

## AGL Gas Trading Licence Performance Audit - Post Audit Implementation Plan

Ref. (no./ year)	Non-compliance / Control Deficiency	Auditor's recommendation	Management action proposed to be taken by the licensee
1/2019	<p><b>Non-Compliance and Control Deficiency</b>  <b>Rating:</b> B / 2  <b>Legislative Obligations:</b>                      Compendium clause 4.1(b)</p> <p><b>Details:</b>                      Through examination of AGL's FY 2017/18 Annual Performance Reports we noted 14 customers that were billed outside of the prescribed 105-day period.</p>	<p>Refer to obligation ref. 137</p> <p><i>We recommend AGL investigate methods to improve the output of the 'Unbilled Report' for WA customers to better identify the WA customer accounts at risk of breaching the 105 day-requirement.</i></p>	<p><b>Action Plan:</b>                      AGL supports this recommendation and is committed to seeking and implementing strategies that enhance the customer experience and better support our customers. This includes frequently reviewing our processes. To this end, AGL has enhanced the existing unbilled procedures for WA customers, with a view to capture WA accounts at risk of being billed in excess the 105-day requirement. The enhancement implemented allows for early detection and exception management.</p> <p>With regards to the 14 accounts identified as being billed outside the 105-day period, AGL investigated each of the instances and confirmed the scenarios were specific, individual and isolated, attributed to usual BAU exception reasons that occur on occasion, such as underlying data issues that are identified as "exceptions" by AGL's billing system and need to be corrected before the bill is issued to a customer. Given volumes of bills sent each year, these 14 instances are exceptionally low.</p> <p><b>Responsible Officer:</b>                      Head of Connections and Billing</p> <p><b>Completion Date:</b>                      16 August 2019</p>
2/2019	<p><b>Non-Compliance and Control Deficiency</b>  <b>Rating:</b> B / 3  <b>Legislative Obligation:</b>                      Compendium clause 4.7(2)</p> <p><b>Details:</b>                      We noted AGL were unable to obtain actual meter reads from ATCO (the gas distributor used by AGL) for nine customers during the audit period.</p>	<p>Refer to obligation ref. 153</p> <p><i>In addition to sending a letter, we recommend a SMS with a call to action is sent to customers to confirm the date the meter is scheduled to be read at the customer's supply address or allow the option for the customer to provide a meter self-read.</i></p>	<p><b>Action Plan:</b>                      Statistically, 9 instances identified is exceptionally low considering the high volumes of reads taken each year. The main challenge for obtaining actual reads is inaccessible meters requiring customers to be at home or leave their property unsecure for an actual read to be taken.</p> <p>AGL uses its best endeavours to meet this obligation by sending a letter with each bill after ATCO fails to provide an actual read on two consecutive occasions. The letter explains the need for an actual read and the process to arrange the same. This letter is provided with every bill until an actual read is obtained.</p> <p>AGL also uses an SMS process for customers who have had consecutive estimated reads. Prior to the bill being issued the SMS is sent requesting the provision of a self-meter read. The self-meter read process is an</p>

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			<p>excellent substitute for an estimate calculated by ATCO or AGL, however the benefit of these reads is reduced as it does not help AGL meet this obligation, as these reads are still considered estimates in the WA market.</p> <p>AGL is investigating the feasibility of implementing an additional 6 monthly SMS to customers which explains the need for an actual read at their next schedule meter read date, if this date is not suitable for the customer they will be invited to contact AGL and arrange a special reading at a date and time that's convenient for them.</p> <p><b>Responsible Officer:</b> Head of Connections and Billing</p> <p><b>Target Completion Date:</b> 31 October 2019</p>
3/2019	<p><b>Non-Compliance</b> <b>Rating:</b> A / 2 <b>Legislative Obligation:</b> Trading Licence clause 19 Code of Conduct clause 2.2(1), 2.2(2), 2.2(3), 2.3(1) and 2.3(2) <b>Details:</b> Due to the non-compliances reported under Obligation's 117-118 and 119-120, Obligation 114 and 115 has also been assessed as non-compliant.</p>	<p>Refer to obligation ref. 114 to 115</p> <p><i>Please refer to recommendations provided under 4/2019 and 5/2019 below.</i></p>	<p><i>Please refer to the Action Plans provided under 4/2019 and 5/2019 below.</i></p>
4/2019	<p><b>Non-Compliance and Control Deficiency</b> <b>Rating:</b> B / 2 <b>Legislative Obligation:</b> Trading Licence clause 19 Code of Conduct clause 2.2(1), 2.2(2) and 2.2(3) <b>Details:</b> We noted two instances where the customer did not receive a Welcome Pack when entering into a standard contract</p>	<p>Refer to obligation ref. 117 to 118</p> <p><i>Confirm the root cause of this instance with the Implementation and Delivery Teams and investigate sales made in the same conditions as this instance.</i></p> <p><i>Post investigation of the root cause of this instance, consider whether any improvements to controls (i.e. system fixes, manual workarounds or exception</i></p>	<p><b>Action Plan:</b> As a matter of priority, AGL completed the root cause investigation of these instances by 13 August 2019. AGL takes seriously its obligation to issue welcome packs in a timely manner. These instances were found to be isolated and attributed to human error. At the time of identification, the customers were no longer with AGL therefore could not be issued with their welcome pack. To prevent this from re-occurring the oversight has been addressed with the agents involved.</p>

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	<p>with AGL. This represents a non-compliance with Clause 2.2(2) of the Gas Marketing Code of Conduct.</p>	<p><i>reporting) are required to ensure AGL can prevent and rectify such instances in a timely manner to avoid any further non-compliances.</i></p>	<p>AGL are implementing more robust reporting to enhance the visibility and end-to-end reconciliation capability between AGL systems and the mail house to better capture investigate and rectify this sort of isolated anomaly.</p> <p>AGL has effective compliance programs and operates a 'three lines of defence' model with active identification, assessment, reporting and oversight of compliance obligations, controls, risks and incidences. Specifically, the sales quality assurance processes are an effective control, and are a high priority to management and AGL. AGL will continue to monitor quality assurance processes over WA sales as a matter of priority.</p> <p><b>Responsible Officer:</b> Head of Personalisation</p> <p><b>Completion Date:</b> 29 November 2019</p>
5/2019	<p><b>Non-Compliance and Control Deficiency</b> <b>Rating:</b> B / 2 <b>Legislative Obligation:</b> Trading Licence clause 19 Code of Conduct clause 2.3(1) and 2.3(2) <b>Details:</b> We noted one instance where a customer did not receive a Welcome Pack when entering into a non-standard contract with AGL. This represents a non-compliance with Clause 2.3(2) of the Gas Marketing Code of Conduct.</p>	<p>Refer to obligation ref. 119 to 120</p> <p><i>Confirm the root cause of this instance with the Implementation and Delivery Teams and investigate sales made in the same conditions as this instance.</i></p> <p><i>Post investigation of the root cause of this instance, consider whether any improvements to controls (i.e. system fixes, manual workarounds or exception reporting) are required to ensure AGL can prevent and rectify such instances in a timely manner to avoid any further non-compliances.</i></p>	<p><b>Action Plan:</b> As a matter of priority, AGL completed the root cause investigation of this instance by 13 August 2019. The root cause of the Welcome Pack not issuing was due to a system error whereby the Welcome Pack information did not populate correctly into the XML file sent to the mail house for printing and issuing. AGL have been unable to determine if similar instances occurred in the same conditions, as the historical data was not available to investigate.</p> <p>AGL are implementing more robust reporting to enhance the visibility and end-to-end reconciliation capability between AGL systems and the mail house to better capture, investigate and rectify this sort of isolated anomaly.</p> <p>AGL has effective compliance programs and operates a 'three lines of defence' model with active identification, assessment, reporting and oversight of compliance obligations, controls, risks and incidences. Specifically, the sales quality assurance processes are an effective control,</p>

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			<p>and are a high priority to management and AGL. AGL will continue to monitor quality assurance processes over WA sales as a matter of priority.</p> <p><b>Responsible Officers:</b> Head of Personalisation</p> <p><b>Target Completion Date:</b> 29 November 2019</p>
6/2019	<p><b>Non-Compliance and Control Deficiency</b> <b>Rating:</b> D / 3 <b>Legislative Obligation:</b> Compendium clause 5.6(5)</p> <p><b>Details:</b> From sample testing of 13 Staying Connected (SCON) Program customers, we confirmed that six of the customers were charged a LFP on their last bill prior to the assessment being made, and were not refunded this amount during the audit period.</p> <p>We acknowledge that the applicable LFPs were refunded to all impacted customers by 24 June 2019.</p>	<p>Refer to obligation ref. 189</p> <p><i>We acknowledge this issue has now been resolved, as automated controls were implemented by AGL on 27<sup>th</sup> August 2019 to ensure LFPs are retrospectively waived following a customer's hardship assessment. The relevant Best Practice Procedure (BPP) has also been updated. In addition, we recommend that AGL develop a monitoring tool to ensure no applicable LFP waivers were missed.</i></p>	<p><b>Action Plan:</b> AGL strongly supports this recommendation and have formally documented the Late Fee Waiver Process. AGL takes seriously it's responsibility to support customers who are unable to meet the cost of their energy consumption. In particular, AGL is committed to improving the way it supports customers who are experiencing hardship. The new automated monitoring process, which runs weekly to identify SCON customers who are eligible to have the fee reversal actioned. This process went live on 27 August 2019.</p> <p><b>Responsible Officer:</b> Head of Credit and Affordability</p> <p><b>Completion Date:</b> 27 August 2019</p>