Compliance Rating NP / NR
Licence Condition: Electricity Industry Act, section 11		
Obligation under Condition: Retail Licence, condition 24.2 & 24.3		Reporting Type NR
Obligation Description		
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.	
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.	
Observations		
The Manager Regulatory Compliance confirmed that, during the audit period, Alinta did not receive any direction from the Authority to review the standard form contract.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 120		Compliance Rating NA / NA	
Licence Condition: Electricity Industry Act, section 11			
Obligation under Condition: Retail Licence, condition 13.4		Reporting Type 2	
Obligation Description			
120	A licensee must comply with any individual performance standards prescribed by the ERA.		
Observations			
The Manager Regulatory Compliance confirmed Alinta has not been prescribed individual performance standards by the ERA during the audit period.			
Based on enquiries, it was concluded that the licence condition was not applicable to Alinta during the audit period.			
Adequacy of Controls Rating	NA – Not applicable		
Compliance Rating	NA – Not applicable		
Corrective Action/Opportunity for Improvement N/A			

Compliance Manual Reference: 140		Compliance Rating NP /NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 2.6		Reporting Type 2
Obligation Description		
140	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.	
Observations		
Through discussion with Business Sales Manager and Senior Accounts Consultant, it is noted that Alinta does not visit client premises. Alinta employees do not attend client premises. All work at site is completed by Western Power employees. All Alinta employees wear identification badges with the required information when on the Alinta premises. Any and all advertising is done via media outlets, and no advertising materials are sent to customer or client properties.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 141		Compliance Rating NP / NR
Licence Condition: Electricity Industry Act, section 82 Retail Licence, condition 23.1		
Obligation under Condition: Code of Conduct, clause 2.9		Reporting Type 2
Obligation Description		
141	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.	
Observations		
Discussions with the Manager Regulatory Compliance and the Group Manager Customer Service noted Alinta noted the Ombudsman had not requested information regarding a complaint concerned with marketing.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 166		Compliance Rating NP / NR
Licence Condition: Electricity Industry Act, section 82		
Obligation under Condition: Code of Conduct, clause 4.12(1), 4.13		Reporting Type 2
Obligation Description		
166	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility, a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	
Observations		
Through discussion with Team Leader – Billing and review of customer contracts, including the non-standard terms and conditions and particulars of contract it was determined that Alinta do not offer alternative tariffs.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: NA		

Compliance Manual Reference: 405		Compliance Rating NP / NR
Licence Condition: Retail Licence, condition 5.1		
Obligation under Condition: Electricity Industry Metering Code, clause 5.18		Reporting Type 2
Obligation Description		
405	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.	
Observations		
Through discussion with Team Leader Billing, system walkthroughs and sample testing, it is noted that Western Power contacts Alinta if there is a change. If there is a change in energisation status of the metering point, Western Power will contact Alinta to update. Alinta does not receive the information prior to Western Power receiving the information.		
Based on enquiries, it was concluded that the licence condition was not performed and not rated for Alinta during the audit period.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement: N/A		

Appendix 1

Licensee's representatives who participated in the audit

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

#	Name	Title
1	Catherine Rousch	Manager Regulatory Compliance
2	Ryan McKenzie	Team Leader Billing
3	Troy Mulder	WA Credits and Payments Manager
4	Jay Busuttil	Sales Operations Manager
5	Monica Ditric	Business Sales Manager
6	Graeme Antczak	Revenue Assurance Manager
7	Richard Beverley	Commercial Manager Wholesale & Trading
8	Ray Myles	Group Manager Customer Operations
9	Georgina Hale	Senior Business Accountant Consultant
10	Elizabeth Vukojevich	Energy and Billing Consultant – Commercial & Industrial, SME
11	Eric D Geddam	Energy Billing Officer - Commercial & Industrial, SME
12	Joanna Tomlinson	Commercial Credit Officer
13	Stephanie Salvona	Sales and Service Support
14	Paige Maloney	Legal Counsel – Retail Markets

Appendix 2

Key Documentation and information sources

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

#	Name
1	Electricity Metering Transfer Code 2004
2	Electricity Metering Transfer Code 2016
3	Electricity Industry Act 2004
4	Electricity Industry (Customer Contracts) Regulations 2005
5	Economic Regulation Authority (Licensing Funding) Regulations 2014
6	Code of Conduct – Supply of Electricity to Small Use Customers 2016
7	Code of Conduct – Supply of Electricity to Small Use Customers 2018
8	Electricity Industry (Metering Code) 2012
9	Electricity Retail Licence Alinta Sales Pty Ltd ERL6, Version 5, 19 September 2012
10	Electricity Retail Licence Alinta Sales Pty Ltd ERL6, Version 8, 1 July 2018
11	Electricity Compliance Reporting Manual 2017
12	Electricity Retail Licence Performance Reporting Handbook 2018
13	Western Power Network Access Agreement
14	Deed of Amendment (Alinta Access Agreement)
15	Alinta Energy Customer Charter
16	Metering Code Model Service Level Agreement – Western Power Corporation
17	Alinta Non-Standard Terms and Conditions
18	Alinta Standard Terms and Conditions
19	Standard Complaints and Dispute Resolution Procedures
20	Regulatory Obligations Register 2018
21	Alinta Energy Change of Ownership Letter to the ERA
22	Alinta Supply Agreements Procedure
23	Alinta Energy ERL6 Annual Compliance Report 2014-2015
24	Alinta Energy ERL6 Annual Compliance Report 2015-2016
25	Alinta Energy ERL6 Annual Compliance Report 2016-2017
26	Western Power Network Access Agreement – Amendment 26 August 2014
27	Western Power Network Access Agreement – Amendment 10 May 2016
28	Western Power Network Access Agreement – Amendment 22 July 2016
29	Western Power Network Access Agreement – Amendment 27 September 2017
30	Western Power Network Access Agreement – Amendment 21 December 2017
31	Alinta Sales Privacy Policy
32	Alinta Energy – Western Australia Regulatory Issues Register
33	Alinta Energy Continuous Energy Program (Hardship Policy)

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Appendix 4



Post Audit Implementation Plan

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

Unresolved during current audit period.

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation/Details of Non Compliance or inadequacy of controls)	Auditors’ Recommendation	Management Action to be taken
1/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 23 - A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed. 24 - A retailer’s reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer. 25 - A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer. 27 - A retailer 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. 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.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new “PROMAPP” system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>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.</p> <p>49 - A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.</p> <p>Details: The billing team is primarily in charge of processing transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p> <ol style="list-style-type: none"> <i>Each connection point as a unique National Meter Identifier (NMI).</i> A customer transfer request can be entered either directly onto the Western Power Portal (WPP) or via Gentrack, which is a B2B system which interfaces with WPP. The WPP allows for only one NMI to be entered per request. If multiple requests were submitted for the same NMI via Gentrack, the system automatically rejects the order, and the Billing team will receive a same day notification of the rejection. From the discussion with Team Leader – Billing, it is noted that the Gentrack system was updated in November 2014, with one of the improvements removing the ability to manually alter data in B2B. This affects customers who were in the old system, and prevents their details from being updated when transferring the service. In these circumstances, the Billing Officers place the order directly on WPP, and the order continues as per usual. A walkthrough of the process was conducted and it was observed that the WPP only allows for one NMI to be entered per request. <i>When the order is entered into the system, the transfer type must be entered.</i> Through discussions with Team Leader – Billing, it was noted that when an order is placed, the system prompts the user to enter the transfer type. <i>Alinta has a current Access Contract with Western Power.</i> On the 25th of July 2003, Western Power Corporation, Alinta Electricity Trading Pty Ltd, and Alinta Co-generation (Pinjarra) Pty Ltd signed a Network Access Agreement allowing Alinta access to the Electricity Network for the purpose of supplying electricity to customers. The contract is valid until the 30th of June 2035, unless terminated prior. On the 6th of August 2004, Western Power, Alinta Electricity, Alinta Co-Generation and Alinta Sales Pty Ltd entered a deed of amendment to remove the original Alinta parties from the agreement, and replace them with Alinta Sales. This was approved by all parties, and the agreement was considered changed from this date. Alinta Sales Pty Ltd is the current Licensee for the Access Contract. 		
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	<p>4. <i>The access contract is used with every transfer.</i> A version of the access contract is attached to every transfer request from Alinta to Western Power. Our sample testing confirms this.</p> <p>5. <i>The B2B system prevents more than 20 transfer requests on the same business day.</i> Once an order is placed in the B2B system, the WPP receives the information. If it receives more than 20 orders in one business day, the order will be rejected immediately, and a notification is sent to the Billing email inbox. A member of the Billing team will go back to the B2B system and update the transfer date.</p> <p>6. <i>If more transfers need to be processed, Alinta will communicate with Western Power.</i> As some meters need to be manually read, there may be instances where more than 20 transfers need to be completed. In this case, Alinta will communicate with Western Power to open up the restriction within the WPP for the particular request. This communication is either verbal or via email. A walkthrough of the process was conducted and it was observed that Alinta will communicate with Western Power to increase the number of transfers in a day.</p> <p>7. <i>Contracts stipulate the transfer date.</i> When a customer requests a transfer to Alinta, the contract will stipulate the transfer date. This generally runs in line with the contract end date of the current retailer to minimise costs associated with ending a contract early.</p> <p>8. <i>A customer cannot request a transfer to occur more than 50 days in the future.</i> If a customer requests a transfer to occur in more than 50 business days, the order will not be placed until the correct amount of time has passed. The Billing team will be notified via email from the Sales team when the order is ready to be processed.</p> <p>9. <i>Gentrack and B2B prevent bills for charges incurred after the transfer date.</i> The B2B system has in built processes which prevent bills being generated for customers who have transferred out of Alinta. Once an account is closed, the information is "purged" from the system and bills can no longer be generated.</p> <p>10. <i>Each address has a unique NMI to identify the property.</i> An NMI is used across the WPP, Gentrack and other Retail Portals to identify the property, mitigating the risk of an erroneous transfer. When an order is placed in the Gentrack system, the NMI is listed on the request and will be used to identify the corresponding transfer request in the WPP.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required</p>		
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	<p>business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
2/2018	<p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 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. 28 - A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.</p> <p>Details: The billing team is primarily in charge of processing erroneous transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p> <ol style="list-style-type: none"> <i>Alinta does not communicate with the other retailer due to privacy issues. Confirmation of the incoming retailer's identity is dependent on information obtained from Western Power.</i> A customer will report an erroneous transfer to the Alinta team, and the process for remediation begins from this point. The Sales team will notify Billing to commence an order within the B2B system. This order will go through to Western Power, who communicate with the other retailer to resolve the issue. Alinta does not communicate with the other retailer directly at any stage in the process. If the transfer is from an incoming retailer, a notification will automatically sent from Western Power to Alinta confirming the transfer. In situations where the incoming retailer's identity has not been provided, Alinta will contact Western Power for assistance in identifying the incoming retailer. There have been no erroneous transfers during the audit period. <i>Orders can be cancelled during the prescribed cooling off period.</i> As per the <i>Alinta Energy Electricity Customer Service Charter</i>, Australian Consumer Law stipulates there must be a 10 business day 	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>cooling off period for unsolicited contracts (Note that a separate <i>Recommendation 5/2018</i> is raised for the application of cooling off period to unsolicited contracts only). During this period, a customer must communicate to Alinta via email or phone their clear intention to cancel the contract. Sales will communicate this to Billing via email or face to face communication, who will cancel the order in B2B. The order is cancelled immediately and automatically updated in the WPP. This has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		
3/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>34 - A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.</p> <p>39 - A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, if there has been an objection from Western Power to the customer transfer request, both Alinta and Western Power will liaise to agree on a revised nominated transfer date. Communication can be via email or via B2B system on Gentrack. If Western Power inform that a meter read is not able to be obtained on the nominated transfer date, Alinta will also work with Western Power to determine a revised nominated transfer date. For contestable customers, Alinta will propose via email a new transfer date as soon as practicable to the original nominated transfer date with the customer. Sample testing and walkthrough performed confirm this.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p> <p>Team Leader Billing</p> <p>Due Date:</p> <p>31 October 2018</p>

	<p>business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		
4/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation:</p> <p>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.</p> <p>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.</p> <p>57 – If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.</p> <p>58 – A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.</p> <p>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.</p> <p>457 – If any dispute arises between any Code participants then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.</p> <p>458 - If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.</p> <p>459 – If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each</p>	<p>Management to implement written policies and procedures for its disputes resolution process which include the minimum timeframe required for meeting with the disputing parties.</p>	<p>Action Plan: Procedure to be drafted for dealing with disputes between Alinta Sales and other Code participants.</p> <p>Responsible Officer: Business Sales Manager</p> <p>Due Date: 31 December 2018</p>

	<p>disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.</p> <p>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.</p> <p>461 - The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in sub clause 8.3(1).</p> <p>Details:</p> <p>There are no written policies or procedures for required actions relating to the obligations in the case disputes arise. However, it was noted from our discussion with the Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant that, in the case a dispute arises, it will be escalated appropriately to a higher authority within the firm, although the escalation path does not currently include the timeframes for meeting as per the obligations.</p> <p>The Sales Operations Manager, Business Sales Manager and Senior Accountant Consultant confirmed that, during the period from 1 June 2014 to 31 May 2018, Alinta had not acted as a disputing party nor had it been an arbitrator of a dispute.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
5/2018	<p>Non Compliance</p> <p>Controls improvement</p> <p>Rating: B / 3</p> <p>Legislative Obligation:</p> <p>96 - A non-standard contract must include details about the cooling off period specified in the regulation.</p> <p>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.</p> <p>Details:</p> <p>A walkthrough was conducted with Senior Business Account Consultant to observe the process where contracts are issued to the customer to</p>	<p>We recommend that the Legal team update the non-standard contract to include within the contract the cooling off period for non-standard contracts.</p>	<p>Action Plan:</p> <p>Electricity Supply Non-Standard Contract to be amended such that a customer has a right to terminate the contract within 10 business days regardless of whether the contract was unsolicited or not as per cl 32(2) of the Electricity Industry (Customer Contract) Regulations 2005.</p> <p>Responsible Officer:</p>

	<p>confirm the compliant non-standard contract is issued to small-use customers. A system generated email attaches the appropriate documentation in accordance with Clause 2.3(2) of the Code to be sent to a customer is dependent on customer type, and if they are small use (<160MwH) the non-standard terms and conditions are attached. It was confirmed the non-standard terms and conditions are not altered, however, special conditions can be present on the particulars of contract.</p> <p>Review of the non-standard terms and conditions noted it did not include the details of cooling off period for a non-standard contract (the cooling off period specified in the terms and conditions only refers to unsolicited contracts).</p> <p>The Electricity Industry (Customer Contracts) Regulations 2005, regulation 32 requires a cooling off period for all non-standard contracts, regardless of whether contracts are solicited or unsolicited. However, we note that the 'cooling off period' as stipulated in Alinta's non-standard contracts (for electricity) only apply to 'unsolicited consumer' or 'contracts entered into as a result of door to door marketing'.</p> <p>Obligation #96 requires that the "A non-standard contract must include details about the cooling off period specified in the regulation." In this instance, there seems to be a gap of which such cooling off period is not being applied to other consumer falling under the non-standards contract as required under the regulation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>		<p>Legal Advisor – Retail Markets</p> <p>Due Date: 31 December 2018</p>
6/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>105 - A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.</p> <p>Details:</p> <p>Discussion with the Manager Regulatory Compliance noted that Licence obligations, including payment dates of licence fees, are tracked with the</p>	Alinta to diarise payment for annual licence fees and standing charges in InControl once calendar alert functionality is implemented to provide automatic alerts to the relevant stakeholders.	<p>Action Plan:</p> <p>Annual licence fees and standing charges to be diarised in InControl once calendar functionality is implemented.</p> <p>Responsible Officer:</p> <p>Manager Regulatory Compliance</p> <p>Due Date:</p>

	<p>Regulatory Obligations Register; access is restricted to the Legal & Regulatory team (nationally). We noted that there are 2 types of licence fees payment required to be made, i.e. an annual charge due within one month from 19 May and quarterly standing charges which are applied for a period of 3 months ending 30 September, 31 December, 31 March and 30 June.</p> <p>Examination of the document noted the license fee payment date for the annual charge was present but the quarterly standing charges had not been diarised on the register. The excel document is a manual control that does not automatically alert the regulatory team for upcoming obligations due.</p> <p>Discussion further noted Alinta is moving to improve the license fee tracking process through compliance software – InControl, which will contain a calendar with alert functionality. Currently this system is being implemented for logging compliance issues with the calendar application to follow.</p> <p>Sample testing of 2 payments of licence fees confirmed that the prescribed licence fees were paid in accordance with the Licensing Funding Regulations, within the required time.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		30 June 2019
7/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>106 - 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>Details:</p> <p>Through discussion with the Business Sales Manager and Senior Account Consultant, it was observed that Alinta, as an electricity retailer, relies on Western Power as the network operator to minimise the extent or duration of interruption or restriction of supply. Western Power manages Alinta's role in the event of a supply interruption, suspension or restriction.</p>	We recommend that management develops policies and procedures that will detail best practice in order 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>Action Plan:</p> <p>Procedure to be drafted for dealing with emergency situations.</p> <p>Responsible Officer:</p> <p>Business Sales Manager</p> <p>Due Date:</p> <p>31 December 2018</p>

	<p>However, in the case that a customer contacts Alinta regarding interruptions, suspensions or restrictions to the supply of electricity, Alinta will either direct customer to Western Power's fault line or contact the Accounts Manager at Western Power on the customer's behalf and escalate the issue.</p> <p>It was also observed that Alinta do not have emergency or business continuity procedures that document how the situation must be handled in the event that an interruption or suspension to electricity supply occurs.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
8/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 143 - If a retailer agrees to sell electricity to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor. 144 - 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>Details: The billing team is primarily in charge of processing transfer requests. The order originates from the Sales team. Through discussion with Team Leader – Billing, the following was noted:</p> <ol style="list-style-type: none"> <i>The process of forwarding the transfer request to the distributor is completely automated.</i> Once an order is placed in Gentrack to connect a customer's supply address, a notification is sent to the WPP to complete the connection. Errors may occur if there is miscommunication between the customer and the Sales team resulting in an erroneous transfer. If this occurs, the erroneous transfer request process is followed. <i>The same day request process is reliant on the proactivity of the Billing team.</i> When a request for connection is placed with the Sales team, the Billing team receives an email in their communal inbox. The obligation requires the order to be placed on the same day, and this is 	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>dependent on the proactivity of the Billing team as the requests are not auto-assigned. The team is driven to complete these through the use of KPIs. Sample testing of two transfer requests confirms this observation.</p> <p>3. <i>Quarterly reconciliation is done between CRM and Gentrack.</i> Through discussion with Senior Business Account Consultant, it is noted that the CRM and Gentrack systems are reconciled to reflect the same information and highlight differences between the two.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
9/2018	<p>Non Compliance Controls improvement Rating: B / 2</p> <p>Legislative Obligation: 155 - 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>Details: Section 6.3 of Alinta's non-standard contract states: <i>Each bill will show the information required to be included in accordance with clause 4.5(1) of the Code, other than the information in clause 4.5(1)(b) and (bb) of the Code, which you agree the bill is not required to show.</i> We noted that:</p> <ul style="list-style-type: none"> - Clause 4.5(1)(b) is a requirement for customers with Type 7 connections points, which is not relevant for Alinta customers, during the audit period. - Clause 4.5(1)(bb) requires, with respect to residential customers, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services". It is noted that the bills reviewed during our sample testing contained the National 	<p>We recommend that management update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. In additions, management should implement a monitoring process to ensure that any changes to the non-standard contract and supporting terms and conditions have been aligned with the requirements of the Code of Conduct.</p>	<p>Action Plan: Electricity Supply Non-Standard Contract to be reviewed and amended as required to ensure correct clauses are referenced and amended contract to be implemented by business.</p> <p>Responsible Officer: Legal Advisor – Retail Markets and Manager Business Sales</p> <p>Due Date: 31 December 2018</p>

	<p>Interpreter Symbol and the words “Interpreter Services”. Thus, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included.</p> <p>- Our examination of Alinta’s bill template and non-standard contract also highlighted that it has not contained the requirements for clause 4.5(1)(dd). The clause requires, to the extent that the data is available, a graph or bar chart illustrating the customer’s amount due or consumption for the period covered by the bill, the previous bill and the bill for same period last year. Thus, consent to not include has not been sought from the customer.</p> <p>The above findings were also consistent with the findings from the 2014 ERL6 Performance Audit Report (Issue 5/2014). From discussion with the Manager Regulatory Compliance and from our review of the email correspondence provided by the Manager Regulatory Compliance, we noted that in September 2016 the Legal and Regulatory team proposed amendments to the non-standard contract to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills. However, these amendments were not reflected on the updated non-standard contract subsequently.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.</p>		
10/2018	<p>Non Compliance</p> <p>Controls improvement</p> <p>Rating: C / 3</p> <p>Legislative Obligation:</p> <p>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).</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, system walkthroughs and relevant sample testing, it is noted that Alinta does not notify its customers when they are given an estimated bill. When estimations are used for customer bills, the estimated amount is generated in the B2B system and calculated into the total owed amount. Gentrack clearly identifies when a bill is based on an estimated reading. However, when this information is sent to Fuji Xerox for printing, the xml file containing the estimated bill flag is not populating in the Fuji Xerox field when the bill is generated. This is confirmed through our sample testing. Bill samples</p>	<p>We recommend that Alinta liaises with Gentrack to ensure estimated bill flag is correctly populating on the Fuji Xerox field.</p> <p>We recommend that Alinta implements a reviewing and monitoring process to ensure that when changes are made to the billing system, the bill template aligns with the requirements of the Code of Conduct.</p>	<p>Action Plan:</p> <p>Amend system to ensure estimated bill flag is correctly populating Fuji Xerox field.</p> <p>Implement review and monitoring process to ensure bill template is compliant in the event changes are made to the billing system.</p> <p>Responsible Officer:</p> <p>Team Leader Billing</p> <p>Due Date:</p> <p>31 December 2018</p>

	<p>sighted also did not contain specification that Alinta will inform customer, on request, of the basis of and reason for the estimation and that customer may request a verification of energy data and a meter reading in accordance with Clause 2.3(b) and (c).</p> <p>Following from the issue identified in the 2014 ERL6 Performance Audit (Issue 6/2014), Alinta reconfigured the billing system to correctly identify and flag estimated invoices in the bill file and for Fuji to print the message notifying customers of the estimated read. When the billing system was later upgraded from version 3 to version 4, Alinta confirmed with Gentrack that the field was active and would populate as required. However, this audit has identified that the required field was not populated after the upgrade.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required and there was non-compliance with moderate impact on customers or third parties during the audit period.</p>		
11/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>164 - 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>Details:</p> <p>Through discussion with Team Leader – Billing and sample testing of meter test requests, the following is noted:</p> <ol style="list-style-type: none"> <i>The customer contacts Alinta to request test.</i> Generally, the customer will contact their Sales and Account Manager to request a meter test. The order is placed in B2B by the Billing team after confirmation from the Sales team that the customer is aware of the charges. The order is automatically updated in the WPP and a technician is sent to complete the work within the timeframe specified in Schedule 2 of the Service Level Agreement (SLA) held between Western Power and Alinta. <i>"Costs" are determined by the SLA.</i> Depending on the type of test required and the locale of the customer, the costs will differ. The Sales and Account Manager will communicate this to the customer before confirming the test. If a customer has a history of requesting tests for non-issues, the Sales team may ask for upfront payment from the customer as a deterrent. 	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
12/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 165 - 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>Details: Through discussion with Team Leader – Billing and the WA Payments and Credits Manager, it is noted that refunds are processed via the Credits team. If a refund is to be given to the customer, the request is made to the Credit and Payments team. They will process the order via Gentrack in the customer's preferred method.</p> <p>Discussions with the Team Leader – Billing noted there had been no tests that resulted in a negative result during the audit period. Sample testing of two meter requests noted that the tests both returned non-defective results.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.		
13/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 168 - If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.</p> <p>Details: Through discussion with Team Leader – Billing and sample testing, it is noted that at account closure, the customer can request the final bill address. When a customer closes an account, they are asked where they want the final bill to be sent. The customer can indicate either the supply address, billing address or email. The request is placed with the Billing team, and a bill is generated as per normal procedures, and is sent as per customer instructions.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
14/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 169 - 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</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure</p>

	<p>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>170 - 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).</p> <p>Details: Through discussion with Team Leader – Billing, WA Credits and Payments Manager and system walkthrough, the following was noted:</p> <ol style="list-style-type: none"> 1. <i>Unless the customer specifies at the time of account closure, credits are not automatically refunded.</i> If a customer realises they have a credit on the account, they will generally contact their Sales and Account Manager. They can specify the method of receiving the credit, and this is distributed by the Credits and Payments team. If a customer does not specify how they want to receive the credit and they reconnect with Alinta at a later date, the credit is automatically rolled over the new account. In discussion with Credit and Payments Officer, there were no business accounts in credit at closure during the audit period. 2. <i>Credits will be used to offset debts of the customer on account closure.</i> If an account is closed with an outstanding debt and credit present, the customer does not have the option to receive the credit as a cheque or bank transfer. The customer will be informed by a member of the Credits and Payments team of the forfeiture of the credit and will receive a written notice via their preferred billing method (email or posted letter). If the customer is unhappy with the outcome, it will be escalated to the WA Credits and Payments Manager to resolve. The customer can proceed to lodge a complaint with the Energy and Water Ombudsman if they are not satisfied with the outcome. This has not occurred during the audit period, therefore no sample testing can be performed to verify compliance; two accounts' closing statements were checked and neither were noted as being in credit. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide</p>		<p>work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
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	<p>explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
15/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation:</p> <p>171 - 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.</p> <p>174 - A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.</p> <p>175 - 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>Details:</p> <p>Through discussion with Team Leader – Billing, sample testing and walkthrough of the B2B system, the following is noted:</p> <ol style="list-style-type: none"> <i>Customers contact either the Billing Team or their Sales and Account Managers when requesting a bill review.</i> If the customer has a dispute with their bill, the Sales and Account Manager will attempt to resolve it in cohesion with the Credits and Payments Team. They can enlist the help of the Billing team to analyse past bills and confirm data extracted from the WPP. <i>Customers are informed of bill review outcomes by their dedicated Sales and Account Manager.</i> Once a review is complete, the customer will be contacted by their Sales and Account Manager. It is noted from our sample testing that customers had been informed within 20 business days of the date of receipt for the review request. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
16/2018	<p>Non Compliance Controls improvement Rating: B / 2</p> <p>Legislative Obligation: 172 - If a retailer has reviewed a customer's bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount. The retailer must advise the customer that the customer may request for a meter test in accordance with the applicable law; and also the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</p> <p>Details: Through discussion with WA Credits and Payments Manager, sample testing and walkthrough of the B2B system, it is noted that customers are not informed of the internal and external complaints handling procedures when their account is under review. Through sample testing, it is confirmed that Alinta has not explicitly informed customers of the complaints process after a bill review has been completed. In one sample, the customer requested a meter test during the course of the review, but this was not offered to another customer.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations. In this instance, the responsible area should also ensure that customers are well informed of the options for requesting a meter test as well as the complaints handling processes as part of a bill review.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations, including that customers may request a meter test and must be advised of complaint handling procedures.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period.		
17/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 173 - 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>Details: Through discussion with WA Credits and Payments Manager, it is noted that the customer can request the method of adjustment. If it is determined after a bill review that the charges are incorrect, the customer can decide the method of payment to the account. During the audit period, a bill has not been adjusted after a review due to incorrect charges.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
18/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 176 - If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are</p>

	<p>Details:</p> <p>Through discussion with Team Leader – Billing and sample testing of undercharged customer accounts, it is noted that the customer can nominate the payment method. If a customer has been undercharged on their bill, they will be contacted by a member of the Billing team once the discovery is made. The customer can decide if they wish to have the bill reissued, or if they would prefer a line item adjustment on their next bill. If the customer cannot be contacted after multiple attempts and before the next bill is generated, a line item adjustment will generally be done on the account. The decision to do this would be made by the Sales and Account Manager for the customer.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
19/2018	<p>Controls improvement</p> <p>Rating: B / NR</p> <p>Legislative Obligation:</p> <p>176A - 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>Details:</p> <p>Through discussion with Team Leader – Billing, Alinta would generally not charge interest to a small use customer, but this is at the discretion of the Sales and Account Manager from reviewing the circumstances of each individual customer. This has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p>

	<p>business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		<p>Due Date: 31 October 2018</p>
20/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 177 - If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), 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.</p> <p>Details: Through discussion with Team Leader – Billing and WA Credits and Payments Manager, sample testing and system walkthrough, it is noted that where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method for refund. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	improvement needed and Alinta has complied with the licence condition, during the audit period.		
21/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 178 - A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions. 184 - 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.</p> <p>Details: Through discussion with Team Leader – Billing and WA Credits and Payments Manager, sample testing and system walkthrough, it is noted that as soon as instructions are received, the preferred refund method is processed. Refunds are not automatically processed by the system, and are instead, initiated by the Credits and Payments Team. Once confirmation is received from the customer, the refund is approved and processed by the credit officers. If need be, the amount is confirmed with the Manager of the Credits and Payments Team.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>
22/2018	<p>Controls improvement Rating: B / NR</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and</p>

	<p>Legislative Obligation:</p> <p>179 - 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.</p> <p>Details:</p> <p>Through discussion with Team Leader – Billing, it is noted that when a customer is contacted regarding a credit, they will be notified multiple times by their dedicated account manager within the 5 business days. This is confirmed through walkthroughs with Billing Officers. If the customer cannot be contacted after multiple attempts and before the next bill is generated, a line item adjustment will generally be done on the account. The decision to do this would be made by the Sales and Account Manager for the customer. However, this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>	<p>management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
23/2018	<p>Non compliance</p> <p>Controls improvement</p> <p>Rating: B / 2</p> <p>Legislative Obligation:</p> <p>181 - A 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. If, after the set off, there remains an amount of credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.</p> <p>Details:</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p> <p>We suggest Alinta researches the system capabilities of Gentrack to ensure customers are notified of credits being used to offset debts on accounts, prior to the completion of this process, particularly to include the capability to auto-generate written notice to inform customers of the offset, unless it is in relation to a customer experiencing payment difficulties or financial hardship.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations, including the requirement to provide written notice to a customer regarding using</p>

	<p>Through discussion with WA Credits and Payments Manager, walkthrough and sample testing performed, the following is noted:</p> <ol style="list-style-type: none"> 1. <i>Gentrack has an automated process which assigns any credit on an account to offset debt owing to the customer. The Billing team communicates the outcome with the customer.</i> If an overcharged amount is to be used to offset a debt, the Billing team will communicate this with the customer via email or phone. The customer can request to receive the overcharged amount as a cheque or bank transfer, but this will generally be declined by the WA Credits and Payments Manager if they owe a debt to Alinta and the manager has reasonable belief that they will not repay the amount owed. When a credit is placed on an account, it will be input to the bill balance, and be deducted from any amount owing. They do not notify customers prior to using the credit to offset a debt as it is an automated system update. Walkthroughs of the system confirmed this. 2. <i>Gentrack generates a financial tracker report.</i> This report outlines those customers on payment arrangements for debts and is cross-referenced with those customers who have been overcharged, to ensure the customer is not experiencing financial hardship or payment difficulties. 3. <i>Written communication is not given to customers.</i> As the adjustments appear as credits on the account, Gentrack will automatically assign the credit to offset the debt. Customers are not given written communication of this prior to the debt being used as a result. Walkthroughs of the system confirmed this. 4. <i>If an amount under \$100 is still owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer.</i> B2B has an inbuilt process which automatically credits the customer if the overcharge is under \$100. If a member of the billing team sees it, then they can raise it to the customer, otherwise it is automatically processed. This has not occurred during the audit period. 5. <i>If an amount is owing to the customer after the credit is used to offset a debt, Alinta will communicate this to the customer within 10 business days.</i> Where the customer has been overcharged as the result of an error by the retailer or distributor, the customer can decide on the payment method. If the customer cannot be contacted within the 5 business days, the Billing team will process a line item adjustment on the next bill. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance</p>		<p>an overcharge amount to offset debt.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>
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	<p>with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and there was non-compliance with minor impact on customers or third parties during the audit period. This impact has not been rated as moderate as the customer will receive a bill stating the credited amount, regardless of direct communication or not.</p>		
24/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 182 - 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).</p> <p>Details: Through discussion with WA Credits and Payments Manager and walkthrough of the system, it is noted that where Alinta has undercharged the customer, the balance is automatically attached to the customer's next account as a separate item along with an explanation of the amount. The customer is then advised of the balance. In the event of an undercharge, Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date the customer is notified of the undercharge. However, this is only acknowledged in the Code of Conduct and is not input to B2B as a preventative measure. No interest or fee is to be paid relevant to the correcting payment. Alinta offers the customer to have either:</p> <ol style="list-style-type: none"> 1. The current bill cancelled and re-issued with the correct value; 2. The current bill to remain unchanged and the adjustment to be included as a line item adjustment on the next bill; or 3. Alternative payment arrangements, including an instalment payment plan covering a period at least equal to the period of the undercharge. <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		
25/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 183 - If the meter is read under 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 ask the customer for instructions about the repayment of the amount subject to subclauses 4.19(5) and 4.19(7),. 185 - 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. 186 - A retailer may, after notifying the customer in writing, use an amount of an adjustment to set off that customer's debt owed to the retailer, provided that the customer is not a residential customer in payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with that amount in accordance with subclause 4.19(2) or, if the amount is less than \$100, subclause 4.19(5).</p> <p>Details: Through discussion with Team Leader – Billing and WA Credits and Payments Manager and system walkthroughs, it is noted that there have been no refunds arising from faulty meter readings during the audit period. During the audit period, no meter test requests returned with a faulty reading. As a result, no credits have been applied on customer accounts. It was noted by a billing officer, that the adjustment process would be the same as the customer refund process noted in obligations #177, #178 and #181.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	<p>with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		
26/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 197 - A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in subclause 5.7(1).</p> <p>Details: Through discussion with Team Leader – Billing, sample testing, and walkthroughs, it is noted that once the Sales team has been notified of the customer vacating the address, they will place an order with the Billing team to finalise the account. Meter readings from the day of vacating the premises, up until midnight, are to be used to calculate the final bill. Once the account has been finalised, no further bills can be generated.</p> <p>We also noted that any or all payments for consumption are only recoverable from the commencement of the contract. Once a contract is established in Gentrack by the Sales Team, the system does not permit an amount to be billed to the previous customer of the same supply address. It has been confirmed that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.		
27/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 198 - If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.</p> <p>Details: Through discussion with Team Leader – Billing, sample testing and system walkthroughs, it is noted that when the customer informs the Sales team of the eviction, they need to provide reasonable evidence of this to close the account. Alinta will not require a customer to pay for usage beyond the period of notice if the customer is forced to vacate the supply address and the customer notifies Alinta. It is confirmed that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
28/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation:</p>	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise</p>

	<p>201A - 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>Details:</p> <p>Through discussion with WA Credits and Payments Manager and system walkthrough, the following is noted:</p> <ol style="list-style-type: none"> 1. <i>Although debt can be transferred, it has not been done during the audit period.</i> The Credits and Payments Manager will consider each customer on a case by case basis. The customer will contact their Sales and Account Manager or the Billing team to begin the resolution process. It will be forwarded to the Credits and Payments team to consider the appropriate action, and refer to the Credits and Payments Manager for approval. Based on the customer's circumstances, the request will either be confirmed or denied. Transfer of debt is not a common occurrence, and although it can be done, it is generally not approved by the Credits and Payment Manager. The reasoning is that this may be unfair to the new customer, and can be overturned through legal means if complaints arise. The only time it may be considered by the team is if the debt is transferred from a child to parent company with the capacity to take on the debt, and the legal necessity to do so. If a customer is not satisfied with the outcome, they can be referred to the Complaints team or the Water and Electricity Ombudsman. 2. <i>Debt cannot be transferred through the system.</i> Due to system requirements and preventative controls, negative balances cannot be transferred between accounts. <p>No sample testing was completed as there have been no such occurrence in the current audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p>		<p>reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>
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	Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.		
29/2018	<p>Non compliance Controls improvement Rating: B / 2</p> <p>Legislative Obligation: 229 - 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>Details: Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p> <ol style="list-style-type: none"> <i>Notice is given via email communication, with the Credits and Payments Manager and the Sales and Account Manager notified.</i> If a customer is to be disconnected for non-payment, a notice is sent via email (or their preferred communication method). If they do not respond to the notice as specified within the document, a call is made to their preferred phone number. Gentrack will notify the Credits and Payments team to complete follow up and contact the customer as soon as possible. There is no maximum or minimum number of attempts that will be made, it depends on the individual circumstances. <i>Reminder notices are not always given within the correct timeframe.</i> Clause 7.1(1)(c) required warning being given not less than 15 business days from the date of dispatch of the bill. Sample testing notes one sample being not compliant during the audit period, with notice given 9 business days after the dispatch of the bill, although notice given contained information on how Alinta may assist with payment difficulties and their telephone number as required under Clause 7.1(1)(a)(i) & (ii). <i>Disconnection notices are not always given within the correct timeframe.</i> Disconnection notices are sent via the customer email with reference to the timeframes for disconnection as well the complaints process. 	We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>

	<p>Sample testing notes one sample did not comply during the audit period, with notice given 14 business days after the dispatch of the bill, although notice had been given in the correct manner and contained the correct timeframe as required under Clause 7.1(1)(c)(i) & (ii). Clause 7.1(1)(c) required warning being given not less than 20 business days from the date of dispatch of the bill.</p> <p>We noted that notices are not always given within the correct timeframe. However, samples drawn showed that notices are given earlier rather than later than the required timeframe, thus this only has a minor impact on customer receiving the supply.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a minor impact on customers or third parties.</p>		
30/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>230 - 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>Details:</p> <p>Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p> <p>1. <i>Orders take 48 hours to process through B2B and the WPP.</i></p> <p>The Credits and Payments team will place a disconnection order the day after the end of the disconnection period. The order is received in</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p> <p>WA Credit & Payments Manager</p>

	<p>the WPP and the customer will be disconnected after 48 hours of the end of the disconnection period.</p> <p>2. <i>Gentrack tracks all conversations and documentation from customer requests.</i></p> <p>If a customer has a payment plan in place, this information is documented within Gentrack, and the Payments and Credits team can access this information when processing an order.</p> <p>3. <i>There is currently no system process for preventing these orders from being transferred if they fall under this clause.</i></p> <p>Although the Credits and Payments team act in accordance with the Code of Conduct, there are currently no automated system processes to prevent these orders from going through if they fall under circumstances as specified in subclause 7.2(1). This may result in customers being disconnected in error.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>Due Date:</p> <p>31 October 2018</p>
31/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>232 - 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>Details:</p> <p>Through discussion with WA Credits and Payments Manager, system walkthroughs and sample testing, the following is noted:</p> <p>1. <i>If a customer denies access to a meter, the reasoning is recorded in Gentrack.</i></p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p>

	<p>Customers denying access to a meter is a common occurrence. The customer is notified after every occurrence via email or phone communication, of the next test date and the likelihood of disconnection if they continue to deny access. If access is denied due to physicality (i.e. meter is located inside a closed building), the retailer will contact the relevant landlord or authorities to gain access.</p> <p>2. <i>Alinta has not disconnected a customer for denying access to a meter.</i></p> <p>Through discussion with the Commercial Credit Officer, it is noted that Alinta has not disconnected a customer for denying access to the meter during the audit period. There was one instance of a customer denying access to a meter when Alinta was placing a disconnect order due to unpaid bills, however, the company went into liquidation and access was granted after this. Sample testing confirms compliance to the obligation.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has complied with the licence condition, during the audit period.</p>		<p>WA Credit & Payments Manager</p> <p>Due Date: 31 October 2018</p>
32/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>234 - Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.</p> <p>Details:</p> <p>Through discussion with the WA Credit and Payments Manager and consideration of Alinta's disconnection and reconnection processes, it was observed that a customers' supply addresses is not to be disconnected until all required communication has been made regarding the cause of disconnection (including resolution of any complaint made by the customer</p>	<p>We recommend that Alinta develops a Disconnection Procedure to ensure that the Credit and Billing team are aware of the appropriate procedures to initiate a disconnection of supply, and the conditions that must stand as per the Code of Conduct before this is performed.</p>	<p>Action Plan:</p> <p>As part of its Credit Framework, Alinta Sales will draft a Disconnection Procedure to ensure the correct procedure is followed when disconnecting a customer.</p> <p>Responsible Officer: WA Credit & Payments Manager</p>

	<p>directly related to the reason for the disconnection). If there is a complaint or any relevant information relating to the customer and their potential supply disconnection, a commercial note is manually entered into Gentrack by the Advocacy team. Therefore, when Commercial Officers enter into Gentrack, they are able check the status of the complaint/ dispute, before submitting a service order to Western Power for disconnection.</p> <p>If disconnection is required and all complaints/ disputes are resolved, the Commercial Officer will submit a service order within Gentrack which will be received by Western Power via the Metering Service Web Portal. Western Power will then perform the disconnection based on the service order supplied by Alinta.</p> <p>It was also noted that Western Power are responsible for performing the physical disconnection. Therefore, it is Western Power's responsibility to ensure that disconnections will not be arranged after 3.00 pm Monday to Thursday; after 12.00 noon on a Friday; or on a Saturday, Sunday, public holiday or on the business day before a public holiday.</p> <p>Through discussions with the WA Credit and Payments Manager, it was further noted that a Credit Framework is in the process of being developed to re-alliterate compliance with the code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>Due Date:</p> <p>31 December 2018</p>
33/2018	<p>Controls improvement</p> <p>Rating: B / 1</p> <p>Legislative Obligation:</p> <p>235 - 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>Details:</p> <p>Through discussions with Sales and Service Support and the Billing Team Leader, the default selection on a non-standard contract details that the customer requires life support, unless otherwise indicated on the form. Therefore, the customer needs to specifically indicate 'No' on the life</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan:</p> <p>Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer:</p>

	<p>support applicability to advise Alinta that they do not require life support. If the customer stipulates that they require life support through the contract, Alinta's Accounts Consultant will contact the customer via email to fill out a Life Support Equipment Registration Form. This form details the customer's personal details and approved medical authorisation.</p> <p>Once this form is completed and authorised, Alinta's sales team will send the form to the Billing team. The Billing team will then register the customer's contact details and supply address as a life support equipment address on the Alinta Energy Life Support database within Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Further, the Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was also noted that there is no procedural documentation in place to ensure Alinta will notify Western Power that the customer's supply address is a life support equipment address, and of the contact details of the customer:</p> <ul style="list-style-type: none"> (i) that same day, if the confirmation is received before 3pm on a business day; or (ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment. <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are generally adequate controls in place and Alinta has complied with the obligation, during the audit period.</p>		<p>Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
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34/2018	<p>Non compliance Controls improvement Rating: B / 4</p> <p>Legislative Obligation: 236 - 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 a change in contact details; or - that the address no longer requires registration as life support equipment address. <p>Details: Through discussion with the Business Sales Manager and Senior Accounts Consultant, it was noted that the Senior Accounts Consultant will notify the Billing Team to make a change to the customer's supply address within Gentrack. The Billing team will populate a csv file of life support customer details and email this through to Western Power each time the Billing Team register a customer on Gentrack that same day, if the confirmation is received before 3pm on a business day; or no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday.</p> <p>It was also noted that there is no procedural documentation in place to ensure Alinta will notify Western Power that the customer's supply address is a life support equipment address, and of the contact details of the customer:</p> <ul style="list-style-type: none"> (i) that same day, if the confirmation is received before 3pm on a business day; or (ii) no later than the next business day, if the confirmation is received after 3pm or on a Saturday, Sunday or public holiday; and not arrange for disconnection of that customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment. <p>However, we understand that a process flow documentation is currently being collated by the Billing Team to address the manner in which Alinta</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p> <p>We also recommend that management has in place a stringent process in ensuring details or change of details for customer requiring life support is promptly updated and updated within the required timeframe so as to not disrupt supply to the life support equipment.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations, including that changes in customer details are notified to Western Power within the specified timeframes.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
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	<p>must register life support customers, with the aim of completion by the end of October 2018.</p> <p>Further, it was confirmed by the Energy Billing Officer that only three instances of a change required to the supply address of a person requiring life support occurred during the audit period. Out of the samples tested, it was noted that there was one occurrence where Alinta did not register the change within Gentrack within the specified timeframes specified under subclause 7.7(2). This occurrence was related to a single case of a life support customer whereby Alinta did not register that the customer no longer required life support at an address on Gentrack within the timeframes specified in the Code.</p> <p>Based on examination and sample testing of documentation, it was concluded that there are generally adequate controls in place and Alinta has not complied with the licence condition, during the audit period, creating a major impact on customers or third parties.</p>		
35/2018	<p>Controls improvement</p> <p>Rating: C / NR</p> <p>Legislative Obligation:</p> <p>240 - 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>Details:</p> <p>Through discussions with Sales and Service Support and the Team Leader – Billing, it was noted that there is no process currently in place to contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstance specified in subclause 7.7(6).</p> <p>It was also noted that a local file is kept by the Billing team with follow-up dates to check whether life support equipment is required or to request re-certification in the timeframe. However this local file is inconsistently updated, making it an unreliable source to understand when to contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe under the code.</p>	<p>We recommend Alinta to utilise the existing file that contains follow-up dates for ascertaining whether life support equipment is required or to request re-certification in the timeframe, manner and circumstance specified in subclause 7.7(6). This will require a delegated member of authority within the Billing Team to hold accountability for updating the local file.</p>	<p>Action Plan:</p> <p>Alinta Sales to implement process for updating life support equipment file as required.</p> <p>Responsible Officer:</p> <p>Team Leader Billing</p> <p>Due Date:</p> <p>31 December 2018</p>

	Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.		
36/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 300 - A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).</p> <p>Details: Discussion with the Group Manager Customer Operations noted the process outlined in the Standard Complaints and Dispute Resolution Procedures is followed by Alinta staff in regards to dealing with complaints. The customer is notified of the Complaints and Dispute Resolution Procedures, which is available online and at no cost.</p> <p>Review of the Standard Complaints and Dispute Resolution Procedures and sample complaints noted the following observations:</p> <ul style="list-style-type: none"> - Alinta will escalate a complaint to a senior manager at the request of a customer if requested; - The customer has the right refer the matter to the Energy Ombudsman. It is noted that whilst other states' Ombudsmen contact details are present, the Western Australian Energy Ombudsman's details are not provided. It appears that this Procedure is only for the QLD, NSW, SA and Victoria. A WA specific complaints procedure could not be located. However review of the Alinta website and the Customer Charter noted the WA Ombudsman details were present; and - Customers were informed of the reason for the response of the complaint in writing. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	We recommend Alinta amend the Standard Complaints and Dispute Resolution Procedures guide that is available to customers to include information specific to WA, including the Western Australian Energy Ombudsman Contact details.	<p>Action Plan: Standard Complaints and Dispute Resolution Procedures guide to be updated to include information specific to WA, including Ombudsman details.</p> <p>Responsible Officer: Group Manager Customer Operations</p> <p>Due Date: 31 December 2018</p>
37/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation:</p>	We recommend Alinta to update the Standard Complaints and Dispute Resolution Procedures guide to distinguish between a query and a complaint as per the ERA Complaints Guidelines.	<p>Action Plan: Standard Complaints and Dispute Resolution Procedures guide to be updated to include steps on distinguishing</p>

	<p>302 - A retailer must comply with any guideline developed by the ERA to distinguish customer queries from complaints.</p> <p>Details:</p> <p>Discussion with the Group Manager Customer Operations and Billing Team members noted if customers contact Alinta with any element of dissatisfaction, it is treated as per a complaint, and the complaints handling process is followed. It was additionally noted through discussion with a member of the Billing Team that it will be clarified with the customer if they wish to make a complaint. If the customer does not show dissatisfaction and does not explicitly say they want to make a complaint, then it will be treated as a query.</p> <p>Review of the publicly available Complaints and Dispute Resolution Procedures noted it did not define how Alinta distinguished between customer queries and complaints.</p> <p>Review of complaints noted they had been clarified with the customer as to if a complaint was to be raised.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>		<p>between a query and a complaint.</p> <p>Responsible Officer: Group Manager Customer Operations</p> <p>Due Date: 31 December 2018</p>
38/2018	<p>Controls improvement</p> <p>Rating: B / NR</p> <p>Legislative Obligation:</p> <p>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.</p> <p>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.</p> <p>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).</p> <p>Details:</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: WA Credit & Payments Manager</p> <p>Due Date:</p>

	<p>Through discussion with WA Credits and Payments Manager, it is noted that if a customer is to be compensated for disconnection or reconnection delays, they can decide how they wish to receive the compensatory payment. As business customers are considered “priority reconnects” by Western Power, there are generally no delays in reconnection. Over the audit period this has not occurred, and this is confirmed by the Credits and Payments Officer.</p> <p>There are currently no processes in place for completing this as it has not occurred in recent years and during the audit period.</p> <p>Review of the Customer Charter noted it outlined the required payments if Alinta fails to reconnect the customer within the required timeframes, in accordance with the Code of Conduct.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>		31 October 2018
39/2018	<p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 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).</p> <p>Details: Discussion with the Group Manager Customer Operations and Billing Team members noted they were not aware of the requirement and that currently there was no process set up currently to ensure that \$20 was paid to the customer in the instance where the Alinta as failed to acknowledge or respond to a complaint within the timeframes prescribed.</p> <p>It was observed via walkthrough of the complaints handling process that all complaints are responded as soon as possible, with follow up on all open complaints reinforced via a system queue that forms part of Billing Team member’s task lists. This forms the compensating control to ensure that team handles complaints in a timely manner, thus avoiding the need to pay penalty on failure to do so.</p>	We recommend that Alinta re-communicate to the complaints handling team, the requirement for \$20 to be paid to the customer where Alinta fail to acknowledge or respond to a complaint within the required timeframes and ensure that all complaints lodged are tracked & closed out on a timely manner.	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new “PROMAPP” system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations, including those concerning responding to customer complaints within appropriate timeframes and the requirement to pay a monetary penalty if timeframes are not met.</p> <p>Responsible Officer: Group Manager Customer Operations</p>

	<p>Review of the Customer Charter noted it includes Alinta's obligation to pay the customer \$20 if a written response is not acknowledged, or responded to, within the timeframes prescribed.</p> <p>It was confirmed by members of the sales team that they had not received any complaints in writing from electricity customers, during the audit period.</p> <p>Based on enquiries, it was concluded that there are inadequate controls with significant improvement required. However due to no events in the audit period, compliance was not rated.</p>		<p>Due Date: 31 October 2018</p>
40/2018	<p>Controls improvement Rating: B / NR</p> <p>Legislative Obligation: 371 - 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>Details: Through discussion with Team Leader – Billing, system walkthroughs and sample testing, it is noted that if there is a discrepancy between the metering installation and the metering database, Alinta will lodge a query with Western Power via the B2B system. If there is an urgent requirement for explanation, a member of the billing team will either email or call a liaison in Western Power. They will liaise on the appropriate approach for resolving the issue. It is noted that this has not occurred during the audit period.</p> <p>We acknowledge that Alinta's standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries, it was concluded that there are generally adequate controls in place with some improvement needed. However due to no events in the audit period, compliance was not rated.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new "PROMAPP" system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>

41/2018	<p>Controls improvement Rating: B / 1</p> <p>Legislative Obligation: 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.</p> <p>Details: Through discussion with Team Leader – Billing, it is noted that Alinta’s application of those rules and procedures relevant to its activities are demonstrated in its:</p> <ol style="list-style-type: none"> 1. Use of the Metering Service Centre web portal, in accordance with the instructions built into the system. The Metering Service Portal interfaces with Gentrack, as evidenced in the walkthrough. 2. Adherence to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodate the Metering Code Communication Rules and the Approved Metrology Procedure. <p>The system is automated for various billing and transfer processes to prevent non-compliance, but through discussion with Manager Regulatory Compliance, the controls in place centre around processes and procedures complying with Metering Code requirements.</p> <p>We acknowledge that Alinta’s standard business processes and system protocols minimise the risk of compliance breaches relevant to these obligations. That is, Alinta staff is well trained in carrying out required business processes and business systems operate to ensure compliance with relevant industry codes and legislation. However, currently there is no properly documented policy and procedures in place which provide explicit alignment with its compliance obligations. Thus, there remains an underlying risk of key person reliance in its control environment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta has complied with the licence condition, during the audit period.</p>	<p>We acknowledged that management is currently in the process of mapping out updated internal process flows across various functions, with the aim of completion by the end of October 2018. We recommend that management consider aligning these process flows documentation with the relevant compliance obligations.</p>	<p>Action Plan: Alinta Sales will incorporate all relevant work instructions and process maps into its new “PROMAPP” system to minimise reliance on key personnel. Alinta Sales will ensure work instructions are compliant with any relevant regulatory obligations.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 October 2018</p>
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