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1. GRIFFIN POWER Performance Audit March 2010

## Glossary of Terms

BGM – Boddington Gold Mine  
CTR – Customer Transfer Request  
ERA – Economic Regulation Authority  
ERL12 – Electricity Retail Licence Number 12  
ETAC – Electricity Transfer Access Contract  
GP – Griffin Power Pty Ltd  
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 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 Power Pty Ltd engaged Geographe Environmental Services Pty Ltd to undertake the first Performance Audit as required by the Economic Regulation Authority (ERA) under Retail Licence ERL12. 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.

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.

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).

It is noted that approval to amend the audit period was sought by Griffin Power in order to align all licences period and accommodate commissioning timeframes of the power station. As such, the period for the audit and review is, 14th August 2006 to 31<sup>st</sup> December 2009 and the submission of this report as determined with the Authority is evidence of compliance.

## **BUSINESS BACKGROUND**

Griffin Power Pty Ltd is part of the Griffin Group of Companies and is a Western Australian power provider. Griffin Power has an Electricity Retail Licence (ERL12) issued by the Economic Regulation Authority (ERA) under sections 7 and 15(2) of the Electricity Industry Act 2004. Griffin Power has two contestable customers. As such, Griffin Power the Code of Conduct (for the Supply of Electricity to Small Use Customers) is not applicable to Griffin Power.

It is noted that although there are only two contracts currently established, Quotations were sighted for supply of electricity to other contestable customers.

## **AUDIT CONCLUSION**

The Performance Audit has been conducted in order to assess the effectiveness of the Griffin Power level of compliance with the conditions of its Retail Licence ERL12. 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 Griffin Power 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 14<sup>th</sup> August 2006 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). This clause is related to the late payment of the licensee's fees for ERL12. This audit report is an accurate representation of the audit teams findings and opinions.

### *1.1 Performance Audit Summary*

The Audit Teams findings for the Performance Audit against the clauses of the Retail Licence are summarised in the table 1. 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					J							
CI 2	Grant of Licence						J						
CI 3	Term	Unlikely	Major	High	Strong								J
CI 4	Fees	Unlikely	Minor	Low	Strong				J				
CI 5	Compliance	Probable	Major	High	Strong						J		
CI 6	Marketers					J							
CI 7	Transfer of Licence					J							
CI 8	Cancellation of Licence					J							
CI 9	Surrender of Licence					J							
CI 10	Renewal of Licence					J							
CI 11	Amendment of Licence on application of the Licensee						J						
CI 12	Amendment of Licence by the Authority												J
CI 13	Customer Contracts					J							
CI 14	Amending the Standard form of Contract					J							
CI 15	Customer Service Charter					J							
CI 16	Amending the Customer Service Charter					J							
CI 17	Supplier of Last Resort					J							
CI 18	Directions by the Authority	Unlikely	Major	High	Strong	J							
CI 19	Approved Scheme					J							
CI 20	Accounting Records	Unlikely	Major	High	Strong								J
CI 21	Individual Performance Standards	Unlikely	Major	High	Strong		J						
CI 22	Performance Audit	Unlikely	Major	High	Strong								J
CI 23	Reporting	Unlikely	Major	High	Strong								J
CI 24	Provision of Information	Unlikely	Major	High	Strong		J						
CI 25	Publishing Information	Unlikely	Major	High	Strong		J						
CI 26	Notices	Unlikely	Major	High	Strong								J
CI 27	Review of the Authority's Decisions	Unlikely	Major	High	Strong								J

**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 strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve internal controls to maintain compliance
NonCompliant	2	Does not meet minimum requirements
Significantly NonCompliant	1	Significant weaknesses and/or 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 or aspects of the licence that relate to the use of marketers, customer contracts, amending Standard Form of Contract, Customer Service Charter or Supplier of Last Resort.

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 ERL12 audit period (refer to table 1 above).

## 2. PERFORMANCE AUDIT

### 2.1 Performance Audit Scope

This is the first audit of Griffin Power compliance with obligations relating to Retail Licence ERL12. 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 14<sup>th</sup> August 2006 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 a significant number 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 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; § The control environment § Information system § Compliance procedures § Compliance attitude	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 Power 1 (GP1) results in mainly Minor and Moderate Ratings for non-compliance. The Type 1 obligations are not applicable to GP1 as they do not have any small use customers.

In accordance with the Audit Guidelines (July 2009, section 9.4.3), GP1 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.

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 is required to have a 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
18	<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>	<p>There are no formalised Sales Procedures established.</p> <p>Compliance Rating: Compliant [4]</p>	<p>1. Consideration could be given to developing formalised Sales Procedures.</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>
28	<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>	<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>2. Consideration could be given to establishing formalised procedures for internal control and use for Sales and Marketing employees</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
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>3. 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>
107	<p><b>Electricity Industry Act section 11 - Retail Licence condition 22.2</b></p> <p>A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.</p>	<p>Compliance Rating: Compliant [4]</p>		
110	<p><b>Electricity Industry Act section 11 - Retail Licence condition 24.1</b></p> <p>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.</p>			

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
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>	Refer to Recommendation 3	<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 preexisting arrangements are in place. On receipt of invoices, they are entered into a rolling 3 month budget tracking system. For ERA invoices, all ERA 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><b>RESPONSIBILITY:</b> Shane Cremin, GM Policy and Strategy; Accounts Payable</p> <p><b>DATE:</b> June 2010</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 Power 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>4. Ensure ongoing correspondence to ERA regarding impact of voluntary administration of The Griffin Coal Company on ERL12.</p> <p>Also implementation of Recommendation 3 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>
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>5. Consideration could be given to establishing a formalised procedure for maintaining records of (email and hardcopy correspondence). Guidance could be sought from ISO 9001.</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
319	<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>	<p>There are no formalised procedures established with relation to the communication of this requirement.</p> <p>Compliance Rating: Compliant [4]</p>	<p>Consideration could be given to establishing communication procedures to ensure transfer of information and metering instrumentation performance.</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>



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### **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.

## APPENDIX 1

# GRIFFIN POWER PERFORMANCE AUDIT MARCH 2010

Compliance Reporting Manual Ref	Licence Condition Requirement	Compliance Rating	Verification/ Tests	Effectiveness	
SECTION 8: TYPE 1 REPORTING REQUIREMENTS – <i>Electricity Industry Act 2004 s82</i>					
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>	Not Applicable [NA]	Not Applicable	Griffin Power Pty Ltd did not have any Small Use Customers during the audit period .	
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>	Not Applicable [NA]	Not Applicable	Griffin Power Pty Ltd did not have any Small Use Customers during the audit period .	
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>	Not Applicable [NA]	Not Applicable	Griffin Power Pty Ltd did not have any Small Use Customers during the audit period .).	
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 address depends on life support equipment,</p>	Not Applicable [NA]	Not Applicable	Griffin Power Pty Ltd did not have any Small Use Customers during the audit period .	

	the retailer must undertake the actions specified. <b>Audit Priority Not Applicable</b>			
<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.	Compliant [5]	<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>	Griffin Power utilises the web portal system which is maintained by Western Power. The system requires a separate data request for each exit point by nature of design control.
<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	<b>Strong</b>		NOTE: Adequacy of controls rating amended as system control established.	
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>§ Web Portal review of system</li> <li>§ Discussion with Business Analyst</li> <li>§ Discussion with Griffin Contracts Manager – Western Power</li> </ul>	System control as web portal only allows 20 requests for standing data and 20 requests for historical consumption data. An exception message will come back if greater than 20 requests are 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		NOTE: Adequacy of controls rating amended as system control established.	

	Adequacy of Controls	Strong			
8 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 3.2(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.</p>		Not Rated [NR]	<p>§ Western Power Portal</p> <p>§ Discussion with Business Analyst</p> <p>§ Discussion with Western Power – Griffin Contracts Manager</p> <p>§ Discussion with General Manager Marketing</p>	Verifiable Consent is usually obtained during the tendering and contracts process. Griffin Power has two customers. General Manager Marketing indicated that there have been no instances where a withdrawal of a request for historical data consumption was made 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			
9 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 3.5(3) - Electricity Industry (Licence 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>		Not Rated [NR]	<p>§ Western Power Portal</p> <p>§ Discussion with Business Analyst</p> <p>§ Discussion with Western Power – Griffin Contracts Manager</p>	There have been no occurrences of costs incurred 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		
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>	Compliant [5]	<p>§ Discussion with General Manager Marketing</p> <p>§ Quotation for a contestable customer sighted 15/04/08</p>	Data is only used in the tendering and contracts process. General Manager Marketing confirmed compliance with this requirement. Quotations are kept on file which can be reviewed (although this was not undertaken as part of the audit process.)
<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			
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 requested not to do so by the customer.</p>	Not Rated [NR]	§ Discussion with General Manager Marketing	No such requests have been received during the audit period. As such assessment of compliance with this obligation 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			
18 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 3.9(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>		Compliant [4]	§ Discussion with General Manager Marketing	The General Manager Marketing confirmed that this is standard practice. Western Power is required to disclose contestable customer data when consent have been obtained from the customer. However, there are no formalised Sales Procedures established.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	1. Consideration could be given to developing formalised Sales Procedures.	
	Consequence	Moderate			
Inherent Risk	Medium				
Adequacy of Controls	Moderate				
19 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 3.9(4) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>		Compliant [5]	§ Discussion with General Manager Marketing	Griffin Power maintain records, including verifiable consent in accordance with requirements.
	<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 INDUSTRY CUSTOMER TRANSFER CODE - PART 4 - TRANSFER OF CONTESTABLE CUSTOMERS</b>					

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>	Compliant [5]	Š Western Power Portal review of system Š Unique National Metering Identifier (NMI) numbers are used to identify each exit point.	Griffin Power utilises the web portal system which is maintained by Western Power. The system requires a separate customer transfer request for each exit point by nature of design control.
<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  NOTE: Adequacy of controls rating amended as system control established	
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 form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.</p>	Compliant [5]	Š Discussion with Business Analyst Š Western Power Portal review of system	The Web Portal requires the retailers reason for a transfer to be specified in the customer transfer request. Compliance is ensured by nature of system control.
<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  NOTE: Adequacy of controls rating amended as system control established.	
25 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.4(1) - Electricity Industry (Licence</b></p>	Compliant	Š Discussion with Business Analyst	Network Access Agreements are required to be established prior to utilising the web



	<p><b>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>	[5]	<p>§ Western Power Portal review of system</p> <p>§ PPA</p>	portal. Compliance is ensured by nature of system control.
	<p><b>Risk Assessment</b></p>		<p><b>Audit Priority</b></p>	<p><b>Corrective Action/Opportunity for Improvement</b></p>
	<p>Likelihood</p> <p>Consequence</p> <p>Inherent Risk</p> <p>Adequacy of Controls</p>	<p>Unlikely</p> <p>Moderate</p> <p>Medium</p> <p><b>Strong</b></p>	<p>4</p>	<p>Nil</p> <p>NOTE: Adequacy of controls rating amended as system control established</p>
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>	Compliant [5]	<p>§ Discussion with Business Analyst</p> <p>§ Western Power Portal review of system</p> <p>§ Discussion with Western Power – Griffin Contracts Manager</p>	<p>Web portal has provisions for erroneous transfers.</p> <p>Assistance with the Web Portal can be sought through the contracts manager.</p>
	<p><b>Risk Assessment</b></p>		<p><b>Audit Priority</b></p>	<p><b>Corrective Action/Opportunity for Improvement</b></p>
	<p>Likelihood</p> <p>Consequence</p> <p>Inherent Risk</p> <p>Adequacy of Controls</p>	<p>Unlikely</p> <p>Moderate</p> <p>Medium</p> <p>Moderate</p>	<p>4</p>	<p>Nil</p>
27 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 4.5(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p>	Compliant [5]	<p>§ Discussion with Business Analyst</p> <p>§ Western Power Portal review</p>	System control as web portal only allows for 20 customer transfer requests (CTR) in a business day.

	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.		of system	The code requires that retailer must not submit to a <i>network operator</i> — (i) more than 20 CTRs in a <i>business day</i> ; or (ii) more than 20 CTRs with the same <i>nominated transfer date</i> .
	<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	<b>Strong</b>		NOTE: Adequacy of controls rating amended as system control established
28 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 4.6(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.			§ Discussion with Business Analyst  § Western Power Portal review of system  § Discussion with General Manager Marketing  General Manager Marketing confirmed that contracts are established prior to a CTR being undertaken. No requirement was made to withdraw a CTR during the audit period.  There are no documented procedures established. Rely on expertise of employees to ensure compliance where Web Portal system does not define parameters. It is noted that training is provided and users have access to web portal manual.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	2. Consideration could be given to establishing formalised procedures for internal control and use for Sales and Marketing employees.
	Consequence	Moderate		
	Inherent Risk	Medium		
	Adequacy of Controls	Moderate		

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>	Compliant [5]	§ Discussion with Business Analyst § Western Power Portal review of system	The web portal requires specification of the transfer date in the CTR. The timeframe specified is 5 business days outside the metropolitan area and 3 business days within the metropolitan area.
<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 Moderate	4	Nil	
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>	Compliant [5]	§ Discussion with Business Analyst § Western Power Portal review of system § Discussion with Griffin Contracts Manager – Western Power § ETAC	The ETAC s define requirements in relation to charges.
<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
Likelihood Consequence Inherent Risk	Unlikely Moderate Medium	4	Nil	

	Adequacy of Controls	Moderate			
34 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 4.9(6) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b> A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.		Compliant [5]	§ Discussion with Business Analyst § Western Power Portal review of system	Web portal is used to nominate transfer dates. There have been no issues relating to transfer dates during the audit period.
	<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			
39 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 4.11(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b> A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.		Compliant [5]	§ Discussion with Business Analyst § Western Power Portal review of system § Discussion with Griffin Contracts Manager – Western Power	In accordance with the Customer Transfer Code a transfer can only occur on the day that the meter is actually read. Confirmed that procedures would require rescheduling if meter not read on the day i.e. Network Operator required to reschedule within 1 business day.
	<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			

40 [Type NR]	<b>Electricity Industry Customer Transfer Code clause 4.12(3) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>		Compliant [5]	§ Discussion with Business Analyst § Western Power Portal review of system § Discussion with Griffin Contracts Manager – Western Power	Griffin Power has agreed to terms defined within the ETAC.		
	<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					
43 [Type NR]	<b>Electricity Industry Customer Transfer Code clause 4.15 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>		Compliant [5]	§ Discussion with Business Analyst § Western Power Portal review of system § Discussion with Griffin Contracts Manager – Western Power	Griffin Power representatives and Western Power Griffin Contracts Manager liaise to address any issues arising.  During the audit period there was one instance of an erroneous transfer. No costs were incurred and the reversal was executed with minimum effort.		
	<b>Risk Assessment</b>					<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely				4	Nil
	Consequence	Moderate					

	Inherent Risk Adequacy of Controls	Medium Moderate			
44 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 4.16 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b> 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.		Compliant [5]	§ Web Portal § Discussions with Western Power – Griffin Contracts Manager § Discussions General Manager Marketing	General Manager Marketing confirmed verifiable consent forms are maintained in accordance with the requirement.
	<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 Moderate	4	Nil	
45 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 4.17 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b> A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.		Compliant [5]	§ Web Portal § Discussions with Western Power – Griffin Contracts Manager § Discussions with Business Analyst	Confirmed that billing process ensure compliance with this requirement. Web portal design control attributes.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood Consequence Inherent Risk	Unlikely Moderate Medium	4	Nil	

	Adequacy of Controls	Moderate			
<b>ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 5 - COMMUNICATION RULES</b>					
48 [Type 2]	<b>Electricity Industry Customer Transfer Code clause 5.1(4) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A network operator and a retailer must comply with approved communication rules.		Compliant [5]	§ Web Portal § Discussions with Western Power – Griffin Contracts Manager § Discussions with Business Analyst § ETAC	ETAC define communication procedures. There have been no issues identified which would highlight non compliance with the approved communication rules.
	<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 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		Compliant [5]	§ Web Portal § Discussions with Western Power – Griffin Contracts Manager § Discussions with Business Analyst § NMI (National Metering Identifier) Allocation Procedure For The Western Australia Electricity Market Version 1 [12/04/06]	A unique NMI is used to identify CTR's.

			§ ETAC	
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil.
	Consequence	Moderate		
	Inherent Risk	Medium		Note: Adequacy of controls amended to reflect system/process control.
	Adequacy of Controls	<b>Strong</b>		
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.		Compliant [5]	§ Web Portal § Phone contact and email communication established with Network Operator  Griffin Power contact details have been established with the Network Operator and this was verified during the audit process.
	<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		
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]	§ Web Portal § Discussions with Western Power – Griffin Contracts Manager § Discussions with Business Analyst  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 Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Moderate	4	Nil	
54 [Type 2]	<p><b>Electricity Industry Customer Transfer Code clause 6.6 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.</p>		Compliant [5]	<p>§ Web Portal</p> <p>§ Email correspondence and phone used.</p> <p>§ Discussions with Western Power – Griffin Contracts Manager</p> <p>§ Discussions with Business Analyst</p>	Griffin Power and Western Power communicate through the Metering Service Centre web portal on a daily basis. The Web Portal was reviewed during the Audit process and its use verified.
	<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 Moderate	4	Nil	
<b>ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 7- DISPUTE RESOLUTION</b>					
55 [Type NR]	<p><b>Electricity Industry Customer Transfer Code clause 7.1(1) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>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</p>		Not Rated [5]	<p>§ ETAC</p> <p>§ Discussions with Western Power – Griffin Contracts Manager</p> <p>§ Discussions with Business Analyst</p>	There have been no disputes during the audit period. As such assessment of compliance with this clause cannot be made. Dispute resolution processes are defined within the ETAC.

	attempt to resolve the dispute by 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 Minor Low Moderate	5	Nil
56 [Type NR]	<b>Electricity Industry Customer Transfer Code clause 7.1(2)- Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.	Not Rated [5]	§ ETAC § Discussions with Western Power – Griffin Contracts Manager § Discussions with Business Analyst	There have been no disputes during the audit period. As such assessment of compliance with this clause cannot be made. Dispute resolution processes are defined within the ETAC.
	<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
57 [TYPE 2]	<b>Electricity Industry Customer Transfer Code clause 7.1(3)- Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  If the dispute is resolved, the disputing parties must prepare a written and signed	Not Rated [5]	§ ETAC § Discussions with Western Power – Griffin Contracts Manager § Discussions with Business	There have been no disputes during the audit period. As such assessment of compliance with this clause cannot be made. Dispute resolution processes are defined within the ETAC.

	record of the resolution and adhere to the resolution.		Analyst	
	<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
58 [Type NR]	<b>Electricity Industry Customer Transfer Code clause 7.2(4) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details.	Not Rated  [5]	§ ETAC  § Discussions with Western Power – Griffin Contracts Manager  § Discussions with Business Analyst	There have been no disputes during the audit period. As such assessment of compliance with this clause cannot be made. Dispute resolution processes are defined within the ETAC.
	<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
59 [Type NR]	<b>Electricity Industry Customer Transfer Code clause 7.3(2) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer	Not Rated  [5]	§ ETAC  § Discussions with Western Power – Griffin Contracts Manager  § Discussions with Business Analyst	There have been no disputes during the audit period. As such assessment of compliance with this clause cannot be made. Dispute resolution processes are defined within the ETAC.

Code.				
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	
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 [Type NR]	<p><b>Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.</p>	Compliant [5]	<ul style="list-style-type: none"> <li>§ Web Portal</li> <li>§ Discussions with Business Analyst</li> <li>§ Discussions with General Manager Policy &amp; Strategy</li> </ul>	Western Power manage the Web Portal and it is operational 24 hours a day. IT specialists engaged by Griffin Power to ensure system efficiency.
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	
Likelihood	Unlikely	5	Nil	
Consequence	Minor			
Inherent Risk	Low			
Adequacy of Controls	Moderate			
69 [Type 2]	<p><b>Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b) - Electricity Industry (Licence Conditions) Regulations r 5(2)</b></p> <p>A network operator and a retailer must establish a mechanism to generate an automated response message for each</p>	Compliant [5]	<ul style="list-style-type: none"> <li>§ Web Portal</li> <li>§ Discussions with Business Analyst</li> </ul>	The web portal acts as the electronic communication mechanism for acknowledging and recording all customer transfer communications. This system is maintained by Western Power.

	electronic communication (other than an automated response message) received at the electronic communication address.			
	<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
70 [Type NR]	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.6 - Electricity Industry (Licence Conditions) Regulations r 5(2)</b>  The originator of an electronic communication must identify itself in the communication.	Compliant [5]	§ Web Portal § Discussions with Business Analyst	The web portal acts as the electronic communication mechanism for acknowledging and recording all customer transfer communications. The system is designed such that it allows for all communication information (originator included) to be recorded. This system is maintained by Western Power.  Additionally, all email communications are electronically signed with the originators name and contact details.
	<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
71 [Type NR]	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.7 - Electricity Industry</b>	Compliant [5]	§ Web Portal § Discussions with Business	The web portal acts as the electronic communication mechanism for acknowledging and recording all customer

	<p><b>(Licence Conditions) Regulations r 5(2)</b></p> <p>The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.</p>		Analyst	transfer communications. This system is maintained by Western Power.																									
	<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">Nil</td> </tr> <tr> <td>Consequence</td> <td>Minor</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Inherent Risk</td> <td>Low</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Adequacy of Controls</td> <td>Moderate</td> <td></td> <td colspan="2"></td> </tr> </table>	<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>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																												
Section 11: ELECTRICITY INDUSTRY (LICENCE CONDITIONS) REGULATIONS AND OBLIGATIONS																													
78 [Type 2]	<p><b>Electricity Industry (Licence Conditions) Regulations regulation 6</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable Relevant To Western Power Corporation Only.																										
79 [Type NR]	<p><b>Electricity Industry (Licence Conditions) Regulations regulation 7</b></p> <p>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.</p>	Not Applicable [NA]	Not Applicable Relevant To Western Power Corporation Only.																										

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]	<p>§ Various email correspondence (from 04/11/09)</p> <p>§ Discussions with General Manager Policy &amp; Strategy</p>	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 in order to maintain compliance going forward.									
<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Likelihood</td> <td>Unlikely</td> </tr> <tr> <td>Consequence</td> <td>Minor</td> </tr> <tr> <td>Inherent Risk</td> <td>Low</td> </tr> <tr> <td>Adequacy of Controls</td> <td>Moderate</td> </tr> </table>		Likelihood	Unlikely	Consequence	Minor	Inherent Risk	Low	Adequacy of Controls	Moderate	5	3. Implementation of a compliance scheduling process to ensure key requirements in association with the Retail Licences are met.		
Likelihood	Unlikely												
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> <p>A licensee must pay to the Authority the prescribed licence fee within one month after</p>	Non-Compliant [2]	<p>§ Payment of fees before the 14th September of each year</p> <p>§ Discussion with Manager Strategy &amp; Policy</p>	<p>Licence fees were paid in accordance with requirements as follows;</p> <p>- ERA Invoice ERA138(Date of issue 18/08/09) Paid EFT 4/9</p>									

	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.		Š Review of payment/pending invoice process	<p>- ERA Invoice ERA087 (Date of Issue 15<sup>th</sup> August 08) Paid EFT 19/9/08. Approved 27/08/08</p> <p>- ERA Invoice ERA0466 (Date of Issue 23 Aug 2006) Approved 31/8/06 Paid Cheque 23/10/06 (Cheque #69)</p> <p>In the sample of invoices reviewed above it appears that payments have not been made in accordance with Licence Condition 4.1. A formalised process for monitoring of compliance with legislative required is recommended.</p>
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Likely	2	Refer to Recommendation 3 [Compliance Scheduling Process]
	Consequence	Moderate		
	Inherent Risk	High		Note: Due to issues identified Audit Priority Rating has been changed from 5 to 2.
	Adequacy of Controls	Medium		
86 [Type NR]	<p><b>Electricity Industry Act section 31 (3) - Retail Licence condition 5.1</b></p> <p>A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.</p>	Compliant [5]	<p>Š Discussions with Business Analyst</p> <p>Š Discussions with General Manager Policy &amp; Strategy</p>	<p>By nature of the SWIS operation the customer would not have interrupted power supply should Griffin Power not be able to supply due to accident, emergency, potential danger or other unavoidable cause.</p> <p>Risk management and Emergency Response Plans are in place at the Power Station to minimise the likelihood of this occurring.</p>
	<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]	§ Lot 8 on Plan 20710 being (part of) the land compromised in Certificate of Title Volume 2206 Folio 576	Griffin owns the land on which the Power Station is located. Although this obligation is considered not relevant to a Retail Licence holder. As such compliance with this requirement was not assessed.
	<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	
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 Applicable [NA]	Discussions with General Manager Policy & Strategy	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable
89 [Type 2]	<b>Electricity Industry Act section 54(2) -Retail Licence condition 14.4</b> A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period		Not Applicable [NA]	§ Discussions with General Manager Policy & Strategy	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable

	specified.			
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 by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.</p>	Not Applicable [NA]	<p>§ Discussions with General Manager Policy &amp; Strategy</p> <p>§ Review Energy Ombudsman Website  <a href="http://www.ombudsman.wa.gov.au/">(http://www.ombudsman.wa.gov.au/)</a></p> <p>§ Energy Industry Ombudsman Annual Report 2008-09</p>	Griffin Power does not have any small use customers. As such assessment of compliance with this requirement cannot be made.
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]	<p>§ ETAC</p> <p>§ Discussion with General Manager Policy &amp; Strategy</p>	Griffin Power does not have access to services and is unable to hinder/prohibit access to services owned by the Network Operator.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil

	Consequence Inherent Risk Adequacy of Controls	Moderate Medium Moderate		
<b>ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS</b>				
97 [Type 2]	<b>Electricity Industry Act section 11 - Retail Licence condition 6.1</b>  A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	Not Applicable [NA]	§ Discussions with General Manager Policy & Strategy  § No use of Marketing Agents is employed by Griffin Power	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable.
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 Applicable [NA]	§ Discussions with General Manager Policy & Strategy  § No use of Marketing Agents is employed by Griffin Power	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable.
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 review within the time specified by the Authority.	Not Applicable [NA]	§ Discussions with General Manager Policy & Strategy	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable.
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	Not Applicable [NA]	§ Discussions with General Manager Policy & Strategy	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable.

	scope, process and methodology of the standard form contract review.			
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 Applicable [NA]	§ Discussions with General Manager Policy & Strategy	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable.
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 Applicable [NA]	§ Discussions with General Manager Policy & Strategy	Griffin Power does not supply electricity to small use customers. This obligation is considered Not Applicable.
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]	§ Discussion with Project Accountant § Accounting process review § Monthly Reports review § Review of Financial Audit 2008-2009 (Somes & Cooke 27/10/08)	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;  Cash Flow statements Financial statements
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood Consequence Inherent Risk	Unlikely Moderate Medium	5	Nil

Adequacy of Controls		Strong			
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 Power. 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				
Adequacy of Controls	Strong				
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 [4]	§ Compliance with ERA process § Management meeting minutes § Email Communication.	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 Power 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 D24418)
<b>Risk Assessment</b>		<b>Audit Priority</b>		<b>Corrective Action/Opportunity for Improvement</b>	
Likelihood	Unlikely	5		Implementation of Recommendation 3 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 [4]	§ Discussions with ERA § Discussions with General Manager Policy & Strategy § Review of correspondence [Letter from Griffin to ERA 04/01/10]	<p>During the Audit Period (19th August 2006 to 31st December 2009) Griffin Power 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 Power 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 Retail Licence.</p> <p>This impact of this process upon Griffin Power will be reviewed through the next audit cycle.</p>
<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 Moderate	4	4. Ensure ongoing correspondence to ERA regarding impact of voluntary administration of The Griffin Coal Company on ERL12.	
110 [Type 2]	<p><b>Electricity Industry Act section 11 - Retail Licence condition 24.1</b></p> <p>A licensee must provide the Authority, in the manner prescribed, any information the</p>	Compliant [4]	§ Compliance Reporting Manual March 2008 Section 5.4 Reporting Cycle § ERL12 - Compliance Report 1	Every licensee is required to submit a compliance report to the Authority covering all of its type 1 and type 2 licence obligations for each financial year (1 July

	Authority requires in connection with its functions under the Electricity Industry Act.		July 2008 to 30 June 2009 (Dated 14/08/09) § ERL12 - Compliance Report 1 July 2007 – 30 June 2008 (Dated 20/08/08) § ERL12 - Compliance Report 9 20 June 2007 – 30 June 2007 (Dated 20/08/07) Note: Dates defined in above Compliance report were incorrect- should have been 19 August 2006 – 30 June 2007	to 30 June inclusive) by 31 August immediately following the financial year that is the subject of the report. Compliance Reports submitted to ERA during Audit Period 19 <sup>th</sup> August 2006 to 31 <sup>st</sup> December 2009.	
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>	
	Likelihood	Unlikely	4	Refer to Recommendation 3.	
	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.		Not Rated [NR]	§ Interview with the Manager Policy & Strategy § Review ERA website	The Authority has not directed Griffin Power to publish any information 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			
		Moderate			

Adequacy of Controls				
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 Power 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	5. Consideration could be given to establishing a formalised procedure for maintaining records of (email and hardcopy correspondence). Guidance could be sought from ISO 9001.	
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	Not Applicable [NA]	Griffin Power does not have any small use customers. The Code is considered Not Applicable to the audit scope.	
<b>ELECTRICITY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS</b>				
309 [Type 2]	<b>Electricity Industry Metering Code clause 3.5(6) - Retail Licence condition 5.1</b>  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.	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>	Compliant [4]	§ Discussion with Western Power Griffin Account Manager § Email communications (8/8/07) between Manager Wholesale Energy Trading and WPN Account Manager re: communication issues regarding modem in July 2007. § TWPS Asset Engineer § Web portal	All meters for Griffin Power are monitored and read by Western Power. Email trail is evidenced between Western Power and Griffin Power in relation to metering data queries.
<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 Moderate	4	6. Consideration could be given to establishing communication procedures to ensure transfer of information and metering instrumentation performance.	
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 service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.</p>	Not Rated [NR]	§ Discussion with Western Power Griffin Account Manager § Discussion with Manager Policy & Strategy	Tariff Metering requirements are covered in retail contracts. The Network Operator manages metering requirements for Griffin Power. Griffin Power has two customers only. This requirement relates to the conversion of non interval metering to interval metering. There is no need for conversion as the customers are billed on aggregated data in accordance with the contract. As such assessment of compliance with

				clause cannot be undertaken.	
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement		
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.		
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>	Compliant [5]	<ul style="list-style-type: none"> <li>§ Key locked room procedures established for access</li> <li>§ Discussion with Station Manager TWPS</li> <li>§ Western Australian Electricity Market Metrology Procedure (Western Power - September 2006)</li> </ul>	All tariff meters installed at Bluewaters Power Station are the property of Western Power. Griffin Power has confirmed that all legislative requirements have been adhered to with respect to installation of meters.	

Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	
Likelihood	Unlikely	4	Nil	
Consequence	Moderate			
Inherent Risk	Medium		Note: the audit priority has been changed	
Adequacy of Controls	Strong			
349 [Type NR]	<p><b>Electricity Industry Metering Code clause 4.4(1) Retail Licence condition 5.1</b></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>	Compliant [5]	<ul style="list-style-type: none"> <li>§ Web Portal</li> <li>§ Communication with Western Power Metering Services</li> <li>§ The Electricity Transfer Access Contract [ETAC] Section 28 [Contract Reference Number 5208332]</li> <li>§ Email communications (8/8/07) between Manager Wholesale Energy Trading and WPN Account Manager re: communication issues regarding modem in July 2007.</li> </ul>	All discrepancies have been resolved to the satisfaction of the customer. Failures were associated with communications links and were resolved. Evidenced via email trail. These instances did not affect data integrity.
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	
Likelihood	Unlikely	4	Nil	
Consequence	Moderate			
Inherent Risk	Medium			
Adequacy of Controls	Strong			
350 [Type NR]	<p><b>Electricity Industry Metering Code clause 4.5(1) - Retail Licence condition 5.1</b></p>	Compliant [5]	<ul style="list-style-type: none"> <li>§ Web Portal</li> <li>§ Web portal system is not</li> </ul>	This is primarily the responsibility of WPN. Griffin Power has a check meter installed

	A Code participant must not knowingly permit the registry to be materially inaccurate.		able to be manipulated i.e. data not accessible by network people only accessed by WPN	and review processes are established for verifying metering data. In addition Western Power through the System Management has access to this data. As such meter information can be verified from three different sources;  (i) Western Power Portal  (ii) Monthly Reports from Contractor (TWPS)  (iii) SCADA System  There have been no complaints of inaccurate data in the registry during the audit period.
<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]	§ Web Portal	There have been no issues relating to standing data raised 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	5	Nil	

	Consequence Inherent Risk Adequacy of Controls	Minor Low 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.	Compliant [5]	Interview with Manager Policy & Strategy	Griffin Power have confirmed that there has been no charge for the provision of data during the audit period.
	<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
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)	Not Applicable [NA]	§ Web Portal § Discussion with Western Power Griffin Account Manager § Discussions with Manager	Griffin Power does not collect data or receive data from the metering installation. This clause is considered not applicable.

	within the timeframes prescribed.		Wholesale Energy Trading	
	<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		
377 [Type 2]	<b>Electricity Industry Metering Code clause 5.17(1) Retail Licence condition 5.1</b> 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.		Not Applicable [NA]	§ Web Portal  The Network Operator is responsible for tariff metering. This clause is considered not applicable.
378 [Type 2]	<b>Electricity Industry Metering Code clause 5.18 - Retail Licence condition 5.1</b> 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.		Not Applicable [NA]	§ Discussion with Western Power Griffin Account Manager  Griffin Power 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]	<b>Electricity Industry Metering Code clause 5.19(1) - Retail Licence condition 5.1</b> A user must, when requested by the network operator acting in accordance with good		Compliant [5]	§ Discussions with Manager Policy & Strategy § Discussions with Business Analyst  PPA's have been established that address requirement of data access and metering. There have been no complaints about the collection of customer information. There

	electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.		§ Power Purchase Agreements [PPA]	are no outstanding invoices.
	<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		
380 [Type NR]	Electricity Industry Metering Code clause 5.19(2) - Retail Licence condition 5.1  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.	Compliant  [5]	§ Web Portal § Discussion with General Manager Policy & Strategy § Discussion with Western Power Griffin Account Manager § Power Purchase Agreements [PPA] § NMI (National Metering Identifier) Allocation Procedure For The Western Australia Electricity Market Version 1 [12/04/06]	The metering requirements are specified in the customer contracts and the licensee maintains customer information.  Compliant by way of billing process and NMI allocation procedure.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil
	Consequence	Moderate		
	Inherent Risk	Medium		
		Strong		

	Adequacy of Controls			
381 [Type 2]	<b>Electricity Industry Metering Code clause 5.19(3) - Retail Licence condition 5.1</b>  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.	Not Rated [NR]	§ Power Purchase Agreements [PPA]  § Discussion with Manager Policy & Strategy	There has been no change in a sites prescribed attributes during the audit period. As such assessment of compliance with clause cannot be undertaken.  Note: Timeframe specified is 1 business day
<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
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]	§ Discussion with Manager Policy & Strategy  § PPA	There are no sensitive loads at customer's sites. 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 Moderate Medium Strong	4	Nil
384 [Type NR]	<b>Electricity Industry Metering Code clause 5.19(6) Retail Licence condition 5.1</b>	Not Rated	§ Discussion with Manager Policy & Strategy	There have been no changes in attributes that result from the provision of standing



	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.	[NR]		data. 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		
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]	§ Interview with Manager Wholesale Energy Trading	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	5	Nil
	Consequence	Minor		
	Inherent Risk	Low		
	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]	§ Interview with Manager Wholesale Energy Trading	Confirmed that during the audit period 14 August 2006 to 31 December 2009, Griffin Power did not make any requests for audit or tests. 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		Note: Audit priority has been amended
	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]	§ General Manager Policy & Strategy  There have been no missing or incorrect customer attribute information. 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.		Compliant [4]	§ Discussion with Western Power Griffin Account Manager  § General Manager Policy & Strategy  Electricity Transfer Agreement Contract has been established. The contract obligations have been met.
	<b>Risk Assessment</b>		<b>Audit Priority</b>	<b>Corrective Action/Opportunity for Improvement</b>
	Likelihood	Unlikely	4	Nil

	Consequence Inherent Risk Adequacy of Controls	Moderate Medium Strong			
418 [Type NR]	<p><b>Electricity Industry Metering Code clause 7.2(1) - Retail Licence condition 5.1</b></p> <p>Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.</p>		Compliant [4]	<p>§ Review communications by post, facsimile and electronic communication to confirm access.</p> <p>§ Discussion with Business Analyst</p>	<p>Evidence of means of communication has been established.</p> <p>Discussions with the Metering Services indicated they have the means to communicate with Griffin Power and evidence of emails indicated access to it.</p> <p>Business Analyst confirmed voice communication enabled through provision of telephones numbers to Network Operator. Confirmed by Metering Services.</p>
	<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	Inclusion of the requirement could be considered for the proposed compliance scheduling process. Refer to Recommendation 3.	
420 [Type 2]	<p><b>Electricity Industry Metering Code clause 7.2(4) - Retail Licence condition 5.1</b></p> <p>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.</p>		Not Rated [NR]	<p>§ Discussion with Business Analyst</p>	<p>There have been no requests for contact details from the network operator. As such assessment of compliance with clause cannot be undertaken.</p>

Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	
Likelihood	Unlikely	4	Nil	
Consequence	Moderate		Note: Audit priority has been amended to reflect status through audit period.	
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]	§ Discussion with the Business Analyst	During the audit period Griffin Power 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.
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	
Likelihood	Unlikely	4	Nil	
Consequence	Moderate		Note: Audit priority has been amended to reflect status through audit period.	
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 purpose contemplated by the Code.	Compliant [5]	§ Discussion with General Manager Policy & Strategy	Confidential Information is defined by Clause 7.4 as a) metering database information or b) other information which is confidential or commercially sensitive.  Confirmation of confidentiality arrangements was undertaken by the organisation during the audit.
Risk Assessment		Audit Priority	Corrective Action/Opportunity for Improvement	

	Likelihood Consequence Inherent Risk Adequacy of Controls	Unlikely Moderate Medium Moderate	4	Nil  Note: Audit priority has been amended to reflect status through audit period.
423 [Type 2]	<b>Electricity Industry Metering Code clause 7.6(1) - Retail Licence condition 5.1</b> A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.		Compliant [5]	§ Discussion with General Manager Policy & Strategy  No issues with regards to confidentiality were apparent during the audit period. Appropriate access to documentation was provided to the auditor as defined by 7.6(2).
	<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
424 [Type NR]	<b>Electricity Industry Metering Code clause 8.1(1) - Retail Licence condition 5.1</b> 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 negotiations in good faith.		Not Rated [NR]	§ Discussion with Business Analyst § Discussion with General Manager Marketing § Discussion with Griffin Contracts Manager – Western Power  No disputes have arisen 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	Unlikely Moderate	4	Nil

	Inherent Risk Adequacy of Controls	Medium Strong		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]	§ Discussion with Business Analyst § Discussion with General Manager Marketing § Discussion with Griffin Contracts Manager – Western Power	No disputes have arisen 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 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 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.		Not Rated [NR]	§ Discussion with Business Analyst § Discussion with General Manager Marketing § Discussion with Griffin Contracts Manager – Western Power §	No disputes have arisen 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 Inherent Risk Adequacy of Controls	Moderate Medium Strong		Note: Audit priority has been amended to reflect status through audit period.	
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]	§ Discussion with Business Analyst § Discussion with General Manager Marketing § Discussion with Griffin Contracts Manager – Western Power	No disputes have arisen 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 Strong	4	Nil  Note: Audit priority has been amended to reflect status through audit period.	
428 [Type NR]	<b>Electricity Industry Metering Code clause 8.3(2) - Retail Licence condition 5.1</b>  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.		Not Rated [NR]	§ Discussion with Business Analyst § Discussion with General Manager Marketing § Discussion with Griffin Contracts Manager – Western Power	No disputes have arisen 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	Strong		Note: Audit priority has been amended to reflect status through audit period.