





FINAL REPORT  
2008 Performance Audit  
Griffin Energy Sales Pty Ltd  
Retail Licence ERL3

Audit Report	Authorisation	Name	Position	Date
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1. GES Performance Audit March 2010

## Glossary of Terms

BGM – Boddington Gold Mine  
CTR – Customer Transfer Request  
ERA – Economic Regulation Authority  
ERL3 – Electricity Retail Licence 3  
ETAC – Electricity Transfer Access Contract  
NAA – Network Access Agreement  
NMI – National Metering Identifier  
WPN – Western Power Networks

*This report is prepared by representatives of Geographe Environmental Services Pty Ltd in relation to the above named client's conformance to the nominated audit standard(s). Audits are undertaken using a sampling process and the report and its recommendations are reflective only of activities and records sighted during this audit process. Geographe Environmental Services Pty Ltd shall not be liable for loss or damage caused to or actions taken by third parties as a consequence of reliance on the information contained within this report or its accompanying documentation.*

## Quality Control Record

	CLIENT	DATE
PREPARED BY	NICOLE DAVIES	March 2010
CHECKED BY	NEEMA PREMJI	March 2010
REVIEWED BY	SHANE CREMIN	March 2010
REVISION	1	May 2010

## 1. EXECUTIVE SUMMARY

Griffin Energy Sales Pty Ltd (GES) engaged Geographe Environmental Services Pty Ltd to undertake the first Performance Audit as required by the Economic Regulation Authority (ERA) under Retail Licence ERL3. This report contains the audit findings for the performance audit.

Sections 13 of the *Electricity Industry Act 2004* requires as a condition of every licence that the licensee must, not less than once in every period of 24 months (or any longer period that the Authority allows) calculated from the grant of the licence, provide the Authority with a Performance Audit conducted by an independent expert acceptable to the Authority. It is noted that Griffin Energy Sales requested the audit period be reduced by one month (i.e 23 months) to facilitate alignment of the audit period for retail licences and generation licences held.

The Performance Audit has been conducted in order to assess the licensee's level of compliance with the conditions of its licence.

The Authority approved the appointment of Geographe Environmental Services Pty Ltd on the 8<sup>th</sup> February 2010 and subsequently required the development of an audit plan for ERA approval. An audit plan was prepared for the Retail Licence and approval of the audit plan was provided on 22<sup>nd</sup> March 2010.

Deviation from the audit plan has occurred during the audit, however it is not considered to be a material change as all amendments were related to the absence of Customers which was communicated to the Authority in the Audit Plan. This is aligned with discussions with representatives from the Authority during the audit process.

The Audit has been executed as planned in accordance with the process flowchart for performance/operational audits as detailed in the Audit Guidelines – Electricity, Gas and Water Licences (July 2009).

The period for the audit and review is, 29<sup>th</sup> January 2008 to 31<sup>st</sup> December 2009 and the submission of this report as determined with the Authority is evidence of compliance.

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## **BUSINESS BACKGROUND**

Griffin Energy Sales Pty Ltd (GES) is part of the Griffin Group of Companies and is a Western Australian power provider. GES has an Electricity Retail Licence (ERL3) issued by the Economic Regulation Authority (ERA) under sections 7 and 15(2) of the Electricity Industry Act 2004. Retail licence ERL3 is designated as being able to supply to small use customers (customer who consumes not more than 160MWh of electricity per annum). As such, GES must comply with the Code of Conduct (for the Supply of Electricity to Small Use Customers).

It is noted that during the audit period GES did not utilise the retail licence to supply electricity to small use customers. However, as they actively sought other electricity contracts the audit plan reflects their activities.

As GES do not have any “customers” as defined by its Retail Licence and therefore, the majority of the items in the Compliance Reporting Manual (March 2008) are not applicable.

## **AUDIT CONCLUSION**

The Performance Audit has been conducted in order to assess the effectiveness of the Griffin Energy Sales level of compliance with the conditions of its Retail Licence ERL3. Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that GES has complied with its Retail Licence as it applies to its operations and activities during the audit period. The control environment operated by the licensee is well established and is regulated by government organisations, shareholders and corporate requirements which effectively filter through to the organisations operations. During the audit period 29<sup>th</sup> January 2008 to 31<sup>st</sup> December 2009, the Licensee has complied with its Retail Licence, with the exception of Retail Licence Condition 4.1 (Compliance Reporting Manual Ref 85) and Clause 25 (Compliance Reporting Manual Ref 111). These clauses related to the late payment of the licensee’s fees for ERL3 and the publishing of information. This audit report is an accurate representation of the audit teams findings and opinions.

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## 1.1 Performance Audit Summary

The Audit Teams findings for the Performance Audit against the clauses of the Retail Licence are summarised in the following table. A comprehensive report of the audit findings as applicable to the Compliance Reporting Manual (March 2008) is included in Appendix 1.

**Table 1: Compliance Summary Table**

Retail Licence Reference (CI = Clause, Sch = Schedule)	Retail Licence Criteria	Likelihood	Consequences	Inherent Risk	Adequacy of existing controls	Compliance Rating							
						NA	NR	1	2	3	4	5	
CI 1	Definitions					✓							
CI 2	Grant of Licence						✓						
CI 3	Term	Unlikely	Major	High	Strong								✓
CI 4	Fees	Unlikely	Minor	Low	Strong				✓				
CI 5	Compliance	Probable	Major	High	Strong						✓		
CI 6	Marketers						✓						
CI 7	Transfer of Licence					✓							
CI 8	Cancellation of Licence					✓							
CI 9	Surrender of Licence					✓							
CI 10	Renewal of Licence					✓							
CI 11	Amendment of Licence on application of the Licensee						✓						
CI 12	Amendment of Licence by the Authority												✓
CI 13	Customer Contracts						✓						
CI 14	Amending the Standard form of Contract						✓						
CI 15	Customer Service Charter						✓						
CI 16	Amending the Customer Service Charter						✓						
CI 17	Supplier of Last Resort						✓						
CI 18	Directions by the Authority	Unlikely	Major	High	Strong		✓						
CI 19	Approved Scheme						✓						
CI 20	Accounting Records	Unlikely	Major	High	Strong								✓
CI 21	Individual Performance Standards	Unlikely	Major	High	Strong		✓						
CI 22	Performance Audit	Unlikely	Major	High	Strong								✓
CI 23	Reporting	Unlikely	Major	High	Strong								✓
CI 24	Provision of Information	Unlikely	Major	High	Strong		✓						
CI 25	Publishing Information	Unlikely	Major	High	Strong						✓		
CI 26	Notices	Unlikely	Major	High	Strong						✓		
CI 27	Review of the Authority's Decisions	Unlikely	Major	High	Strong								✓

**Table 2: Operational/Performance Audit Rating Scale**

Compliance Status	Rating	Description of Compliance
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls top maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls top maintain compliance
Non-Compliant	2	Does not meet minimum requirements
Significantly Non-Compliant	1	Significant weaknesses and/or serious action required
NA	0	Not Applicable to Audit Scope
NR		Not Rated

### **1.1.2 Limitation of Scope**

As previously stated, the limitation of scope relate to the nature of the business operations during the audit period. As the organisation did not have any Small Use Customers i.e customers that consume no more than 160MWh per year, the audit has not considered elements of the Small Use Customer Code. In addition, contracts that Griffin Energy Sales were bidding for in the audit period were not classified as Small Use Customers.

Therefore, there were Retail Licence compliance elements that were not included in the scope of this audit because they did not eventuate in this audit period, are not applicable or have not been rated as they did not occur within licence ERL3 audit period (refer to table above).

It is noted that due to the organisations commitment to holding a retail licence without any established customers, they are obliged to undertake the audit as prescribed in the Retail Licence conditions. It is understood that an evaluation as to the benefits of holding a Small Use Customer Licence will be reviewed by Griffin Energy Sales management team.



## 2. PERFORMANCE AUDIT

### 2.1 Performance Audit Scope

This is the first audit of Griffin Energy Sales compliance with obligations relating to Retail Licence ERL3. As such, the scope of the audit is to:

- assess the license holders internal compliance systems
- assess the license holders compliance with its license

for the period 29<sup>th</sup> January 2008 to 31st December 2009.

As there were no performance standards defined within the Retail Licence the Authority's Electricity Compliance Reporting Manual (March 2008) was used as the performance criteria for the compliance elements. However, due to the limitation of scope the majority of the compliance criteria have been excluded from the audit.

The following people were interviewed during the Performance Audit;

- Kerry Roberts - Power Station Manager Bluewaters
- Shane Cremin - General Manger Policy & Strategy
- Charles Martelli - General Manager Marketing
- Michael Karpinski - Project Accountant
- Mike Cavanagh - Executive General Manager Operations and Trading
- Pete Ryan - Manager Wholesale Energy Trading
- Tremayne Pirnie - Business Analyst
- Donna Gardiner - TWPS Administration Officer
- Ken Chong - Western Power – Griffin Contract Manager

## 2.2 Performance Audit Objective

The objective of the performance audit, as defined by the Audit Guidelines, is to assess the effectiveness of measures taken by the licensee to meet obligations of the performance and quality standards referred to in the licence.

In addition to compliance requirements, a specific focus is to be taken on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by the licence. The audit outcome is to identify areas of non-compliance and areas of compliance where improvement is required and recommend corrective action as necessary.

The Audit was conducted in three phases as defined by the Audit Guidelines. The phases and the appropriate audit guide/tool are detailed in Table 3 below;

**Table 3: Performance Audit Methodology and Allocated Hours**

Phase	Auditor	Hours	Relevant Auditing Standard
1. Risk & Materiality Assessment  Outcome - Operational/ Performance Audit Plan	Nicole Davies	8	AUS 302: Planning AUS 402: Risk Assessments and Internal Controls AUS 808: Planning Performance Audits AS/NZS ISO 19011:2003: Guidelines for quality and/or environmental management systems auditing (i.e consistent with AUS 302) AS/NZS 4360:2004: Risk Management <sup>1</sup>
2. System Analysis	Nicole Davies	8	AS/NZS 9004:2000: Quality Management Systems – Guidelines for performance improvements AUS 810: Special Purpose Reports on Effectiveness of Control Procedures As 3806-2006: Compliance Programs
3. Fieldwork & Report Preparation Assessment and testing of; <ul style="list-style-type: none"> <li>▪ The control environment</li> <li>▪ Information system</li> <li>▪ Compliance procedures</li> <li>▪ Compliance attitude</li> </ul>	Nicole Davies	24	AUS 502: Audit Evidence AUS 806: Performance Auditing

<sup>1</sup> AS/NZS 4360 has been superseded by AS/NZS ISO 31000:2009

## **2.3 Performance Audit Methodology**

A risk assessment, assessment of control environment and allocation of audit priority was undertaken in accordance with the Audit Guidelines – Electricity, Gas and Water Licences (July 2009) on each element relating to Retail licensee's of the Electricity Compliance Reporting Manual (March 2008) issued by the Authority. It was the opinion of the audit team that this approach would provide an effective assessment of compliance due to each licence condition being incorporated into document.

The Electricity Compliance Reporting Manual (March 2008) as published on the ERA website specifically classifies each licence condition according to a non-compliance rating. As a holder of a Retail Licence, Griffin Energy Sales results in mainly Minor and Moderate Ratings for non-compliance. The Type 1 obligations are not applicable to Griffin Energy Sales as they did not have any customers during the audit period.

In accordance with the Audit Guidelines (July 2009, section 9.4.3), Griffin Energy Sales compliance criteria have been assessed for audit priority by the Auditors and agreed by the Authority. These criteria, including Type 1 obligations are exempt from this Audit Scope. The items that remain within the audit scope are detailed in Appendix 1.

In order to focus the audit effort and identify areas for testing and analysis a preliminary assessment of the risk and materiality of non-compliance with the Retail Licence was undertaken in accordance with the requirements of AS/NZS4360 Risk Management<sup>1</sup> Section 5.3 and Appendix 1 of the Audit Guidelines. This assessment rating was reviewed during the audit process subject to the verification of control environment. And changes made to the pre-assessment ratings during the audit process are highlighted in yellow and explained in Appendix 1.

## **2.4 Performance Audit Summary of Recommendations & Post Implementation Plan**

As stipulated in section 11.9 of the Audit Guidelines (July 2009), the Audit Team notes that the Performance Audit Post Implementation Plan does not form part of the Audit Opinion. It is the responsibility of the licensee to ensure actions are undertaken.

Table 4 below details the Audit Findings and Recommendations as required by the Authority. It is noted that only Compliance Reporting Manual Ref 85 and Clause 25 (Compliance Reporting Manual Ref 111) are required to have Post Audit Action Plans defined in the report (Refer Audit Guidelines Section 11.9).

**Table 4: Performance Audit Key Findings, Recommendations, Observations & Post Audit Plan**

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
81	<p><b>Electricity Industry Act section 13(1) - Retail Licence condition 22.1</b></p> <p>A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.</p>	<p>A Compliance Schedule has not been established in order to ensure compliance with aspects of the Retail Licence compliance. It is primarily included as day to day functions of employees and a transient workforce could limit the efficiency of the current system.</p> <p>Compliance Rating: Compliant [4]</p>	<p>1. Implementation of a compliance scheduling process to ensure key requirements in association with the Retail Licences are met.</p>	<p>Action Plan not mandatory for inclusion in post audit implementation plan as detailed in Audit Guidelines (July 2009) Section 11.9. These items will be reviewed and actioned through internal management systems and will form part of next Audit process.</p>
85	<p><b>Electricity Industry Act section 17 (1) - Retail Licence condition 4.1</b></p> <p>A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.</p>	<p>Payment of licence fees have not been made the required dates.</p> <p>Compliance Rating: Non-Compliant [2]</p>	<p>Refer to Recommendation 1.</p>	<p><b>ACTION:</b> Griffin accounts payable function operates on a manual processing of invoices received. Payments cannot be authorised or generated without the receipt of the corresponding invoice. Typically, invoices are paid at 60 days from receipt, except in cases where pre-existing arrangements are in place. On receipt of invoices, they are entered into a rolling 3 month budget tracking system. For ERA invoices, all ERA</p>

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
				<p>correspondence is forwarded to the GM Policy &amp; Strategy, who then authorises payment of the invoice and submits to accounts payable for action with instructions that the invoices must be paid within 1 month. This will continue into the future, however additional to this, a schedule of licence due dates (falling on the anniversary of each ERA licence) will be set up in an appropriate scheduling tool shared between the GM Policy &amp; Strategy and the relevant Accounts Payable Clerk. This will ensure the relevant people are aware that invoices are expected from the ERA.</p> <p>RESPONSIBILITY: Shane Cremin, GM Policy &amp; Strategy; Michelle Curtis, Accounts Payable.</p> <p>DATE: Implementation of scheduling immediately, followed by ongoing continuation of accounts payable function</p>

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
109	<p><b>Electricity Industry Act section 11 - Retail Licence condition 23.1</b></p> <p>A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.</p>	<p>Although the organisation was not under external administration during the audit period and is currently not under external administration, there are several key requirements with which Griffin Energy Sales must comply given the current situation. A lack of formalised compliance program may also lead to deficiencies in this area.</p> <p>Compliance Rating: Compliant [5]</p>	<p>2. Ensure ongoing correspondence to ERA regarding impact of voluntary administration of The Griffin Coal Company on ERL3.</p> <p>Also implementation of Recommendation 1 could be considered.</p>	<p>Action Plan not mandatory for inclusion in post audit implementation plan as detailed in Audit Guidelines (July 2009) Section 11.9. These items will be reviewed and actioned through internal management systems and will form part of next Audit process.</p>

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
111	<p><b>Electricity Industry Act section 11 - Retail Licence condition 25.2</b></p> <p>A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.</p>	<p>Griffin Energy Sales did not upload the 2008 Code of Conduct Report to its website in time to meet the 01 October timeframe prescribed by the Authority.</p> <p>It is noted that the document was uploaded as soon as the breach was identified.</p> <p>Compliance Rating: Non Compliant [2]</p>	<p>Ensure the Code of Conduct requirements are identified and reviewed for ongoing compliance.</p>	<p>ACTION: This was the first time our website was required to be updated in this manner. Since this non-compliance, the responsible person for updating the website has been instructed in the nature of the obligation. The GM Policy &amp; Strategy will ensure that relevant documents are forwarded to the website administrator after being lodged with the Authority.</p> <p>RESPONSIBILITY: GM Policy &amp; Strategy and Website Administrator</p> <p>DATE: Annual</p>

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
112	<p><b>Electricity Industry Act section 11 - Retail Licence condition 26.1</b></p> <p>Unless otherwise specified, all notices must be in writing.</p>	<p>There are no established procedures for the Sales and Marketing personnel. Reliance on the expertise of employees. A transient workforce could impact performance in this area if handover and training periods are not permitted.</p> <p>Compliance Rating: Compliant [4]</p>	<p>3. Consideration could be given to establishing a formalised procedure for maintaining records of (email and hardcopy correspondence). Guidance could be sought from ISO 9001:2008.</p>	<p>Action Plan not mandatory for inclusion in post audit implementation plan as detailed in Audit Guidelines (July 2009) Section 11.9. These items will be reviewed and actioned through internal management systems and will form part of next Audit/Review process</p>



### **3. FOLLOW UP AUDIT PROCESS**

This is the first Performance Audit conducted since the issue of the licence and as such previous audit report findings are not relevant to the content of the report. Review of actions taken in response to recommendations will form part of subsequent audit plans as this is the initial audit/review.

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# **APPENDIX 1**

## **GES PERFORMANCE AUDIT MARCH 2010**

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
<b>SECTION 8: TYPE 1 REPORTING REQUIREMENTS – Electricity Industry Act 2004 s82</b>				
216	<p><b>Code of Conduct clause 7.6</b></p> <p>A retailer or a distributor must not arrange for disconnection or disconnect a customer’s supply address in the circumstances specified.</p> <p><b>Audit Priority Not Applicable</b></p>	NA	Not Applicable	Griffin Energy Sales Pty Ltd (GES) did not have any Small Use Customers during the audit period nor did they establish any Network Access Agreements (NAA).
217	<p><b>Code of Conduct clause 7.7(1)</b></p> <p>A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer’s supply address requires life support equipment.</p> <p><b>Audit Priority Not Applicable</b></p>	NA	Not Applicable	Griffin Energy Sales Pty Ltd (GES) did not have any Small Use Customers during the audit period nor did they establish any Network Access Agreements (NAA).
227	<p><b>Code of Conduct clause 9.5(1)</b></p> <p>A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer’s supply address, requires life support equipment.</p> <p><b>Audit Priority Not Applicable</b></p>	NA	Not Applicable	Griffin Energy Sales Pty Ltd (GES) did not have any Small Use Customers during the audit period nor did they establish any Network Access Agreements (NAA).
228	<p><b>Code of Conduct clause 9.5(2)</b></p> <p>If a prepayment meter customer notifies a retailer that a person residing at the supply</p>	NA	Not Applicable	Griffin Energy Sales Pty Ltd (GES) did not have any Small Use Customers during the audit period nor did they establish any

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	address depends on life support equipment, the retailer must undertake the actions specified.  <b>Audit Priority Not Applicable</b>			Network Access Agreements (NAA).
<b>SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 3 - CUSTOMER/ CONNECTION INFORMATION/DATA</b>				
6 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 3.2(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A retailer must submit a separate data request for each exit point unless otherwise agreed.	Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Western Power Portal review of system</li> <li>▪ Unique National Metering Identifier (NMI) numbers are used to identify each exit point.</li> </ul>	GES had no customers during the audit period. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium <b>Strong</b>	4	Nil
7 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 3.4(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.	Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Western Power Portal review of system</li> <li>▪ Discussion with Business Analyst</li> <li>▪ System control as web portal only allows 20 requests for standing data and 20 requests for historical consumption data. An exception message will come</li> </ul>	GES had no customers during the audit period.  As such assessment of compliance with this requirement cannot be made.



Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness													
[Type 2]	<p><b>Conditions) Regulations r 5(2)</b></p> <p>A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.</p>	[NR]	<ul style="list-style-type: none"> <li>Discussion with Business Analyst</li> <li>Discussion with Western Power – Griffin Contracts Manager</li> </ul>	assessment of compliance with this requirement cannot be made													
	<table border="1"> <thead> <tr> <th colspan="2">Risk Assessment</th> <th>Audit Priority</th> <th>Corrective Action/Opportunity for Improvement</th> </tr> </thead> <tbody> <tr> <td>Likelihood</td> <td>Unlikely</td> <td rowspan="4">4</td> <td rowspan="4">Nil</td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> </tr> <tr> <td>Adequacy of Controls</td> <td>Moderate</td> </tr> </tbody> </table>	Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	Likelihood	Unlikely	4	Nil	Consequence	Moderate	Inherent Risk	Medium	Adequacy of Controls	Moderate		
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement														
Likelihood	Unlikely	4	Nil														
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Adequacy of Controls	Moderate																
16 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 3.9(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.														
17 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 3.9(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.														

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	requested not to do so by the customer.			
18 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 3.9(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
19 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 3.9(4) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
23 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.2(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
24 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.3 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer's reason for a transfer must be specified in the customer transfer request</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.			
25 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.4(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
26 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.4(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
27 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.5(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	



Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	nominated transfer date.			
28 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.6(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
29 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.7 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
30 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.8(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
34 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.9(6) - Electricity Industry (Licence</b></p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	<p><b>Conditions) Regulations r 5(2)</b></p> <p>A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.</p>			
39 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.11(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
40 [Type NR]	<p><b>Electricity Industry Customer Transfer Code clause 4.12(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
43 [Type NR]	<p><b>Electricity Industry Customer Transfer Code clause 4.15 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	customer are as they would have been had the erroneous transfer not occurred.			
44 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.16 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.</p>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
45 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.17 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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>	Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
<b>ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 5 - COMMUNICATION RULES</b>				
48 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 5.1(4) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A network operator and a retailer must comply with approved communication rules.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Web Portal</li> <li>▪ Discussions with Western Power – Griffin Contracts Manager</li> <li>▪ Discussions with Business Analyst</li> </ul>	GES did not have any customers during the audit period. As such assessment of compliance with this requirement cannot be made

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Risk Assessment		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
<b>ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 6 - NOTICES</b>					
49 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 6.2 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates		Not Applicable [NA]	Not Applicable as GES Pty Ltd did not have any customers during the audit period.	
52 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 6.4(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A retailer must notify its contact details to a network operator within three business days of a request.		Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Web Portal</li> <li>▪ Phone contact and email communication established with Network Operator</li> </ul>	GES did not have any customers during the audit period. As such assessment of compliance with this requirement cannot be made.
	Risk Assessment		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Adequacy of Controls	Moderate			
53 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 6.4(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.		Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Web Portal</li> <li>▪ Discussions with Western Power – Griffin Contracts Manager</li> <li>▪ Discussions with Business Analyst</li> </ul>	There has been no change in the Retailers contact details during the audit period. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
54 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 6.6 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.		Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Web Portal</li> <li>▪ Email correspondence and phone used.</li> <li>▪ Discussions with Western Power – Griffin Contracts Manager</li> <li>▪ Discussions with Business Analyst</li> </ul>	GES does not have any customers and as such does not have any ETAC's established. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
<b>ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 7- DISPUTE RESOLUTION</b>					
55 - 59 [Type NR]  [Note: 57 is TYPE 2]	<b>Electricity Industry Customer Transfer Code clause 7.1(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.		Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ ETAC</li> <li>▪ Discussions with Western Power – Griffin Contracts Manager</li> <li>▪ Discussions with Business Analyst</li> </ul>	GES does not have any customers and as such does not have any ETAC's established. As such assessment of compliance with the Dispute Resolution requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	5	Nil	
	Consequence	Minor			
	Inherent Risk	Low			
	Adequacy of Controls	Moderate			
<b>ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - ANNEX 6 - ELECTRONIC COMMUNICATIONS PROTOCOL</b>					
68 - 71 [Type NR]  [Note: 69 is Type 2]	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A network operator and a retailer must use reasonable endeavours to ensure that its		Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Web Portal</li> <li>▪ Discussions with Business Analyst</li> </ul>	Western Power manage the Web Portal and it is operational 24 hours a day. GES does not have any customers and as such does not have any ETAC's established. As such assessment of compliance with this

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	information system on which electronic communications are made is operational 24 hours a day and 7 days a week.			requirement cannot be made.
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Minor Low Moderate	5	Nil
<b>Section 11: ELECTRICITY INDUSTRY (LICENCE CONDITIONS) REGULATIONS AND OBLIGATIONS</b>				
78 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations regulation 6</b>  The electricity corporation must offer to purchase renewable source electricity, under an approved contract, from an eligible customer who wishes to sell such electricity to the corporation.	Not Applicable [NA]	Not Applicable Relevant To Western Power Corporation Only.	
79 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations regulation 7</b>  The electricity corporation must, as soon as practicable after the end of each financial year, submit a written report to the Coordinator regarding its costs in purchasing renewable source electricity under approved contracts.	Not Applicable [NA]	Not Applicable Relevant To Western Power Corporation Only.	

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
80 [Type NR]	<p><b>Electricity Industry (Licence Conditions) Regulations regulation 8(8)</b></p> <p>The electricity corporation must comply with a direction given by the Coordinator under regulation 8(5) of the Electricity Industry (Licence Conditions) Regulations to submit an appropriate amendment to its contract to provide for the purchase of renewable source electricity.</p>	Not Applicable [NA]	Not Applicable Relevant To Western Power Corporation Only.	
<b>ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS</b>				
81 [Type NR]	<p><b>Electricity Industry Act section 13(1) - Retail Licence condition 22.1</b></p> <p>A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.</p>	Compliant [4]	<ul style="list-style-type: none"> <li>▪ Various email correspondence (from 04/11/09)</li> <li>▪ Discussions with General Manager Policy &amp; Strategy</li> </ul>	The requirement for the audit is monitored by the General Manager Policy & Strategy in his Online Diary. The requirement was also identified and responded in a series of internal email correspondence beginning 04/11/09. A more formalised approach to Compliance Scheduling is recommended.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	5	1. Implementation of a compliance scheduling process would ensure ongoing compliance with this requirement is achieved.
Consequence	Minor			
Inherent Risk	Low			
Adequacy of Controls	Moderate			
85 [Type NR]	<p><b>Electricity Industry Act section 17 (1) - Retail Licence condition 4.1</b></p>	Non-Compliant [2]	<ul style="list-style-type: none"> <li>▪ Payment of fees before the 29<sup>th</sup> February of each year</li> </ul>	Licence fees were paid in accordance with requirements as follows;



Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.		<ul style="list-style-type: none"> <li>Discussion with Manager Strategy &amp; Policy</li> <li>Review of payment/pending invoice process</li> </ul>	- ERA Invoice ERA149 (Date of Issue 19 <sup>th</sup> Feb 2010) Paid EFT 5/3/10 Approved 22/2/10 (Note: Outside audit scope) - ERA Invoice ERA099 (Date of Issue 20 <sup>th</sup> Feb 2009) Paid EFT 20/3/09 Approved 18/3/09 - ERA Invoice ERA085 (Date of Issue 20 June 2008) Approved 26/6/08 Paid Cheque 25/7/08  It appears that payments have not been made in accordance with Licence Condition 4.1 i.e after 29 <sup>th</sup> February (or 1 <sup>st</sup> March). A formalised process for monitoring of compliance with legislative requirements is recommended.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Likely Moderate High Medium	2	Refer to Recommendation 1 [Compliance Scheduling Process]  Note: Due to issues identified Audit Priority Rating has been changed from 5 to 2.
86 [Type NR]	<b>Electricity Industry Act section 31 (3) - Retail Licence condition 5.1</b>  A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with Business Analyst</li> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers and as such does not have any ETAC's established. As such assessment of compliance with this requirement cannot be made.

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.			
		<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	4	Nil
87 [Type 2]	<b>Electricity Industry Act section 41 (6) - Retail Licence condition 5.1</b> A licensee must pay the costs of taking an interest in land or an easement over land.	Not Applicable [NA]	Not Applicable as GES has no interest in land.	
88 [Type 2]	<b>Electricity Industry Act section 54(1) - Retail Licence condition 13.1</b> A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.	Not Rated [NR]	<ul style="list-style-type: none"> <li>▪ Standard Form of Contract established</li> <li>▪ Customer Service Charter</li> </ul>	GES does not have any small use customers. As such assessment of compliance with this requirement cannot be made.
		<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	4	Nil

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness													
89 [Type 2]	<p><b>Electricity Industry Act section 54(2) -Retail Licence condition 14.4</b></p> <p>A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	The Authority has not directed the Licensee to amend the standard form of contract during the audit period. As such assessment of compliance with this requirement cannot be made.													
	<table border="1"> <thead> <tr> <th colspan="2">Risk Assessment</th> <th>Audit Priority</th> <th>Corrective Action/Opportunity for Improvement</th> </tr> </thead> <tbody> <tr> <td>Likelihood</td> <td>Unlikely</td> <td rowspan="4">4</td> <td rowspan="4">Nil</td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> </tr> <tr> <td>Adequacy of Controls</td> <td>Moderate</td> </tr> </tbody> </table>	Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	Likelihood	Unlikely	4	Nil	Consequence	Moderate	Inherent Risk	Medium	Adequacy of Controls	Moderate		
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement														
Likelihood	Unlikely	4	Nil														
Consequence	Moderate																
Inherent Risk	Medium																
Adequacy of Controls	Moderate																
93 [Type 2]	<p><b>Electricity Industry Act section 76 - Retail Licence condition 17.1</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable as Synergy is the Retailer of Last Resort.														
94 [Type 2]	<p><b>Electricity Industry Act section 101- Retail Licence condition 19.1</b></p> <p>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</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> <li>Review Energy Ombudsman Website (<a href="http://www.ombudsman.wa.gov.au/">http://www.ombudsman.wa.gov.au/</a>)</li> </ul>	GES does not have any small use customers. As such assessment of compliance with this requirement cannot be made.													

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.		<ul style="list-style-type: none"> <li>Energy Industry Ombudsman Annual Report 2008-09</li> <li></li> </ul>	
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil
	Consequence	Moderate		
	Inherent Risk	Medium		
	Adequacy of Controls	Strong		
96 [Type 2]	<p><b>Electricity Industry Act section 115(2) - Retail Licence condition 5.1</b></p> <p>A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> <li>ETAC/Standard Form of Contract</li> </ul>	GES does not have any customers and as such does not have any ETAC's established. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil
	Consequence	Moderate		
	Inherent Risk	Medium		
	Adequacy of Controls	Moderate		
<b>ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS</b>				
97 [Type 2]	<p><b>Electricity Industry Act section 11 - Retail Licence condition 6.1</b></p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.		<ul style="list-style-type: none"> <li>No use of Marketing Agents is employed by GES</li> </ul>	requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Probable Moderate Medium Moderate	4	Nil
98 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 6.2</b>  The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> <li>No use of Marketing Agents is employed by GES</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Probable Moderate Medium Moderate	4	Nil
99 [Type NR]	<b>Electricity Industry Act section 11 - Retail Licence condition 13.2</b>  A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	GES did not have any customers during the audit period. The Authority did not request that the Licensee review the standard form of contract. As such assessment of compliance with this

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	review within the time specified by the Authority.			requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	5	Nil
100 [Type NR]	<b>Electricity Industry Act section 11 - Retail Licence condition 13.3</b> A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	GES did not have any customers during the audit period. The Authority did not request that the Licensee review the standard form of contract. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	5	Nil
101 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 14.1</b> A licensee may only amend the standard form contract with the Authority's approval.	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	GES did not have any customers during the audit period. The Licensee did not review the standard form of contract. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Likelihood	Unlikely	5	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
102 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 15.2</b> A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> </ul>	GES did not have any customers during the audit period. The Licensee did not review the customer service charter. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	5	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
105 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 20.1</b> 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.		Compliant [5]	<ul style="list-style-type: none"> <li>Discussion with Project Accountant</li> <li>Accounting process review</li> <li>Monthly Reports review</li> <li>Review of Financial Audit 2008-2009 (Somes &amp; Cooke 27/10/08)</li> </ul>	In the sample of Financial Audits selected the Statement of Compliance noted that the financial report was prepared in accordance with the basis of accounting specified by all Accounting Standards.  Ongoing verification observed through Monthly Reports which contain; <ul style="list-style-type: none"> <li>Cash Flow statements</li> </ul>

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
				▪ Financial statements
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	5	Nil
106 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 21.4</b> A licensee must comply with any individual performance standards prescribed by the Authority.	Not Rated [NR]	▪ Interview with the General Manager Policy & Strategy	The Authority has not prescribed any individual reporting standards to Griffin Energy Sales. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Minor Low Strong	5	Nil
107 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 22.2</b> A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	Compliant [5]	<ul style="list-style-type: none"> <li>▪ Compliance with ERA process</li> <li>▪ Management meeting minutes</li> <li>▪ Email Communication.</li> </ul>	Direct instructions from Licensee to Auditor to comply with the ERA guidelines.  Copies of communications received from ERA relating to audit requirements sent by Griffin Energy Sales through to Auditor to convey requirements specifically the undertaking of audits in compliance with the Audit Guidelines: Electricity, Gas and Water Licences (Letter ERA 8/2/10 Ref



Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness																		
				D24418)																		
	<table border="1"> <tr> <td colspan="2"><b>Risk Assessment</b></td> <td><b>Audit Priority</b></td> <td colspan="2"><b>Corrective Action/Opportunity for Improvement</b></td> </tr> <tr> <td>Likelihood</td> <td>Unlikely</td> <td>5</td> <td colspan="2" rowspan="4">Implementation of Recommendation 1 would ensure compliance with this requirement is achieved.</td> </tr> <tr> <td>Consequence</td> <td>Minor</td> <td></td> </tr> <tr> <td>Inherent Risk</td> <td>Low</td> <td></td> </tr> <tr> <td>Adequacy of Controls</td> <td>Strong</td> <td></td> </tr> </table>	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>		Likelihood	Unlikely	5	Implementation of Recommendation 1 would ensure compliance with this requirement is achieved.		Consequence	Minor		Inherent Risk	Low		Adequacy of Controls	Strong			
<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>																			
Likelihood	Unlikely	5	Implementation of Recommendation 1 would ensure compliance with this requirement is achieved.																			
Consequence	Minor																					
Inherent Risk	Low																					
Adequacy of Controls	Strong																					
109 [Type 2]	<p><b>Electricity Industry Act section 11 - Retail Licence condition 23.1</b></p> <p>A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.</p>	Compliant [5]	<ul style="list-style-type: none"> <li>Discussions with ERA</li> <li>Discussions with General Manager Policy &amp; Strategy</li> <li>Review of correspondence [Letter from Griffin to ERA 04/01/10]</li> </ul>	<p>During the Audit Period (29th January 2008 to 31st December 2009) Griffin Energy Sales was not under external administration and had not undergone any significant change in circumstances upon which the licence was granted, which may affect its ability to meet its licence obligations. As such there was no requirement to report to the Authority.</p> <p>It is noted that Griffin Energy Sales notified the ERA on 4/01/10 (outside the audit scope) of details relating to voluntary administration of The Griffin Coal Mining Company (refer to confidential correspondence previously sent to ERA). This action demonstrates a clear understanding of obligations relating to Generation Licence.</p> <p>This impact of this process upon Griffin Energy Sales will be reviewed through the next audit cycle.</p>																		
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>																			

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Likelihood	Unlikely	4	2. Ensure ongoing correspondence to ERA regarding impact of voluntary administration of The Griffin Coal Company on ERL3.	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
110 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 24.1</b> A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.		Compliant [4]	<ul style="list-style-type: none"> <li>Discussions with General Manager Policy &amp; Strategy</li> <li>Annual Compliance Reports</li> </ul>	The Licensee has provided the Authority information it required in connection with its functions under the Electricity Industry Act.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Refer to Recommendation 1	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
111 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 25.2</b> A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.		Compliant [4]	<ul style="list-style-type: none"> <li>Compliance Report – 01 July 2008 – 30 June 2009 (14/08/09)</li> <li>Griffin Energy Website (<a href="http://www.griffinenergy.com.au/">http://www.griffinenergy.com.au/</a>)</li> <li>Communication from ERA</li> </ul>	Griffin Energy Sales has published requirements as directed by the Authority.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Likelihood	Unlikely	4	Refer to recommendation 1	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
112 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 26.1</b> Unless otherwise specified, all notices must be in writing.		Compliant [4]	Review of ERA correspondence	Griffin Energy Sales maintains formal records of correspondence (email and hardcopy). A TRIM database is used to file information.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	3. Consideration could be given to establishing a formalised procedure for maintaining records of (email and hardcopy correspondence). Guidance could be sought from ISO 9001:2008.	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Moderate			
<b>CODE OF CONDUCT - LICENCE CONDITIONS AND OBLIGATIONS</b>					
113 -298 [Type1, 2 & NR]	Conditions relating to The Code of Conduct for Supply of Electricity to a Small Use Customer (Refer to Audit Plan for detail)		Not Applicable & Not Rated [NA] & [NR]	GES did not engage in any marketing activities during the audit period. There were no small use customer contracts established. Enquiries and response to enquiries (ref 133) were made via the Griffin Energy website. Records of enquires are maintained and were sighted during the audit process. No door to door activities were undertaken. As there were no customers contracts established there were no requirements for billing obligations to be applied. Conditions relating to The Code of Conduct for Small Use Customers have not been able to be assessed for compliance or were not applicable during the audit period.	

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
<b>ELECTRICITY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS</b>				
309 [Type 2]	<p><b>Electricity Industry Metering Code clause 3.5(6) - Retail Licence condition 5.1</b></p> <p>A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user. Western Power Corporation (WPC) is the Network Operator for Griffin Energy.</p>	Not Applicable [NA]	Not Applicable requirement relates to Network operator only i.e. Western Power Networks (WPN)	
319 [Type 2]	<p><b>Electricity Industry Metering Code clause 3.11(3) – Retail Licence condition 5.1</b></p> <p>A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with Western Power Griffin Account Manager</li> <li>Web portal</li> </ul>	WPN has primary responsibility for the management and monitoring of meters. GES did not have any customers during the audit period. As such assessment of compliance with this requirement cannot be made
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil
Consequence	Moderate			
Inherent Risk	Medium			
Adequacy of Controls	Moderate			
331 [Type 2]	<p><b>Electricity Industry Metering Code clause 3.16(5) - Retail Licence condition 5.1</b></p> <p>A network operator or a user may require the other to negotiate and enter into a written</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with Western Power Griffin Account Manager</li> <li>Discussion with General</li> </ul>	Tariff Metering requirements are covered in contracts, as GES did not have any customers no contracts have been established. The Network Operator would

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.		Manager Policy & Strategy	manage metering requirements for Griffin Energy Sales. This requirement relates to the conversion of non interval metering to interval metering. There is no need for conversion as the potential customers would be billed on aggregated data in accordance with the contract. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil
	Consequence	Moderate		
	Inherent Risk	Medium		
	Adequacy of Controls	Strong		
333 [Type 2]	<p><b>Electricity Industry Metering Code clause 3.18(1) - Retail Licence condition 5.1</b></p> <p>If the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.</p>	Not Applicable [NA]	Relates to Synergy as the Electricity Retail Corporation only.	

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness							
342 [Type 2]	<p><b>Electricity Industry Metering Code clause 3.27 - Retail Licence condition 5.1</b></p> <p>A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made. It is noted that this requirement is responsibility of the Network Operator.							
	<p><b>Risk Assessment</b></p> <table border="1"> <tr> <td>Likelihood</td> <td>Unlikely</td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> </tr> <tr> <td>Adequacy of Controls</td> <td>Strong</td> </tr> </table>		Likelihood	Unlikely	Consequence	Moderate	Inherent Risk	Medium	Adequacy of Controls	Strong	<p><b>Audit Priority</b></p> <p>4</p>
Likelihood	Unlikely										
Consequence	Moderate										
Inherent Risk	Medium										
Adequacy of Controls	Strong										
349 [Type NR]	<p>Electricity Industry Metering Code clause 4.4(1) – Retail Licence condition 5.1</p> <p>A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.							
	<p><b>Risk Assessment</b></p> <table border="1"> <tr> <td>Likelihood</td> <td>Unlikely</td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> </tr> </table>		Likelihood	Unlikely	Consequence	Moderate	Inherent Risk	Medium	<p><b>Audit Priority</b></p> <p>4</p>	<p><b>Corrective Action/Opportunity for Improvement</b></p> <p>Nil</p>	
Likelihood	Unlikely										
Consequence	Moderate										
Inherent Risk	Medium										

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Adequacy of Controls	Strong			
350 [Type NR]	<b>Electricity Industry Metering Code clause 4.5(1) - Retail Licence condition 5.1</b> A Code participant must not knowingly permit the registry to be materially inaccurate.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	This is primarily the responsibility of WPN. As GES did not have any customers during the audit period, assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	5	Nil	
	Consequence	Minor			
	Inherent Risk	Low			
	Adequacy of Controls	Strong			
351 [Type 2]	<b>Electricity Industry Metering Code clause 4.5(2) - Retail Licence condition 5.1</b> If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Web Portal</li> </ul>	There have been no issues relating to standing data raised during the audit period. Further GES does not have any customers. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	5	Nil	
	Consequence	Minor			
	Inherent Risk	Low			

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Adequacy of Controls	Strong			
363 [Type NR]	<b>Electricity Industry Metering Code clause 5.4(2) - Retail Licence condition 5.1</b> A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation under clause 5.4(1).		Not Applicable [NA]	Not Applicable to audit scope as applies to accumulation meters only.	
365 [Type 2]	<b>Electricity Industry Metering Code clause 5.5(3) - Retail Licence condition 5.1</b> A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.		Not Applicable [NA]	Not Applicable to audit scope as Western Power read all meters. No charges are imposed for provision of data.	
376 [Type 2]	<b>Electricity Industry Metering Code clause 5.16 - Retail Licence condition 5.1</b> A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.		Not Applicable [NA]	Not Applicable to audit scope as Western Power read all meters. GES does not collect energy data.	
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			



Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	Adequacy of Controls	Strong		
377 [Type 2]	<p><b>Electricity Industry Metering Code clause 5.17(1) – Retail Licence condition 5.1</b></p> <p>A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user’s customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.</p>	Not Applicable [NA]	The Network Operator is responsible for tariff metering. This clause is considered not applicable.	
378 [Type 2]	<p><b>Electricity Industry Metering Code clause 5.18 - Retail Licence condition 5.1</b></p> <p>A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.</p>	Not Applicable [NA]	<ul style="list-style-type: none"> <li>Discussion with Western Power Griffin Account Manager</li> </ul>	Griffin Energy Sales does not collect or receive information regarding a change in the energisation status of a metering point. Western Power manages the status of metering points. This clause is considered not applicable.
379 [Type NR]	<p><b>Electricity Industry Metering Code clause 5.19(1) - Retail Licence condition 5.1</b></p> <p>A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	As there were no customers during the audit period, there are no requirements to collect information. No such requests were made from the Network Operator. As such assessment of compliance with clause cannot be undertaken.

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness																									
	in the Code and elsewhere.																												
	<table border="1"> <tr> <th colspan="2">Risk Assessment</th> <th>Audit Priority</th> <th colspan="2">Corrective Action/Opportunity for Improvement</th> </tr> <tr> <td>Likelihood</td> <td>Unlikely</td> <td>4</td> <td colspan="2">Nil</td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Adequacy of Controls</td> <td>Strong</td> <td></td> <td colspan="2"></td> </tr> </table>	Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement		Likelihood	Unlikely	4	Nil		Consequence	Moderate				Inherent Risk	Medium				Adequacy of Controls	Strong						
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Likelihood	Unlikely	4	Nil																										
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Inherent Risk	Medium																												
Adequacy of Controls	Strong																												
380 [Type NR]	<p>Electricity Industry Metering Code clause 5.19(2) - Retail Licence condition 5.1</p> <p>A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	As there were no customers during the audit period, there are no requirements to collect and maintain customer attributes. As such assessment of compliance with clause cannot be undertaken.																									
	<table border="1"> <tr> <th colspan="2">Risk Assessment</th> <th>Audit Priority</th> <th colspan="2">Corrective Action/Opportunity for Improvement</th> </tr> <tr> <td>Likelihood</td> <td>Unlikely</td> <td>4</td> <td colspan="2">Nil</td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Adequacy of Controls</td> <td>Strong</td> <td></td> <td colspan="2"></td> </tr> </table>	Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement		Likelihood	Unlikely	4	Nil		Consequence	Moderate				Inherent Risk	Medium				Adequacy of Controls	Strong						
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381 [Type 2]	<p><b>Electricity Industry Metering Code clause 5.19(3) - Retail Licence condition 5.1</b></p> <p>A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	There has been no change in a sites prescribed attributes during the audit period. As such assessment of compliance with clause cannot be undertaken																									

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
382 [Type 2]	<b>Electricity Industry Metering Code clause 5.19(4) - Retail Licence condition 5.1</b> A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	As there are no customers, there are no sensitive loads. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
384 [Type NR]	<b>Electricity Industry Metering Code clause 5.19(6) – Retail Licence condition 5.1</b> A user must use reasonable endeavours to ensure that it does notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	As there are no customers, there have been no changes in attributes that result from the provision of standing data. As such assessment of compliance with clause cannot be undertaken.

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
390 [Type 2]	<b>Electricity Industry Metering Code clause 5.21(5) - Retail Licence condition 5.1</b> A Code participant must not request a test or audit 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.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Interview with Manager Wholesale Energy Trading</li> </ul>	The licensee has not made any requests for tests or audits of the metering system during the audit period. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
391 [Type 2]	<b>Electricity Industry Metering Code clause 5.21(6) - Retail Licence condition 5.1</b> A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Interview with Manager Wholesale Energy Trading</li> </ul>	Confirmed that during the audit period 29 <sup>th</sup> January 2008 to 31 December 2009, Griffin Energy Sales did not make any requests for audit or tests. Further they did not have any agreements established. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Likelihood	Unlikely	5	Nil	
	Consequence	Minor			
	Inherent Risk	Low			
	Adequacy of Controls	Strong			
409 [Type 2]	<b>Electricity Industry Metering Code clause 5.27 - Retail Licence condition 5.1</b> Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with the Business Analyst</li> </ul>	During the audit period Griffin Energy Sales did not have any customers. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
416 [Type 2]	<b>Electricity Industry Metering Code clause 6.1(2) - Retail Licence condition 5.1</b> A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with the Business Analyst</li> </ul>	During the audit period Griffin Energy Sales did not enter into an agreement with the Network Operator. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
418 [Type NR]	<b>Electricity Industry Metering Code clause 7.2(1) - Retail Licence condition 5.1</b> 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.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with the Business Analyst</li> <li>Web Portal</li> </ul>	During the audit period Griffin Energy Sales did not have any customers with which communication with the Network Operator would be required. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
420 [Type 2]	<b>Electricity Industry Metering Code clause 7.2(4) - Retail Licence condition 5.1</b> A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with the Business Analyst</li> </ul>	During the audit period Griffin Energy Sales did not enter into an agreement with the Network Operator. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	

Compliance Reporting Manual Ref	Licence Condition Requirement		Compliance Rating	Verification/ Tests	Effectiveness
	Likelihood	Unlikely	4	Nil	Note: Audit priority has been amended to reflect status through audit period.
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
421 [Type 2]	<b>Electricity Industry Metering Code clause 7.2(5) - Retail Licence condition 5.1</b> A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with the Business Analyst</li> </ul>	During the audit period Griffin Energy Sales did not change the contact details listed or enter into an agreement with the Network Operator. As such assessment of compliance with clause cannot be undertaken.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Nil	Note: Audit priority has been amended to reflect status through audit period.
	Consequence	Moderate			
	Inherent Risk	Medium			
	Adequacy of Controls	Strong			
422 [Type 2]	<b>Electricity Industry Metering Code clause 7.5 - Retail Licence condition 5.1</b> A Code participant must 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		Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness															
	purpose contemplated by the Code.																		
	<table border="1"> <tr> <th colspan="2">Risk Assessment</th> <th>Audit Priority</th> <th colspan="2">Corrective Action/Opportunity for Improvement</th> </tr> <tr> <td>Likelihood</td> <td>Unlikely</td> <td rowspan="4">4</td> <td colspan="2" rowspan="4">                     Nil                       Note: Audit priority has been amended to reflect status through audit period.                 </td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> </tr> <tr> <td>Adequacy of Controls</td> <td>Strong</td> </tr> </table>	Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement		Likelihood	Unlikely	4	Nil  Note: Audit priority has been amended to reflect status through audit period.		Consequence	Moderate	Inherent Risk	Medium	Adequacy of Controls	Strong		
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423 [Type 2]	<p><b>Electricity Industry Metering Code clause 7.6(1) - Retail Licence condition 5.1</b></p> <p>A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.															
	<table border="1"> <tr> <th colspan="2">Risk Assessment</th> <th>Audit Priority</th> <th colspan="2">Corrective Action/Opportunity for Improvement</th> </tr> <tr> <td>Likelihood</td> <td>Unlikely</td> <td rowspan="4">4</td> <td colspan="2" rowspan="4">                     Nil                       Note: Audit priority has been amended to reflect status through audit period.                 </td> </tr> <tr> <td>Consequence</td> <td>Moderate</td> </tr> <tr> <td>Inherent Risk</td> <td>Medium</td> </tr> <tr> <td>Adequacy of Controls</td> <td>Strong</td> </tr> </table>	Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement		Likelihood	Unlikely	4	Nil  Note: Audit priority has been amended to reflect status through audit period.		Consequence	Moderate	Inherent Risk	Medium	Adequacy of Controls	Strong		
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424 [Type NR]	<p><b>Electricity Industry Metering Code clause 8.1(1) - Retail Licence condition 5.1</b></p> <p>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 under or in connection with the Electricity Industry Metering Code by</p>	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.															



Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness
	negotiations in good faith.			
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	4	Nil  Note: Audit priority has been amended to reflect status through audit period.
425 [Type NR]	<b>Electricity Industry Metering Code clause 8.1(2) - Retail Licence condition 5.1</b>  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.	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Strong	4	Nil  Note: Audit priority has been amended to reflect status through audit period.
426 [Type NR]	<b>Electricity Industry Metering Code clause 8.1(3) - Retail Licence condition 5.1</b>  If the dispute is not resolved within 10 business days after the dispute is referred to	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness								
	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.											
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Inherent Risk	Medium											
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427 [Type 2]	<b>Electricity Industry Metering Code clause 8.1(4) - Retail Licence condition 5.1</b>  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.	Not Rated [NR]	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this requirement cannot be made.								
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428 [Type NR]	<b>Electricity Industry Metering Code clause 8.3(2) - Retail Licence condition 5.1</b>	Not Rated	<ul style="list-style-type: none"> <li>Discussion with General Manager Policy &amp; Strategy</li> </ul>	GES does not have any customers. As such assessment of compliance with this								

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness								
	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	[NR]		requirement cannot be made.								
	<b>Risk Assessment</b>	<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>									
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