

ATCO Gas Australia Pty Ltd

Performance Audit 2019



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Independent Auditors Report

Introduction

The Energy Coordination Act 1994 sets out a requirement under section 11ZA for a licensed service provider to provide the Economic Regulation ERA (the "ERA") with a performance audit conducted by an independent expert to the ERA not less than once in every 24 month period (or such longer period as the ERA allows).

The performance audit covered ATCO's Distribution Licence, GDL8, for the 36 month period from 1 July 2016 to 30 June 2019 and examined a total of 67 obligations from the Compliance Manual.

An audit plan was developed and approved by the ERA using a risk based approach to focus on key risk areas in accordance with the risk evaluation model, Australian/New Zealand Standard ("AS/NZS") 31000:2018. Grant Thornton has assessed the controls and performance against those standards through a combination of interviews/enquiries, examination of documents and detailed testing.

The audit plan upon which the audit was completed was developed in accordance with the ERA's "Audit and Review Guidelines: Electricity and Gas Licences (March 2019)" ("Audit Guidelines").

Our Responsibility

In accordance with section 5 of the Audit Guidelines, our responsibility is to provide a comprehensive report to ATCO and the ERA that clearly expresses our opinion in respect of the findings of the performance audit.

Our audit was also performed in accordance with ASAE 3000 which provides for the standards on assurance engagements other than audits or review of historical financial information.

Our engagement provides reasonable assurance as defined under paragraph 5 in ASAE 3000. Our approach and methodology was set out in the audit plan reviewed and approved by the ERA on 14 June 2019.

ATCO Responsibility

ATCO is responsible for designing, implementing and maintaining mechanisms to ensure its compliance with its GDL8 obligations.

ATCO is also responsible for evaluating the effectiveness of those controls implemented within its organisation in achieving and maintaining its compliance requirements.

Further, ATCO is responsible for providing an accurate and complete record of its level of compliance to the ERA.

Limitations of Use

This report has been prepared solely for the management of ATCO for the purposes of its reporting requirements under section 11ZA(1) of the Act and for no other purpose.

Inherent Limitations

Because of the inherent limitations of any internal control system it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

An audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. Accordingly, readers of this report should not rely on this report to identify all potential instances of non-compliance which may occur.

Any projection of our evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

Our audit opinion expressed in this report has been formed on the above basis.

Independence

In performing our engagement, we have complied with the independence requirement of the Australian professional accounting bodies and Audit Guidelines.

Opinion

In our opinion, except for the matters identified in “Detailed findings – compliance element requiring corrective action” and any effects thereof, we are satisfied that ATCO in all material respects has policies, procedures and systems in place to support compliance with the licence conditions and the integrity of its reporting requirements to the ERA and other statutory organisations for the period 1 July 2016 to 30 June 2019.

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



B A Mackenzie

Partner – Audit & Assurance

Perth, 29th October 2019

Executive Summary

Overview

ATCO owns and operates the largest gas distribution network in Western Australia, delivering gas to approximately 750,000 end users and covering approximately 14,000 kilometres. The gas distribution network services Geraldton, Kalgoorlie, Albany, Bunbury, Busselton, Harvey, Pinjarra, Brunswick Junction, Capel and the wider Perth metropolitan area.

Since July 2000, ATCO (previously WAGN) has held a gas distribution licence (“GDL8”) granted by the ERA. GDL8 provides ATCO with the legal right to distribute gas to customers.

Section 11ZA(1) of the Act requires ATCO to provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA no less than once in every 24 month period (or such longer period as the ERA allows). Grant Thornton notes that the ERA decided to maintain ATCO’s audit period at 36 months on the 16th November 2016.

Objective

The primary objective of this audit was to provide the ERA with an independent assessment of ATCO’s compliance with its licence conditions.

To achieve this objective we evaluated the adequacy and effectiveness of controls implemented by ATCO to fulfil its obligations to comply with the performance and quality standards referred to in its GDL8.

Summary of Actions – Previous Audit Report

ATCO’s last performance audit of compliance with its GDL8 was conducted in 2016. Our review of the status of management actions from the previous audit report identified that 3 recommendations addressing 3 licence obligations were resolved before the end of the previous audit period and 5 recommendations addressing 5 licence obligation remained unresolved at the end of the audit period. These observations are further discussed in “Review of Status of Management Actions for Previous Audit Report” section of the report.

Summary of Issues and Recommendations – Current Audit

For the audit period 1 July 2016 to 30 June 2019, a total of 8 licence obligations were rated as non-compliant. These obligations are summarised at a high level in the “Recommendation Summary” section of the report. In addition, these obligations are further discussed in-depth in “Detailed Findings Compliance Elements which require Corrective Measures” section of the report.

Of those 8 non-compliant ratings, 6 related to obligations that were self-reported by ATCO as non-compliance in its annual compliance reports to the ERA during the audit period.

Table 1 - Compliance profile of ATCO for the 2019 Performance Audit

Audit Priority	Adequacy of Controls Rating (refer to above). NP = Not Performed: N/A Not Applicable						Compliance Rating				
	N/A	A	B	C	D	NP	1	2	3	4	NR
Audit Priority 1		1	4					5			
Audit Priority 2		4					3	1			
Audit Priority 3			1					1			
Audit Priority 4		25	1			4	25	1			4
Audit Priority 5		7				2	7				2
Not Applicable	6										
Total	6	37	6	-	-	6	35	8	-	-	6

Opinion

Please find below an extract from the Independent Auditor Report stating the opinion of the auditor.

“In our opinion, except for the matters identified in “Detailed findings – compliance element requiring corrective action” and any effects thereof, we are satisfied that ATCO in all material respects has policies, procedures and systems in place to support compliance with the licence conditions and the integrity of its reporting requirements to the ERA and other statutory organisations for the period 1 July 2016 to 30 June 2019.”

Scope

The performance audit covered ATCO's Distribution Licence, GDL8, for the 36 month period from 1 July 2016 to 30 June 2019 and examined a total of 67 obligations from the Compliance Manual.

This performance audit is a reasonable assurance engagement. The time period over which the performance audit was conducted was from May 2019 to September 2019 which included planning, fieldwork, reporting and the presentation of results to ATCO's management and the ERA.

The performance audit included a review of the status of management actions pertaining to ATCO's 2016 Performance Audit Report. It also included the review of compliance reports for financial years 2016/2017, 2017/2018 and the draft submission for 2018/2019.

Fieldwork was conducted at ATCO premise 81 Prinsep Road, Jandakot WA 6164. No other premise were visited during the performance audit.

A list of documentation examined during the audit and personnel who participated in the audit can be found in Appendix 1 & 2, respectively.

The following table describes the list of activities that were undertaken during the performance audit.

Table 2 Audit activities conducted

Audit Procedures applied		
Audit Priority		Definition
1	High Priority	<ul style="list-style-type: none"> Interviews with management and operational personnel; Inspection of relevant documents Obtain evidence of conduct of control assessment Examination of compliance reports and breach registers
2		
3	Moderate Priority	<ul style="list-style-type: none"> Interviews with management and operational personnel; Inspection of relevant documents Obtain evidence of conduct of control assessment Examination of compliance reports and breach registers Examination of reports or/and correspondence from other regulators Where and if applicable, close inspection of asset infrastructure High level sampling to enable assessment of output and timeliness procedures Recalculation of a sample of relevant performance indicators
4		
5	Lowest Priority	<ul style="list-style-type: none"> Interviews with management and operational personnel; Desktop review of relevant documents Desktop review of policies, procedures and controls in place View of compliance reports and breach registers Where and if applicable, visit asset infrastructure Low level sampling of relevant performance indicators

Details of the audit team members and the hours spent on the performance audit can be seen in table below

Table 3 Engagement Hours

Team Members	Hours
Patrick Warr, Engagement Partner	15
Brock Mackenzie, Engagement Partner	5
Matthew Green, Quality Control Reviewer	10
Brooke Williams, Senior Manager	70
Darren Saldanha, Senior Accountant	105
Laura Darcy, Senior Accountant	100
Total	305

The auditor acknowledges that the inclusion of Darren Saldanha and Laura Darcy to the engagement team is a deviation from the audit plan. The inclusion of these engagement team members enhanced the efficiency of fieldwork throughout the audit. The auditor also acknowledges the inclusion of Brock Mackenzie as Engagement Partner as Patrick Warr left the firm on the 17th October 2019. This has resulted in deviation from the audit plan for additional hours utilised for Brock’s review.

The key legislation, regulations and codes that govern the licensing of providers of gas distribution are:

- The Energy Coordination Act (WA) 1994;
- The Energy Coordination (Customer Contracts) Regulations 2004;
- The Gas Standards Act 1972; and
- The Gas Standards (Gas Supply and System Safety) Regulations 2000.

It is important to emphasise that not all obligations in the Compliance Manual were applicable to ATCO and accordingly the audit did not evaluate the performance of ATCO’s compliance with those obligations. In this regards the following licence obligations were determined to be “not applicable” in accordance with the Audit Guidelines.

- Gas Compliance Reporting Manual 2017 - Obligation 26, 27, 87, 88, 89 & 90.

The auditor acknowledges that the determination of obligation 26, 27, 88, 89 & 90 as “not applicable” is a deviation from the audit plan as these obligations should have been excluded from the audit plan initially. The parameters set in obligation 26 & 27 cannot be adjusted by the licensee therefore, defined as “not applicable”. Obligation 88, 89 & 90 refer to the Energy Coordination (Customer Contract) Regulations which only apply to retailers, not distributors, therefore, defined as “not applicable”.

Audit Approach & Methodology

Risk Identification and Assessment

Grant Thornton analysed each licence compliance element in terms of the inherent risk level, the rated controls and assigned the audit priorities based on the risk level and controls which management exercised over those risks.

Furthermore, we considered and adopted the ERA's Audit Guidelines in conducting the performance audit.

Our fieldwork involved extensive interviews and discussions with the process owner or delegated representative to obtain an understanding of the business environment and organisation structure. Through examination of documents, policies and procedures, we identified key controls. We have undertaken substantive testing to confirm the operational effectiveness of those controls.

The risk assessment rating for each compliance manual reference obligation was reviewed during the fieldwork of the audit and, where applicable, was updated in accordance with the audit findings in this report.

Risk Evaluation

Risk evaluation for ATCO involved Grant Thornton assessing compliance with the requirements of the licence by examining:

- The design effectiveness of the controls through the evaluation of the:
 - Control environment;
 - Information system;
 - Control procedures; and
 - Compliance attitude of management.
- The operating effectiveness of controls throughout the period.
- Tests of operating effectiveness were concerned with how the controls were applied at relevant times during the period under audit, the consistency with which they were applied and by whom or by what means they were applied. The focus was on the systems and effectiveness of processes employed to ensure compliance with the standards, outputs and outcomes required by the licence obligation.

In accordance with the Audit Guidelines, the following compliance rating scale measuring the extent of ATCO's compliance with the applicable licence obligations was employed.

Table 4 - Performance Audit Rating Scale

Risk Treatment

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

If a control risk is identified, which in the Auditor's professional judgement, left untreated, could cause ATCO to become non-compliant with its obligation under the licence, Grant Thornton has provided recommendations to mitigate the risk to an appropriately low level. The treatment of risks either involves reducing the likelihood of the risk materialising or mitigating the impact of the risk.

Review of status of management actions previous audit

Table 5 - Previous Non-Compliance and Audit Recommendations

A. Resolved during the current audit period				
2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
1 01/2016	<p><i>Non-compliant – B2</i></p> <p><i>Energy Coordination Act section 11Q(1-2)</i></p> <p>Discussions with the Senior Manager Risk, Compliance and Internal Audit revealed that there are procedures in place to pay applicable fees in accordance with the prescribed timeframe.</p> <p>Review of invoices for licence fees paid during the audit period revealed that the invoice for the 2014 year was physically received by the licensee from the ERA on 24 July and paid on 15 August 2014. The invoice was required to be paid by 31 July 2014, and was paid 15 days late.</p> <p>Based on audit procedures performed we deem ATCO not compliant with this licence obligation.</p>	<p>We recommend that ATCO build into its compliance calendar a reminder if the invoice from the ERA has not been received 7 days from the licensee anniversary date. This will facilitate the timely payment of licence fees in accordance with the requirements.</p>	08/2017	<p>No further action is required.</p> <p>See current year recommendation in <i>Detailed findings – compliance element requiring corrective action – 01/2019</i></p>

A. Resolved during the current audit period

2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
226 03/2016	<p><i>Non-compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Discussions with the Call Centre Supervisor and Senior Manager Risk, Compliance and Internal Audit revealed that a 24 hour emergency line (13 13 52) is maintained and staffed 24/7 through a rotational roster system.</p> <p>Review of Call Centre Work Instructions demonstrated that in the event that a customer is disconnected from the network for emergency reasons they are advised of a standard estimated restoration time of 4 hours.</p> <p>Obligation 226 was reported as non-compliant in the 2013 Performance Audit as there were no documented procedures in place to inform its customers of an estimated time for the restoration of supply.</p> <p>Notwithstanding that, ATCO has since remedied the cause of the non-compliance on 27 August 2013 by including documented procedures to provide an estimate of the restoration time for customers who were disconnected for emergency reasons, ATCO was non-compliant within the audit period.</p>	Nil.	08/2013	No further action is required.

A. Resolved during the current audit period				
2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
227 04/2016	<p><i>Non-Compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Discussions with the Manager Commercial Operations and Senior Manager Risk, Compliance and Internal Audit revealed that there are procedures and reporting mechanisms in place to support compliance with this licence obligation.</p> <p>Review of ATCO 2013/2014 compliance report noted that ATCO has self-reported a disconnection that was outside the circumstances specified in clause 7.6. ATCO has since implemented internal procedures whereby the time that Contractor can perform the disconnection is more rigorous. Furthermore, field members are to undertake regular “toolbox” meetings whereby the requirement to comply with the requirements is reinforced.</p> <p>Sample based testing of 35 disconnections during the audit period and review of minutes of meetings held with ATCO’s Contractors did not identify any exceptions where ATCO or its Contractors had arranged for a disconnection outside the specified circumstances in clause 7.6.</p> <p>Based on our understanding of the cause and the subsequent actions implement by ATCO. We do not have any subsequent recommendations for this non-compliance matter.</p>	Nil.	12/2014	<p>Yes further action required.</p> <p>See current year recommendation in <i>Detailed findings – compliance element requiring corrective action – 03/2019</i></p>

A. Resolved during the current audit period				
2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
230 05/2016	<p><i>Non-Compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Discussions with the Manager Commercial Operations and Senior Manager Risk, Compliance and Internal Audit and review of ATCO's compliance reports revealed that ATCO had self-reported two breaches in regard to this licence obligation.</p> <p>We understand that in February 2015 the obligation was revised to address circumstances where reconnection did not occur within the prescribed timeframe due to access or safety issues.</p> <p>Notwithstanding the amendments to the licence obligation, two reconnections in the 2013/2014 period were determined to be non-compliant.</p> <p>We note that as a result of the non-compliance identified in 2013/2014 ATCO and its Contractor have implemented a process whereby daily reporting is used to monitor the progress of reconnection jobs issued. This process improvement strengthened internal controls surrounding the reconnection process to address the cause of the non-compliance as detailed below.</p> <p>Furthermore, one reconnection was identified as non-compliant in 2014/2015 for exceeding the timeframe required in the licence obligation due to an IT system issue.</p> <p>ATCO has since remedied the cause of this non-compliance prior to the end of the audit period by rolling out an NIMS system upgrade on the 12 August 2015.</p> <p>Sample based testing of 35 reconnections within the audit period did not identify any exceptions.</p> <p>Based on our understanding of the cause and the subsequent actions implement by ATCO. We do not have any subsequent recommendations for this non-compliance matter.</p>	Nil.	12/2014	Yes further action required. See current year recommendation in <i>Detailed findings – compliance element requiring corrective action – 04/2019</i>

A. Resolved during the current audit period				
2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
250 06/2016	<p><i>Non-compliant – A2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Discussions with the Senior Manager Risk, Compliance and Internal Audit and Account Receivables Officer revealed that all invoices are generated off a template which is defined with SAP.</p> <p>It was identified during the 2013 Performance Audit that TTY information was not included on the previous invoice template. This issue was rectified and template updated on 9th September 2013.</p> <p>Review of the invoice template at the time fieldwork was conducted revealed that TTY information was included as part of this template and transposed onto invoices generated in the system.</p> <p>Sample based testing of 35 invoices to customer during the period did not identify any exceptions.</p> <p>Notwithstanding that ATCO has since remedied the cause of the failure to provide the telephone number for TTY services, ATCO was non-compliant within the audit period. ATCO has complied with the licence condition post implementation of the revised template on 9 September 2013.</p>	Nil.	09/2013	No further action is required.

A. Resolved during the current audit period

2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
(271) 09/2016	<p><i>Non-compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>It was a finding from the 2013 Performance Audit that AGA was not recording complaints resolved on first contact.</p> <p>Discussions with the Customer Relations Coordinator, Supervisor Call Centre and Senior Manager Risk, Compliance and Internal Audit revealed that since 1 January 2015 AGA has implemented a new complaints handling procedure to clarify the definition of a complaint and functionality within SAP to record complaints on first contact. This has remedied the cause of the failure to keep a record of customer complaints in accordance with the requirements.</p> <p>Review of training documentation and sample based testing of 35 complaint calls demonstrated that all Call Centre Representatives attended training on the new process and are aware of the definition of a complaint and the process to record complaints resolved on first contact within the system.</p> <p>Notwithstanding that AGA has since remedied the cause of the failure to keep a record of customer complaints in accordance with the requirements, AGA was non-compliant prior to the implementation of the revised complaints handling procedure on 1 January 2015.</p>	Nil.	12/2014	No further action is required.

A. Resolved during the current audit period

2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Date Resolved	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
(276) 10/2016	<p><i>Non-compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Review of AGA's record keeping process confirmed the existence of a process to facilitate the maintenance of data in accordance with the requirements of this obligation.</p> <p>Based on our observations made under obligation number (271) we noted the existence of inaccurate complaints records maintained and determined that AGA did not keep the required record in compliance with this obligation prior to the implementation of the revised complaints handling procedure on 1 January 2015.</p> <p>We understand that this licence obligation was removed in February 2015 and consolidated under licence obligation 281.</p> <p>Notwithstanding that AGA has since remedied the cause of the failure to keep a record of customer complaints in accordance with the requirements, AGA was non-compliant prior to the implementation of the revised complaints handling procedure on 1 January 2015.</p>	Nil.	12/2014	No further action is required.

B. Unresolved at the end of the current audit period

2016 Compliance Manual Reference Number	Compliance Rating/Legislative Obligation/details of issue	Auditors' Recommendation	Further Action Required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable.
<p>254 07/2016</p>	<p><i>Non-Compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Discussions with the Call Centre Supervisor and Senior Manager Risk, Compliance and Internal Audit revealed that ATCO had implemented a new complaints handling process based on the findings from the 2013 Performance Audit on the 31 December 2014. As part of this process ATCO will escalate a customer complaint to a senior employee if the customer is determined to be dissatisfied with the response provided by the Call Centre Representative.</p> <p>Sample based testing of 35 complaints recorded within the period revealed that in all cases where the customer was determined to be dissatisfied by the Call Centre Representative the complaint was escalated to a senior employee within the business. However, we note that it was not normal practice to advise the customer of their right to have their complaint considered by a senior employee.</p> <p>Based on discussions held and sample based testing, we determine that ATCO was not compliant with this licence obligation.</p>	<p>We recommend that ATCO insert a step in the complaints handling process whereby at the point that the Call Centre Representative identifies the call as a complaint, the Call Centre Representative advises the customer of their right to have their complaint heard by a senior employee within the business.</p>	<p>Yes further action required.</p> <p>See current year recommendation in <i>Detailed findings – compliance element requiring corrective action – 06/2019</i></p>
<p>255 08/2016</p>	<p><i>Non-Compliant – B2</i></p> <p><i>Energy Coordination Act section 11M</i></p> <p>Discussions with the Call Centre Supervisor and Senior Manager Risk, Compliance and Internal Audit revealed if a customer had not responded to a complaint resolution provided by ATCO the complaint was determined to be resolved.</p> <p>Sample based testing of 35 complaints identified a written response where ATCO did not actively advise the customer of their rights to raise the complaint with the Energy Ombudsman, if the customer was unsatisfied with the response provided.</p> <p>We did note that all written complaints were responded by ATCO in writing and where requested by the customer for complaint calls.</p> <p>Based on discussions held and sample based testing, we determine that ATCO was not compliant with this licence obligation.</p>	<p>We recommend:</p> <ol style="list-style-type: none"> 1. When responding to a complaint the information for the Energy Ombudsman to be included in a template on all written responses to customer complaints; and 2. Include and implement a mechanism whereby all if the customer is not satisfied with the response provided by ATCO the Energy Ombudsman details are provided. 	<p>Yes further action required.</p> <p>See current year recommendation in <i>Detailed findings – compliance element requiring corrective action – 07/2019</i></p>

Overall Compliance Summary

The performance audit covers ATCO's GDL8, for the 36 month period 1 July 2013 to 30 June 2016 and tested a total of 67 licence obligations.

Table 2 presents the audit compliance summary for each manual reference obligation.

Key	
Font in black	Refer to January 2017 Gas Compliance Reporting Manual
Font in purple	Refer to August 2015 Gas Compliance Reporting Manual

Table 6 - Overall Compliance Summary

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)				
			A	B	C	D	N/P	1	2	3	4	N/R
1 1	Distribution Licence cl 4.1	2	✓						✓			
6 6	Distribution Licence cl 5.1	5	✓					✓				
7 7	Distribution Licence cl 14.1	5	✓					✓				
8 8	Distribution Licence cl 14.1 and 14.2	4	✓					✓				
9 9	Distribution Licence cl 14.3	5	✓					✓				
10 10	Distribution Licence cl 15.1	4	✓					✓				

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)					
			A	B	C	D	N/P	1	2	3	4	N/R	
17 17	Distribution Licence cl 5.1	5					✓						✓
18 18	Distribution Licence cl 17.1	4	✓					✓					
20 20	Distribution Licence cl 5.1	4	✓					✓					
21 21	Distributor Licence cl 5.1	4	✓					✓					
22 22	Distributor Licence cl 5.1	4					✓						✓
23 23	Distribution Licence cl 5.1	4					✓						✓
24 24	Distribution Licence cl 17	4	✓					✓					

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)				
			A	B	C	D	N/P	1	2	3	4	N/R
25 25	Distribution Licence cl 5.1	2	✓					✓				
28 28	Distribution Licence cl 5.1	2	✓					✓				
92 92	Distribution Licence cl 12	2	✓					✓				
93 93	Distribution Licence cl 13	4					✓					✓
94 94	Distribution Licence cl 14.4	4	✓					✓				
95 95	Distribution Licence cl 14.6	5	✓					✓				
96 96	Distribution Licence cl 15.2	4	✓					✓				

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)				
			A	B	C	D	N/P	1	2	3	4	N/R
97 97	Distribution Licence cl 15.4	5	✓					✓				
98 98	Distribution Licence cl 16	5					✓					✓
99 99	Distribution Licence cl 18	5	✓					✓				
100 100	Distribution Licence cl 19.1	4	✓					✓				
101 101	Distribution Licence cl 20	4					✓					✓

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)				
			A	B	C	D	N/P	1	2	3	4	N/R
102 102	Distribution Licence cl 21.1	4	✓					✓				
103 103	Distribution Licence cl 22	4	✓					✓				
104 104	Distribution Licence Sch 3 cl 1	4	✓					✓				
105 105	Distribution Licence Sch 3 cl 2	4	✓					✓				
226 226	Distribution Licence cl 2.1 and Sch 2 Compendium cl 7.5	4	✓					✓				
227 227	Distribution Licence cl 2.1 and Sch 2 Compendium cl 7.6	1		✓					✓			

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)					
			A	B	C	D	N/P	1	2	3	4	N/R	
230 230	Distribution Licence cl 2.1 and Sch 2 Compendium cl 8.2(1)-(3)	1		✓						✓			
230A 230A	Distribution Licence cl 2.1 and Sch 2 Compendium cl 8.2(4)	4	✓						✓				
230B 230B	Distribution Licence cl 2.1 and Sch 2 Compendium cl 8.2(5)	1	✓							✓			
244 244	Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.6	4	✓						✓				
245 245	Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.9	5	✓						✓				
247 247	Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.10(2)	4	✓						✓				
249 249	Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.11(1)	4	✓						✓				

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)				
			A	B	C	D	N/P	1	2	3	4	N/R
250 250	Distribution Licence cl 2.1 and Sch 2 Compendium cl 10.11(2)	4	✓					✓				
251 251	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(1)	4	✓					✓				
252 252	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(2)(a), (b) & (d)	4	✓					✓				
254 254	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(3)(a)	1		✓					✓			
255 255	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(3)(b)	3		✓					✓			
255A 255A	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.1(4)	1		✓					✓			
257 257	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.3	4	✓					✓				

Compliance Obligation Reference No.	Licence Obligation	Audit Priority applied (Rated 1 – highest to 5 lowest)	Controls Rating (Refer to the four point rating scale in Table 2 for details)					Compliance Rating (Refer to the four point rating scale in Table 2 for details)				
			A	B	C	D	N/P	1	2	3	4	N/R
258 258	Distribution Licence cl 2.1 and Sch 2 Compendium cl 12.4	4		✓					✓			
281 281	Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.1	4	✓					✓				
282 282	Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.2	4	✓					✓				
283 283	Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.3	4	✓					✓				

Detailed findings – compliance element requiring corrective action

Reference No	Licence reference & Summary of licence obligation	Audit priority	Observations & Recommendation	Controls rating	Compliance rating
1 1	A licensee must pay the applicable fees in accordance with the Regulations (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5).	2	<p>Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor revealed that there are procedures in place to pay applicable fees in accordance with the prescribed timeframe.</p> <p>Review of the ETF Remittance advice for licence fees paid during the audit period revealed that the invoice for the 2017 year from the ERA was dated 18 July 2017. The invoice was required to be paid by 31 July 2017, and was paid two days late.</p> <p>Based on audit procedures performed we deem ATCO not compliant with this licence obligation.</p> <p>Recommendation 01/2019: We recommend prioritising the ERA invoice if it arrives late and the payment of the invoice occurs prior to 31 July to ensure compliance with the licence obligation.</p>	A	2
227	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.	1	<p>Discussions with the Manager Commercial Operations and Senior Manager Business Services, Risk & Compliance revealed that there are procedures and reporting mechanisms in place to support compliance with this licence obligation.</p> <p>ATCO had 3 self-reported disconnection breaches outside the circumstances specified in clause 7.6 for the audit period. All breaches identified were in the remove regulator or street level disconnections. Internally, no non-compliant disconnections were identified for an Apply Meter Lock ("AML") disconnection outside the prescribed timeframe. During the audit period ATCO put into place an automated preventative control on its PDA devices that are utilised for AML service orders. This will lock the Contractor out from accepting the service order after 2.30pm. For its remove regulator and street level disconnections ATCO utilises a field mobility device. This device does not have an automatic lock out function built in; however, the ATCO planning team have daily monitoring and detective controls in place to prevent a disconnection occurring outside the prescribed timeframe. During the audit period ATCO internally brought forward the timeframe for disconnections for the above service order types to prior to 12pm, previously 2.30pm.</p> <p>Sample based testing of 45 disconnections during the audit period and review of minutes of meetings held with ATCO Contractors did not identify any exceptions where ATCO or its</p>	B	2

			<p>Contractors had arranged for a disconnection outside the specified circumstances in clause 7.6.</p> <p>Based on the above, we determined ATCO to be non-compliant with this obligation.</p> <p>Recommendation 02/2019: As implemented on the PDA devices, a lockout function should be explored for implementation on the field mobility devices. Training of staff around the matter must be consistent and rigorous.</p>		
230	<p>A distributor must reconnect the customer's supply address upon the request of a retailer and subject to the retailer complying with the retail market rules, within 2 business days of receipt of the request, or where the retailer has notified the distributor of a later date for reconnection, within 2 business days of that later date. In the event of an emergency or where access to the customer's supply address has been restricted or where it is unsafe to reconnect the customer's supply address, the distributor must reconnect the customer's supply address within 2 business days from becoming aware that the relevant issue has been resolved. Where reconnection requires excavation, the distributor must reconnect the customer's supply address within 10 business days of receipt of the request to reconnect.</p>	1	<p>Discussions with the Planning Manager revealed that there are procedures and reporting mechanisms in place to support compliance with this licence obligation. ATCO has improved its procedures in place in the current audit period to monitor and check SAP reports twice a day for reconnections and any rescheduling required. We note that reconnection appointments are required to be scheduled for completion the following business day. If the customer needs to reschedule, these details are recorded in the NMIS and fed into SAP with the rescheduled date.</p> <p>Sample based testing of 45 service orders during the audit period did not identify any instances of non-compliance with the licence obligation.</p> <p>However, review of datasheets for the audit period revealed ATCO self-reported 31 non-compliances during the audit period.</p> <p>Based on the above, we determined ATCO to be non-compliant with this obligation.</p> <p>Recommendation 03/2019: More attention given to the elimination of administrative errors, with perhaps the Planning Manager reviewing issued reconnections on a periodic basis. Improved communication with the field officers regarding their workflow status is also necessary to avoid reconnection jobs being missed.</p>	B	2
254	<p>When responding to a customer complaint a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).</p>	1	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that ATCO utilise scripts and email templates for correspondence with complainants and all interactions are required to be documented within SAP. The call scripts and email templates contain the option for the customer to have their complaint heard by a senior employee in the event they are dissatisfied with ATCO's initial response. The script and template are contained within the Complaints Handling Process as well as being kept on the Call Centre Representative's desk.</p> <p>Sample based testing of 45 complaints recorded within the audit period revealed on one occasion, all interactions with the customer occurred via email were inspected and it was noted the ATCO representative did not advise the customer of the right to have their complaint heard by a senior employee. On 36 other occasions, call recordings could not be retrieved, and the file notes in SAP did not document whether the required disclosure was provided to demonstrate compliance with this obligation.</p>	B	2

			<p>Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.</p> <p>Recommendation 04/2019: We recommend that ATCO perform a re-training of all staff who interact with customers who may make a complaint to emphasise the importance of capturing all information when conversations occur over the phone or face to face and direct them to the Complaints Handling process for email templates and call scripts.</p>		
255	<p>When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Free call telephone number of the gas ombudsman.</p>	3	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that ATCO have implemented a four tiered approach to complaint handling where the next tier is required where the customer is not satisfied with the response received; initial contact with the customer, first escalation, second escalation and finally escalation to the Energy & Water Ombudsman. The complaints process is contained within the Complaints Handling Procedures. ATCO will endeavour to resolve all complaints internally. Furthermore, email templates refer the customer to the Complaints Handling Process, which contains the details of the Energy & Water Ombudsman.</p> <p>Sample based testing of 45 complaints recorded within the audit period revealed on two occasions, there was sufficient evidence to demonstrate non-compliance with this licence obligation due to insufficient detail contained within SAP notes. On both occasions, the customer was noted as dissatisfied, however the details of the Energy & Water Ombudsman were not provided.</p> <p>On these two occasions, call recordings could not be retrieved, and the file notes in SAP did not document whether the complaint was resolved at a level acceptable to the customer.</p> <p>Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.</p> <p>Recommendation 05/2019: We recommend that ATCO perform a re-training of all staff who interact with customers who may make a complaint to emphasise the importance of capturing all information when conversations occur over the phone or face to face and also that capturing the level of satisfaction of the customer is crucial for meeting licence obligations.</p>	B	2
258	<p>When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).</p>	4	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that staff are aware of their responsibilities. Review of the Complaints Handling Procedure revealed ATCO staff are required to direct customers to the appropriate entity where the complaint does not relate to ATCO.</p> <p>Sample based testing of 45 complaints recorded within the audit period revealed on one occasion, the Call Centre Representative was aware of the appropriate entity, however did not provide the details of the entity.</p>	B	2

		<p>Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.</p> <p>Recommendation 06/2019: We recommend that ATCO perform a re-training of all staff who interact with customers who may make a complaint to emphasise the importance of providing the customer with the details of the external entity if the complaint does not relate to ATCO. In addition, to emphasise the importance of adhering to ATCO's Complaints Handling Procedure.</p>		
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Detailed Findings – not requiring corrective action

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
6 6	Energy Coordination Act section 11X(3)	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	5	A	1	<p>Discussions with the Supervisor Control Room, Manager Network Control and Team Leader Customer Experience, established that ATCO have an Emergency Response Management Plan, escalation process map and other procedures in place to minimise the extent of the duration of any interruption due to emergency. We reviewed these documents and established that they are adequate in content. Sample based testing of 5 emergency line calls determined that all were handled correctly in response to priority level administered.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
7 7	Energy Coordination Act section 11Y(1)(a)	A licensee must provide for an asset management system in respect of its assets within 2 business days from the commencement date, or from the completion of construction of the distribution system, whichever is later.	5	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance & Senior Risk and Quality Advisor, confirmed that ATCO has a number of policies and procedures in place to support the AMS, and these are comprehensively outlined in the Asset Management Plan.</p> <p>Review of the Asset Management Plan detailed the policies above mentioned is reviewed annually by management to ensure that the policies and procedures in place are still operating effectively.</p> <p>Based on our audit procedures, we have concluded that ATCO has adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
8 8	Energy Coordination Act section 11Y(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the ERA within 10 business days.	4	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance, identified that ATCO upgraded their AMS on 5th September 2017. All asset information such as acquisition, maintenance, disposal and lifecycle cost is streamlined into SAP as a result of the upgrade. Review of documents outlining the changes to the system revealed that the stipulated period for notification to the ERA (within 10 days) was complied with.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
9 9	Energy Coordination Act section 11Y(1)c	A licensee must provide the ERA with a report by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows) as to the effectiveness of the asset management system.	5	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor revealed that a tender process was undertaken to select a suitable independent expert to which ATCO will subsequently seek approval from the ERA of the expert. Review of communication with the ERA revealed that the independent expert and the audit plan was approved by the ERA and the asset management system review was conducted in the timeframe agreed by the ERA. We understand and reviewed communication that ATCO received an extension of the audit period to 36 months for the asset management review.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
10 10	Energy Coordination Act section 11ZA(1)	A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows).	4	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor revealed that a performance audit is conducted by an independent expert within the appropriate timeframes determined by the ERA.</p> <p>Review of communication with the ERA revealed that the independent expert was approved by the ERA and the performance review was conducted in the timeframe agreed by the ERA. We noted that ATCO received an extension of the audit period to 36 months for the performance audit.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
17 17	Energy Coordination Act section 11Z	A licensee must pay the costs and expenses incurred in the taking of an interest or easement in respect of land held by a public ERA.	5	NR	N/P	<p>Discussions with Land Management Coordinator and Senior Risk and Quality Advisor revealed ATCO has not taken any new easements of land within the audit period.</p> <p>In the absence of activity within the audit period, we are unable to rate the compliance of this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
18 18	Energy Coordination Act section 11ZOR(1)	A licensee that transports gas through a distribution system must be a member of an approved retail market scheme if a scheme is in force	4	A	1	<p>Discussions with the Manager Commercial Operations and Senior Risk and Quality Advisor confirmed that ATCO was a member of a retail market scheme. Review of the AEMO Current Registered Participants List - WA Retail Gas on AEMO's website contained the listing of members who make up the retail scheme confirmed ATCO's inclusion.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
20 20	Energy Coordination Act section 11ZOV(1)	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	4	A	1	<p>Discussions with the Manager Commercial Operations, established that ATCO has a strong ethical culture in place to minimise the risk of prohibited conduct occurring, particularly in restricting the operation of a retail market scheme. ATCO stays in regular contact with the market participants, fostering positive relationships. Annual review of internal controls and review of Internal Control Certificates (ICC) support that ATCO's compliance with this licence obligation.</p>
21 21	Energy Coordination Act section 11ZOV(2)	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	4	A	1	<p>Review of the Negative Assurance audit reports' on Retail Market Procedures issued established that no instances where ATCO had participated or assisted another party to participate in prohibited conduct were found.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
22 22	Energy Coordination Act section 11ZOZ(3)	A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.	4	NR	N/P	Discussions with the Manager Commercial Operations and Senior Risk and Compliance Internal Audit Manager revealed that there has been no direction given by the ERA to amend the retail market scheme. In the absence of activity within the audit period we are unable to rate the compliance of this licence obligation.
23 23	Energy Coordination Act schedule 3, section 2(1)	A licensee, as the operator of a supply system, must notify the Minister if a state of emergency exists in relation to a supply system as soon as practicable after becoming aware of it.	4	NR	N/P	Discussions with the Manager Network Control has revealed there were no states of emergency in the period. We obtained and reviewed process documents for response in the event of an emergency and noted there are adequate procedures and policies to meet the obligation should the event arise. In the absence of activity within the audit period we are unable to rate the compliance of this licence obligation.
24 24	Energy Coordination Act section 11ZQH	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the Ombudsman under the Scheme.	4	A	1	Review of invoices issued by the Gas Industry Ombudsman and paid by ATCO revealed that ATCO has been a member of the scheme for the entirety of the audit period. Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
25 25	Energy Coordination Act section 11Z	A licensee must comply with the applicable standards of the Gas Standards Act 1972.	2	A	1	<p>Discussions with the Manager Technical Compliance revealed that the latest Safety Case (Dec 2017) supported compliance with this licence obligation. Review of annual audit reports of the Safety Case (2016-2018) did not identify any non-compliance with the Safety Case. We further reviewed the Acceptance Letter received from the regulator and confirmed that this was accepted and compliant.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
28 28	Energy Coordination Act section 11Z	A licensee shall not commence to supply gas to a customer's gas installation unless that installation meets the requirements prescribed in respect of that installation.	2	A	1	<p>Discussions with the Manager Gas Inspection and Senior Risk and Quality Advisor revealed that new connections were required to be inspected by approved personnel in accordance with ATCO's Inspection Plan which is approved by the Director of Energy Safety. Review of subsequent direction given by the Director of Energy Safety on a yearly basis confirmed that the current Inspection Plan was deemed appropriate.</p> <p>Sample based testing of 35 gas inspections within the audit period revealed that the inspection had been completed in accordance with Plan and all requirements prescribed had been met.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
92 92	Energy Coordination Act section 11M	A licensee must continuously operate those parts of the distribution system required to meet its obligations to supply gas, except to the extent necessary for compliance with the Gas Standards (Gas Supply and System Safety) Regulations 2000.	2	A	1	<p>Discussions with Manager Network Control revealed that ATCO has the required controls in place to ensure the continuous operation of its gas distribution supply. Review of the Safety Case and curtailment documents revealed that this was appropriately documented. Further, we note that the Safety Case is audited annually. Review of the audit reports of the Safety Case did not identify any exceptions.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
93 93	Energy Coordination Act section 11M	A licensee must give the ERA written notice where it proposes to permanently cease or substantially decrease its activities under the licence 6 months before the cessation or decrease or, if this is not practicable, as soon as possible.	4	NR	N/P	<p>Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor provided that ATCO has not proposed to permanently cease or substantially decrease its activities during the audit period.</p> <p>In the absence of activity within the audit period, we are unable to rate the compliance of this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
94 94	Energy Coordination Act section 11M	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the asset management review.	4	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor revealed that ATCO engages an expert for its Asset Management Review through a tender process which includes the requirement that the expert must comply with the ERA's standard guidelines.</p> <p>Review of the Asset Management System Review Report issued by the independent expert confirmed the inclusion of requirement to comply with the ERA's standard guidelines.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
95 95	Energy Coordination Act section 11M	A licensee's independent expert must be approved by the ERA prior to reviewing the effectiveness of the asset management system.	5	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor revealed that ATCO seeks the approval of the independent expert before conducting the asset management system review.</p> <p>Review of the correspondence from the ERA to ATCO confirmed ATCO received approval from the ERA for the use of the independent expert who subsequently conducted the review.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
96 96	Energy Coordination Act section 11M	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the performance audit.	4	A	1	<p>Discussions with Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor indicated that once ATCO had engaged an independent auditor to conduct its performance audit, ATCO would seek approval from the ERA.</p> <p>Review of the Performance Audit Report issued by the independent expert confirmed the inclusion of requirement to comply with the ERA's standard guidelines.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
97 97	Energy Coordination Act section 11M	A licensee's independent auditor must be approved by the ERA prior to the performance audit commencement.	5	A	1	<p>Discussions with Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor indicated that once ATCO had engaged an independent auditor to conduct its performance audit, ATCO would seek approval from the ERA.</p> <p>Review of the correspondence from the ERA to ATCO confirmed ATCO received approval from the ERA for the use of the independent expert who subsequently conducted the performance audit.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
98 98	Energy Coordination Act section 11M	A licensee may be subject to individual performance standards.	5	NR	N/P	Discussions with the Manager Commercial Operations and Senior Manager Business Services, Risk & Compliance, revealed that ATCO were not subject to any individual performance standards imposed by the ERA during the period. Furthermore, review of correspondence with the ERA in the period did not reveal any such standards imposed. In the absence of activity within the audit period we are unable to rate the compliance of this licence obligation.
99 99	Energy Coordination Act section 11M	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	5	A	1	Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor, confirmed that all notices provided by ATCO were in writing. The manager also understood the defined parameters in regards to a notice having been sent and received. Based on our audit procedures, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
100 100	Energy Coordination Act section 11M	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	4	A	1	<p>Discussions with the Senior Risk and Quality Advisor, it has been established that the Finance team at ATCO are adequately qualified in their positions and duties. Review of the organizational chart and personnel holding positions within the Finance determined that they has the appropriate skills and qualifications to maintain accounting records in accordance with the AASB.</p> <p>Review of annual audited reports (2016-2018) by PwC revealed that an unqualified opinion was issued. Review quarterly management reports revealed that there was appropriate oversight in regard to preparation of the financial statements. ATCO prepares its financial statements through SAP, with information being accurate, complete and in accordance with Australian Accounting Standards.</p> <p>Based on our audit procedures, we have concluded that ATCO has adequate and effective controls in place to support compliance with this licence obligation.</p>
101 101	Energy Coordination Act section 11M	A licensee must report to the ERA if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	4	NR	N/P	<p>Discussions with the Senior Risk and Quality Advisor revealed that ATCO was not under external administration and has not had experienced a significant change in its corporate, financial or technical circumstances within the audit period.</p> <p>Review of ATCO's financial statements issued within the audit period did not indicate that ATCO was experiencing going concern issues that may force the licensee into external administration.</p> <p>In the absence of activity within the audit period, we are unable to rate the compliance of this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
102 102	Energy Coordination Act section 11M	A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	4	A	1	<p>Discussions with the Senior Risk and Quality Advisor revealed that ATCO is required to submit a performance audit report, asset management review report, compliance report and annual performance report to the ERA.</p> <p>ATCO ensures the manner and form is compliant with the ERA's guidelines by using the template datasheet provided on the ERA website. Review of forms submitted to the ERA did not identify any exceptions with this licence obligation.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
103 103	Energy Coordination Act section 11M	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	4	A	1	<p>Review of correspondence between ATCO and the ERA revealed that ATCO has complied with the specified timeframe of 7 days for publishing information during the audit period.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
104 104	Energy Coordination Act section 11M	A licensee must, in relation to pipelines not covered by the National Access Code, exchange information with a trading licensee under section 9.5 of the National Access Code as if they were covered pipelines.	4	A	1	<p>Discussions with the Manager Commercial Operations and the Senior Manager Business Services, Risk & Compliance, revealed that the Kalgoorlie and Albany GDS (uncovered pipelines) are treated the same as covered pipelines. The data transmission process between ATCO and other gas trading licensees is automated through NMIS.</p> <p>Sample based testing of 10 commercial gas requests confirmed this consistent treatment of uncovered and cover pipelines and sighted confirmation from the retailer was received via an XML file through NMIS.</p> <p>Based on our audit procedures we have concluded that ATCO has adequate and effective controls in place to support compliance with this licence obligation.</p>
105 105	Energy Coordination Act section 11M	A licensee must offer to connect residential premises located within the licence area to the distribution system if requested by a trader, subject to certain defined conditions.	4	A	1	<p>Discussions with the Planning Manager and Senior Risk and Quality Advisor, confirmed that offers to connect were actioned automatically via SAP only once the defined conditions had been validated and passed.</p> <p>Sample based testing of 10 new connections within the audit period confirmed that the offer to connect was made by ATCO to those residential premises where the defined conditions had been met.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
226 226	Energy Coordination Act section 11M	A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line providing the information specified and use its best endeavours to restore supply as soon as possible.	4	A	1	<p>Discussions with the Team Leader Customer Experience and the Supervisor Control Room, revealed that a 24 hour emergency line is maintained and staffed at all times through a rotational roster system. Documented procedures detail the priority of incidents and estimated time of restoration.</p> <p>Sample based testing of 10 emergency line calls confirmed that all required information was communicated to the customer, including ETA of gas supply restoration. We noted that ATCO maintained an internal escalation process, whereby high priority urgent jobs were given a tighter timeframe than those determined to have a lower priority.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
230A 230A	Energy Coordination Act section 11M	If any of the circumstances described in clauses 8.2(3)(b)-(e) apply, the distributor must notify the retailer of the relevant circumstance within 2 business days of receipt of the reconnection request made under clause 8.2(1)	4	A	1	<p>Discussions with the Planning Manager confirmed that the SAP is automated, with immediate notification to the retailer if a reconnection is not able to be performed within the prescribed timeframe. The Planning team also maintains a report showing any outstanding, to be rescheduled or unsuccessful reconnections which is monitored on a regular basis.</p> <p>Sample based testing of 10 reconnection requests, identified no instances where the circumstances described in clauses 8.2(3) applied.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
230B 230B	Energy Coordination Act section 11M	Notwithstanding clause 8.2(1), if a distributor becomes aware that there has been an unauthorised utilisation of gas at the customer's supply address, the distributor must notify the retailer as soon as practicable, and is not obliged to reconnect the supply address until the issue is resolved.	1	A	2	<p>Discussions with the Planning Manager established that Field Officers are adequately trained to notify the ATCO Basic Metering Team immediately of any tampering or unauthorised gas usage. Upon notification, NMIS will notify the Retailer through a B2B communication.</p> <p>The Company identified 1 self-reported non-compliance where the retailer was not advised. ATCO has previously maintained full compliance with this obligation, sighting this instance as an isolated occurrence. This process was reaffirmed with the relevant team to ensure that it is followed at all times.</p> <p>Sample based testing of 10 service orders, did not identify an instance whereby an unauthorised utilisation of gas was identified and required notification.</p> <p>Based on the above, we determined ATCO to be non-compliant with this obligation.</p>
244 244	Energy Coordination Act section 11M	A distributor must give a customer on request, at no charge, or direct the customer to a person or class of persons who can provide, the information specified in clause 10.6(c)-(i).	4	A	1	<p>Discussions with the Supervisor Control Room, Manager Network Control and Team Leader Customer Experience, revealed that ATCO has written and on the job training for all new and existing call centre employees. Review of policy documentation and guidelines and sample based testing of 10 audio call logs from the general enquiry line revealed that employees were adequately trained and able to handle customer queries, or re-direct them to the correct department when needed.</p> <p>Based on our audit procedures we have concluded that ATCO has adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
245 245	Energy Coordination Act section 11M	A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Gas Customer Code is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	5	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance it was established that there the Communications Team is responsible for reviewing information before it is uploaded to the website, ensuring it is clear, simple and concise.</p> <p>Review of documents accessible on the ATCO website and can confirm that written information has been expressed in clear, simple and concise language.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
247 247	Energy Coordination Act section 11M	A distributor must advise a customer on request how the customer can obtain a copy of the Compendium and make a copy of the Compendium available on the distributor's website and at the offices of the distributor at no charge.	4	A	1	<p>Discussions with Senior Risk and Quality Advisor revealed that the compendium is easily accessible free of charge on the ATCO website and employees in the Call Centre and on Reception are adequately trained to handle requests for a copy to be provided.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
249 249	Energy Coordination Act section 11M	A retailer and distributor must make available to a residential customer on request, at no charge, services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	4	A	1	<p>Discussions with the Senior Manager Business Services, Risk & Compliance, and the Senior Quality and Assurance Officer confirmed that ATCO offers TTY and multilingual services to customers free of charge. Review of training documentation identified that Call Centre Staff are trained in this area and can involve an interpreter if required. The Customer Service area of the website also clearly details these contact numbers.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
250 250	Energy Coordination Act section 11M	A retailer and, where appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning: the telephone number for their TTY services; the telephone number for independent multi-lingual services; the National Interpreter Symbol with the words "Interpreter Services".	4	A	1	<p>Discussions with the Senior Risk and Quality Advisor provided that ATCO utilises FI Financials to generate invoices. The template for invoicing is an automated process, pre-filling all required TTY and Interpreter Services details consistently on each invoice.</p> <p>Sample based testing of 10 invoices and found no instances of non-compliance with specified requirements of this licence obligation.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
251 251	Energy Coordination Act section 11M	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	4	A	1	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that ATCO has developed, maintained and implements an internal process for complaints handling.</p> <p>Inspection and review of the Complaints Handling Procedure confirmed it was in place.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
252 252	Energy Coordination Act section 11M	The complaints handling process under clause 12.1(1) must comply with AS ISO 10002 –2014 and address, at the least, the criteria specified in clause 10.2(b).The complaints handling process must be available at no cost to customers.	4	A	1	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that ATCO has developed, maintained and implements an internal process for complaints handling.</p> <p>Inspection of the Complaints Handling Procedure confirmed it was developed in line with AS ISO 10002 - 2014. It was noted the general governing principles of the standard are included within the procedure. Further, the procedure includes the requirements of Compendium clause 12.1(2)(a) and (b) at a minimum.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
255A 255A	Energy Coordination Act section 11M	A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	1	B	2	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that written complaints are investigated upon receipt. The Customer Relations Coordinator maintains a spreadsheet which tracks the time between when the complaint is received and when the acknowledgement or response is due. The Customer Relations Coordinator also sets calendar reminders to follow up on complaints and ensure the timeline is adhered to.</p> <p>Sample based testing of 45 complaints recorded within the audit period did not identify any exceptions where the customer did not receive a response from ATCO within 20 business days of receipt of the complaint.</p> <p>However, ATCO self reported an incident in 2018 whereby a customer was provided a written response 21 business days, 1 business day outside the prescribed timeframe.</p> <p>Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
257 257	Energy Coordination Act section 11Z	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	4	A	1	<p>Discussions with the Team Leader Customer Experience and Senior Risk and Quality Advisor revealed that ATCO has developed, maintained and implements an internal process for complaints handling and Call Centre Representatives were aware of their responsibilities regarding providing customers with information to assist in the complaints handling process. Discussions with the Call Centre Representative and observation of process to provide information upon request confirmed that the representatives understood the provision of information on request at no charge.</p> <p>We reviewed information regarding how a customer can make a complaint is publicly available on ATCO's website at no cost.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
281 281	Energy Coordination Act section 11M	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	4	A	1	<p>Discussions with the Senior Risk and Quality Advisor confirmed that ATCO has processes and procedures in place to comply with this licence obligation.</p> <p>Review of performance reports and datasheets submitted in the period revealed that information has been set out in accordance with the information specified by the ERA.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

No 2017 (2015)	Obligation	Description	Audit Priority	Compliance Rating		Observation
<p>282</p> <p>282</p>	<p>Energy Coordination Act section 11M</p>	<p>A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA</p>	<p>4</p>	<p>A</p>	<p>1</p>	<p>Review of the reports issued to the ERA in the period established that ATCO has complied with the information requests from the ERA in regards to preparing the required reports and datasheets in the correct date, manner and form.</p> <p>Inspection of the reports confirmed that ATCO utilised the report template datasheets that are accessible on the ERA website. Review of correspondence between ATCO and the ERA confirmed that the reports were compliant.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
<p>283</p> <p>283</p>	<p>Energy Coordination Act section 11M</p>	<p>A report referred to in clause 13.1 must be published by the date specified by the ERA.</p>	<p>4</p>	<p>A</p>	<p>1</p>	<p>Review of correspondence emails between ATCO and the ERA revealed that ATCO has complied with the ERA's specified timeframe of 7 days for publishing information to its website.</p> <p>Based on our audit procedures we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>

Recommendation Summary

Table 7 - Recommendation Summary - Recommendations to address current non-compliances and control deficiencies

B. Unresolved at end of current Audit period			
Compliance Manual Reference	Compliance rating / Legislative Obligation / details of the issue)	Auditors' Recommendations	Management Action Taken by the end of the Audit period
1 1 01/2019	A2	We recommend prioritising the ERA invoice if it arrives late and the payment of the invoice occurs prior to 31 July to ensure compliance with the licence obligation.	
	Distribution Licence cl 4.1		
	Discussions with the Senior Manager Business Services, Risk & Compliance and Senior Risk and Quality Advisor revealed that there are procedures in place to pay applicable fees in accordance with the prescribed timeframe. Review of the ETF Remittance advice for licence fees paid during the audit period revealed that the invoice for the 2017 year from the ERA was dated 18 July 2017. The invoice was required to be paid by 31 July 2017, and was paid two days late. Based on audit procedures performed we deem ATCO not compliant with this licence obligation.		
227 227 02/2019	B2	As implemented on the PDA devices, a lockout function should be explored for implementation on the field mobility devices. Training of staff around the matter must be consistent and rigorous.	
	Energy Coordination Act section 11M		
	Discussions with the Manager Commercial Operations and Senior Manager Risk, Compliance and Internal Audit revealed that there are procedures and reporting mechanisms in place to support compliance with this licence obligation. ATCO had 3 self-reported disconnection breaches outside the circumstances specified in clause 7.6 for the audit period. All breaches identified were in the remove regulator or street level disconnections. Internally, no non-compliant		

B. Unresolved at end of current Audit period

Compliance Manual Reference	Compliance rating / Legislative Obligation / details of the issue)	Auditors' Recommendations	Management Action Taken by the end of the Audit period
	<p>disconnections were identified for an Apply Meter Lock ("AML") disconnection outside the prescribed timeframe. During the audit period ATCO put into place an automated preventative control on its PDA devices that are utilised for AML service orders. This will lock the Contractor out from accepting the service order after 2.30pm. For its remove regulator and street level disconnections ATCO utilises a field mobility device. This device does not have an automatic lock out function built in; however, the ATCO planning team have daily monitoring and detective controls in place to prevent a disconnection occurring outside the prescribed timeframe. During the audit period ATCO internally brought forward the timeframe for disconnections for the above service order types to prior to 12pm, previously 2.30pm.</p> <p>Sample based testing of 45 disconnections during the audit period and review of minutes of meetings held with ATCO Contractors did not identify any exceptions where ATCO or its Contractors had arranged for a disconnection outside the specified circumstances in clause 7.6.</p> <p>Based on the above, we determined ATCO to be non-compliant with this obligation.</p>		
<p>230 230 03/2019</p>	<p>B2</p> <p>Energy Coordination Act section 11M</p> <p>Discussions with the Planning Manager revealed that there are procedures and reporting mechanisms in place to support compliance with this licence obligation. ATCO has improved is procedures in place in the current audit period to monitor and check SAP reports twice a day for reconnections and any rescheduling required. We note that reconnection appointments are required to be scheduled for</p>	<p>More attention given to the elimination of administrative errors, with perhaps the Planning Manager reviewing issued reconnections on a periodic basis. Improved communication with the field officers regarding their workflow status is also necessary to avoid reconnection jobs being missed.</p>	

B. Unresolved at end of current Audit period

Compliance Manual Reference	Compliance rating / Legislative Obligation / details of the issue)	Auditors' Recommendations	Management Action Taken by the end of the Audit period
	<p>completion the following business day. If the customer needs to reschedule, these details are recorded in the NMIS and fed into SAP with the rescheduled date.</p> <p>Sample based testing of 45 service orders during the audit period did not identify any instances of non-compliance with the licence obligation.</p> <p>However, review of datasheets for the audit period revealed ATCO self-reported 31 non-compliances during the audit period.</p> <p>Based on the above, we determined ATCO to be non-compliant with this obligation.</p>		
<p>254 254 04/2019</p>	<p>B2</p> <hr/> <p>Energy Coordination Act section 11M</p> <hr/> <p>Discussions with the Team Leader Customer Experience and Quality and Assurance Officer revealed that ATCO utilise scripts and email templates for correspondence with complainants and all interactions are required to be documented within SAP. The call scripts and email templates contain the option for the customer to have their complaint heard by a senior employee in the even they are dissatisfied with ATCO's initial response. The script and template are contained within the Complaints Handling Process as well as being kept on the Call Centre Representative's desk.</p> <p>Sample based testing of 45 complaints recorded within the audit period revealed on 36 occasions, insufficient evidence existed to demonstrate compliance with this obligation. On one occasion, all interactions with the customer occurred via email were inspected and it was noted the ATCO representative did not advise the customer of the right to have their complaint heard by a senior employee.</p>	<p>We recommend that ATCO perform a re-training of all staff who interact with customers who may make a complaint to emphasise the importance of capturing all information when conversations occur over the phone or face to face and direct them to the Complaints Handling process for email templates and call scripts.</p>	

B. Unresolved at end of current Audit period

Compliance Manual Reference	Compliance rating / Legislative Obligation / details of the issue)	Auditors' Recommendations	Management Action Taken by the end of the Audit period
	Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.		
<p>255 255 05/2019</p>	<p>B2</p> <p>Energy Coordination Act section 11M</p> <p>Discussions with the Team Leader Customer Experience and Quality and Assurance Officer revealed that ATCO have implemented a four tiered approach to complaint handling where the next tier is required where the customer is not satisfied with the response received; initial contact with the customer, first escalation, second escalation and finally escalation to the Energy & Water Ombudsman. The complaints process is contained within the Complaints Handling Procedures. ATCO will endeavour to resolve all complaints internally. Furthermore, email templates refer the customer to the Complaints Handling Process, which contains the details of the Energy & Water Ombudsman.</p> <p>Sample based testing of 45 complaints recorded within the audit period revealed on two occasions, there was insufficient evidence to determine if the complaint was resolved at a level acceptable to the customer. On two occasions, there was sufficient evidence to demonstrate non-compliance with this licence obligation due to the insufficient detail contained within SAP notes. On two occasions, the customer was noted as dissatisfied, however the details of the Energy & Water Ombudsman were not provided.</p> <p>Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.</p>	<p>We recommend that ATCO perform a re-training of all staff who interact with customers who may make a complaint to emphasise the importance of capturing all information when conversations occur over the phone or face to face and also that capturing the level of satisfaction of the customer is crucial for meeting licence obligations.</p>	

B. Unresolved at end of current Audit period

Compliance Manual Reference	Compliance rating / Legislative Obligation / details of the issue)	Auditors' Recommendations	Management Action Taken by the end of the Audit period
<p>258 258 06/2019</p>	<p>B2</p> <hr/> <p>Energy Coordination Act section 11M</p> <hr/> <p>Discussions with the Team Leader Customer Experience and Quality and Assurance Officer revealed that staff are aware of their responsibilities. Review of the Complaints Handling Procedure revealed ATCO staff are required to direct customers to the appropriate entity where the complaint does not relate to ATCO.</p> <p>Sample based testing of 45 complaints recorded within the audit period revealed on one occasion, the Call Centre Representative was aware of the appropriate entity, however did not provide the details of the entity.</p> <p>Based on discussions held and sample based testing, we determine ATCO was not compliant with this obligation.</p>	<p>We recommend that ATCO perform a re-training of all staff who interact with customers who may make a complaint to emphasise the importance of providing the customer with the details of the external entity if the complaint does not relate to ATCO. In addition, to emphasise the importance of adhering to ATCO's Complaints Handling Procedure.</p>	

Appendix 1- Audit Evidence

Table 8 - Audit Evidence - Documentation

Name of Document
Approval of Auditor (Ausenco) – 2016 AMS Review
101884-PLN-0001 ATCO AMS Review Plan
AGA COM PR02-WI12 Curtailment
TCO-PL00001 Emergency Response Management Plan
TCO PL00005 AGA Gas Distribution System Safety Case
ATCO Gas Australia 2017 Asset Management System Review Report
Audit Plan 2017 – Compliance Calendar
Acknowledgement letter 2017 AMS
TCO PR0002 Management of Change
Draft report to ERA AGA Asset Management System Review Report
Approval of Review Plan – 2017 AMS Review ATCO Gas Pty Ltd
ATCO letter – AMS Change 2017
ERA Acknowledgement AMS change 2017
Asset Lifecycle Strategy – Asset Management Plan
ERA Remittance Advice – 2016, 2017, 2018
Springboard invoice Template change 2016
ATCO Gas Australia Financial report – 31 December 2016, 2017, 2018
Management Accounts Q1 & Q2 2019
Organisational Chart – Finance
Incident Escalation Process Map
Call Centre Scripting Sheet
CCT WI001 RF01 Call Centre Quick Reference Guide
OPS PR0001 Gas Supply System Emergency
Gas Meter Box Location Handbook
2016 208399 Site Inspection Leak Repair
NCN MA00001 Connection Process Handbook

Connection Process Handbook
2016 Performance Audit Report ATCO GDL008
Performance Report to ERA FY18
2016, 2017, 2018 & 2019 (DRAFT) Gas Distribution Licence Performance Reporting Handbook
RMT PR0001 Preparation and Submission of Annual Performance Report
2016, 2017, 2018 & 2019 (DRAFT) Gas Distribution Licence Performance Reporting Datasheets
2016 Audit report ERA acknowledgement
ERA approval of auditor 2016 & 2019
Letter to Licensee – Type 1 Contravention
ATCO response to Type 1 Contravention
COM PR0002 Complaints Handling Procedure
COM PO00003 Complaints Policy
COM PL00001 Complaints Framework
LNM PR0001 Lodgement of Easements
AGA ENG PR03 Acquisition of Land
G Class Form
INS PL00001 Inspection Policy Statement & Plan
AGA R&R PR25 Class G Installation Inspections
ATCO Gas Australia Inspection Plan – Quarterly Reports 2016-2019
2016 Safety Case External Audit
TCO PL00005 AGA Gas Distribution System Safety Case
Safety Case Acceptance Letter – Jan 2018
AGA R&R PR04 Technical Compliance Audit Procedure
2018 Safety Case Internal Audit Report
2017 Safety Case Internal Audit Report
Notice of Exemption from ATCO Inspection Policy Statement and Plan
Risk Register
Master Obligation Register
Compliance Report 2017, 2018

Appendix 2 - Audit Evidence

Table 9 - Audit Evidence - Personnel

Positions of ATCO personnel	Area
Senior Manager Business Services, Risk & Compliance	Risk & Compliance
Senior Risk and Quality Advisor	Risk & Compliance
Manager Commercial Operations	Commercial
Manager Gas Inspection	Gas Inspection
Gas Inspection Coordinator	Gas Inspection
Planning Manager	Construction Planning
Supervisor, UAFG and Network Monitoring	Network Monitoring & Data Management
Manager Network Control	Network Control
Manager Customer Experience	Customer Experience
Team Leader Customer Experience	Call Centre
Supervisor Control Room	Control Room
Manager Technical Compliance	Technical Compliance
Customer Relations Coordinator	Call Centre
Planner	Planning - Projects
Land Management Coordinator	Customer Projects
Manager Engineering Services	Engineering Services
Manager Asset Services	Asset Services



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