

# *Performance Audit Report*

*Performance Audit –  
Electricity Retail Licence  
(ERL1)  
Final report  
17 February 2020*

*Electricity Generation  
and Retail Corporation,  
trading as Synergy*

*17 February 2020*



Mr Simon Thackray  
Manager Regulation and Compliance  
Electricity Generation and Retail Corporation trading as Synergy  
219, St. Georges Terrace  
Perth WA 6000

17 February 2020

Dear Simon

**Electricity Generation and Retail Corporation trading as Synergy: 2019 Electricity Retail Licence No. 1 Performance Audit Report**

We have completed the Electricity Retail Licence No.1 (ERL1) Performance Audit (Audit) for The Electricity Generation and Retail Corporation trading as Synergy (Synergy) for the period 1 July 2017 to 30 June 2019 and are pleased to submit our report to you. This Audit was performed in accordance with the Economic Regulation Authority (ERA) approval letter dated 28 May 2019 and the ERA approval of the Audit Plan dated 14 August 2019.

I confirm that this report is an accurate presentation of the findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact me on +61 484 387 478.

Yours sincerely

Sian Ashdown  
Partner

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## **Notice to any reader of this report**

This report has been prepared by PricewaterhouseCoopers ABN 52 780 433 757 (PwC) for the use and benefit of the Electricity Generation and Retail Corporation, trading as Synergy, in accordance with and for the purpose set out in the Economic Regulation Authority of Western Australia (ERA) approval letter dated 28 May 2019.

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# 1 Independent assurance practitioner's report

## Independent assurance report on the Electricity Generation and Retail Corporation, trading as Synergy, Performance Audit 2019

To Simon Thackray, Manager Regulation and Compliance:

### Opinion

We have undertaken a reasonable assurance engagement on the Electricity Generation and Retail Corporation's<sup>1</sup> (Synergy or licensee) compliance, in all material respects, with the Electricity Retail Licence No.1 (ERL1) conditions and the relevant legislative obligations (Licence Conditions) from the 2018 Electricity Compliance Reporting Manual (listed in Table 6) as evaluated against the Economic Regulation Authority (ERA or the Authority) Audit and Review Guidelines: Electricity and Gas Licences (March 2019) (the Guidelines and the Criteria) for the period 1 July 2017 to 30 June 2019. Changes in the Electricity Compliance Reporting Manual during the audit period 2017 to 2018 and the related impact on the audit are outlined in Table 4.

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion section below, Synergy has complied, in all material respects, with the general licence conditions of ERL1 and the relevant legislative obligations from the 2018 Electricity Compliance Reporting Manual and the 2017 Electricity Compliance Reporting Manual (listed in Table 6), as evaluated against the Economic Regulation Authority (ERA or the Authority) Audit and Review Guidelines: Electricity and Gas Licences (March 2019) for the period 1 July 2017 to 30 June 2019.

### Basis for Qualified Opinion

Synergy self-identified and reported 38 non-compliance breaches of ERL1 and relevant legislative obligations (listed in Table 6). There were no further non-compliances identified during the audit period. These non-compliance breaches were reported to the ERA in Synergy's 2017/18 and 2018/19 Annual Compliance reports. Refer to table below.

Out of the 38 self-reported breaches, we rated;

- 18 breaches as B2s (refer to Section 2, Table 1 for ratings definition), with minor impact to customers; and
- 20 breaches as B3s (refer to Section 2, Table 1 for ratings definition), with moderate impact to customers.

As such, we qualify our opinion in this regard.

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#	Reporting Manual number and Licence condition	Audit period Issue
1	100 Electricity Industry (Customer Contracts) Regulations, regulation 38 If a licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must notify the customer within 5 days after becoming aware of it and provide specific information.	In two (2) instances during the audit period, Synergy failed to issue the contract notice within five business days of Synergy becoming aware that electricity supply had been taken without a customer establishing a contract.

<sup>1</sup> Trading as Synergy

#	Reporting Manual number and Licence condition		Audit period Issue
2	130	<p>Code of Conduct, clause 2.2(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1</p> <p>A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified, in clause 2.2(1).</p>	<p>In 82 instances during the audit period, Synergy did not make the standard electricity agreement available to the customer within five business days when the contract was established over the telephone or online.</p>
3	131	<p>Code of Conduct, clause 2.2(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1</p> <p>Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill.</p>	<p>In 1,897 instances during the audit period, when entering into the standard form contract on Synergy's website, the incorrect terms and conditions (non-standard form contract) was linked to the customer's acknowledgment.</p>
4	144	<p>Code of Conduct, clause 3.1(2)</p> <p>Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day if the request is received after 3pm or on a weekend or public holiday.</p>	<p>In 29 instances during the audit period, Synergy did not forward requests for new connections to Western Power within the prescribed timeframe.</p>
5	145	<p>Code of Conduct, clause 4.1</p> <p>A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.</p>	<p>In 82,967 instances during the audit period, Synergy failed to issue a bill within the prescribed timeframes.</p>
6	154	<p>Code of Conduct, clause 4.4</p> <p>A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.</p>	<p>In 496 instances during the audit period, Synergy did not issue a bill to a customer at the customer's supply address or nominated address.</p>
7	155	<p>Code of Conduct, clause 4.5(1)</p> <p>A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.</p>	<p>In 11,940 instances during the audit period, Synergy did not include the minimum prescribed information in subclause 4.5(1) on a customer's bill.</p>
8	156	<p>Code of Conduct, clause 4.5(3)</p> <p>If a retailer identifies and wishes to bill a customer for a historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with, or on the customer's next bill.</p>	<p>In 21,796 instances during the audit period, Synergy did not provide a customer with the required historical debt notification or issued the notification incorrectly.</p>

#	Reporting Manual number and Licence condition		Audit period Issue
9	157	<p>Code of Conduct, clause 4.6 (1)</p> <p>Subject to clauses 4.3 and 4.8, a retailer must base a customer's bill on the following:</p> <ul style="list-style-type: none"> <li>· the distributor's or metering agent's reading of the meter at the customer's supply address;</li> <li>· the customer's reading of the meter in the circumstances specified in sub clause 4.6(1)(b);</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>· if the connection point is a Type 7 connection point, the procedure is set out in the metrology procedure or Metering Code, or as set out in any applicable law.</li> </ul>	<p>In 164 instances during the audit period, Synergy issued bills containing incorrect energy or standing data.</p>
10	166	<p>Code of Conduct, clause 4.12(1)</p> <p>If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility, a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.</p>	<p>In 75 instances during the audit period, Synergy did not complete a customer change to an alternative tariff within 10 business days.</p>
11	176	<p>Code of Conduct, clause 4.17(2)</p> <p>If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified.</p>	<p>In 22 instances during the audit period, Synergy did not recover undercharges consistent with Code of Conduct requirements.</p>
12	184	<p>Code of Conduct, clause 4.19(3)</p> <p>If a retailer receives instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.</p>	<p>In six (6) instances during the audit period, Synergy did not issue a refund within the required timeframe.</p>
13	189	<p>Code of Conduct, clause 5.3</p> <p>Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.</p>	<p>In 10 instances during the audit period, Synergy did not provide the correct declaration to customers when obtaining verifiable consent prior to commencing a direct debit facility.</p>
14	196	<p>Code of Conduct, clause 5.6(5)</p> <p>If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.</p>	<p>In 66 instances during the audit period, Synergy failed to waive the late payment fee retrospectively for customers identified as experiencing financial hardship.</p>
15	197	<p>Code of Conduct, clause 5.7(1)</p>	<p>In 278 instances during the audit period, Synergy incorrectly billed customers</p>

#	Reporting Manual number and Licence condition	Audit period Issue
	A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in subclause 5.7(1).	after the customer had vacated the nominated supply address.
16	199 Code of Conduct, clause 5.7(4) Notwithstanding subclauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in sub clause 5.7(4).	In two (2) instances during the audit period, Synergy charged a customer for consumption after establishing a contract with a new customer for the supply address.
17	201 Code of Conduct, clause 5.8(2) A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.	In five (5) instances during the audit period, Synergy attempted to recover an outstanding debt from the wrong customer.
18	202 Code of Conduct, clause 6.1(1) If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.	In 76 instances during the audit period, Synergy did not take steps to assess a customer for payment difficulties or financial hardship or complete the assessment within the required timeframe.
19	206 Code of Conduct, clause 6.2(2) A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.	In 50 instances during the audit period, Synergy did not grant a customer who was experiencing payment problems a temporary suspension of action.
20	210 Code of Conduct, clause 6.3(1)(b) If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1) (b) and assistance in accordance with clauses 6.6 to 6.9.	In 13 instances during the audit period, Synergy failed to offer an alternative payment arrangement to a residential customer assessed as experiencing financial hardship.
21	212 Code of Conduct, clause 6.4(1)(b) If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill	In three (3) instances during the audit period, Synergy failed to offer an instalment plan or payment arrangement to a residential customer assessed as experiencing financial hardship.

#	Reporting Manual number and Licence condition	Audit period Issue
	or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.	
22	213 Code of Conduct, clause 6.4(2) When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).	In 169 instances during the audit period, Synergy did not appropriately consider information on a customer's payment capacity or consumption history when arranging an alternative payment arrangement.
23	214 Code of Conduct, clause 6.4(3) If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within 5 business days and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.	In 11,522 instances during the audit period, Synergy did not provide customers on an instalment plan with the required information within the required timeframe.
24	218 Code of Conduct, clause 6.8 A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).	In 62 instances during the audit period, Synergy did not provide a customer experiencing financial hardship with the required information.
25	229 Code of Conduct, clause 7.1(1) Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).	In 42 instances during the audit period, Synergy wrongfully disconnected a customer where disconnections for non-payment were arranged (service notification issued) after a customer had agreed an instalment plan and bills and collection notices were not issued to the address nominated by the customers.
26	230 Code of Conduct, clause 7.2(1) A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in sub clause 7.2(1).	In two (2) instances during the audit period, Synergy wrongfully disconnected a customer for non-payment, despite the customer having paid their bill.
27	234 Code of Conduct, clause 7.6 Subject to sub clause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.  <i>This obligation is reflected under two sections i.e. type 1 reporting obligations for all licence</i>	In one (1) instance during the audit period, Synergy disconnected a customer for non-payment whilst having an open complaint relating to a concession.



#	Reporting Manual number and Licence condition	Audit period Issue
		<i>types and disconnection and interruption section of the ERA guideline.</i>
28	242 Code of Conduct, clause 8.1(1) A retailer must arrange to reconnect a customer's supply address if the customer remedies their breach, makes a request for reconnection and pays the retailer's reasonable charges (if any) for reconnection, or accepts an offer of an instalment plan for the retailer's reasonable charges.	In 96 instances during the audit period, Synergy did not arrange to reconnect a customer's supply address within the required timeframes.
29	243 Code of Conduct, clause 8.1(2) A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).	In 63 instances during the audit period, Synergy did not arrange to reconnect a customer's supply address within the required timeframes.
30	279 Code of Conduct, clause 10.3 Upon request and at no charge, a retailer must provide a residential customer with information on the types of concessions available to the residential customer and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).	In 21 instances during the audit period, Synergy did not issue customers the terms and conditions of concessions after they had requested them.
31	295 Code of Conduct, clause 10.11(2) For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2) (a) on its bills and bill-related information, reminder notices and disconnection warnings.	The symbol displayed on the new bill format was not the official national interpreter symbol.
32	300 Code of Conduct, clause 12.1(3) A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).	In one (1) instance during the audit period, Synergy did not provide a customer who considered that their complaint was not resolved in an acceptable manner with the Energy and Water Ombudsman's (Ombudsman) free call number.
33	301 Code of Conduct, clause 12.1(4) On receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	In two (2) instances during the audit period, a written complaint was not acknowledged within the required timeframes.
34	302 Code of Conduct, clause 12.2 A retailer must comply with any guideline developed by the ERA to distinguish customer queries from complaints.	In 55 instances during the audit period, Synergy recorded complaints as queries instead of complaints.

#	Reporting Manual number and Licence condition		Audit period Issue
35	373	Electricity Industry Metering Code, clause 4.5(2) Subject to sub clause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	In 20 instances during the audit period, Synergy did not provide customer data notifications (CDNs) to Western Power within one business day.
36	402	Electricity Industry Metering Code, clause 5.17(1) A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	In 159 instances during the audit period, Synergy billed a customer and did not provide the standing data and energy data that related to the customer.
37	408	Electricity Industry Metering Code, clause 5.19(3) Subject to subclauses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change.	In 13,500 instances during the audit period, Synergy did not notify Western Power of a relevant change by way of a Customer Detail Notification (CDN) within the required timeframe.
38	496	Electricity Industry (Customer Contracts) Regulations, regulation 40 Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.	In two (2) instances during the audit period, Synergy failed to offer to supply electricity under a standard form contract upon request.

## Synergy's responsibilities

Synergy's Management is responsible for:

- Identifying risks that threaten the conditions within the ERL1 Licence and relevant legislative obligations from the 2018 Electricity Compliance Reporting Manual and 2017 Electricity Compliance Reporting Manual being met.
- The compliance activity undertaken to meet the ERL1 Licence Conditions and relevant associated legislative obligations from the 2018 Electricity Compliance Reporting Manual and 2017 Electricity Compliance Reporting Manual being met.
- Identification and implementation of controls which will mitigate those risks that prevent the Licence Conditions being met and monitoring ongoing compliance.

## Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

## **Our responsibility**

Our responsibility is to express an opinion, on Synergy's compliance with ERL1 and relevant legislative obligations in all material respects, as evaluated against the Guidelines, for the period from 1 July 2017 to 30 June 2019. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether Synergy has complied, in all material respects, with the licence, as evaluated against the conditions within the licence, for the period from 1 July 2017 to 30 June 2019.

An assurance engagement to report on Synergy's ERL1 compliance and relevant legislative obligations involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the conditions. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Licence Conditions.

## **Inherent limitations**

Because of the inherent limitations of a reasonable assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement relating to the period from 1 July 2017 to 30 June 2019 does not provide assurance on whether compliance with the Licence will continue in the future.

## **Use of report**

This report has been prepared for use by the Electricity Generation and Retail Corporation for the purpose of section 13(1) of the Electricity Industry Act 2004 (WA). We disclaim any assumption of responsibility for any reliance on this report to any person other than the Electricity Generation and Retail Corporation, or for any other purpose than that for which it was prepared. This report may be disclosed to the ERA for the purposes of Section Sections 13(1) of the Electricity Industry Act 2004 (WA).

PricewaterhouseCoopers

Sian Ashdown, Perth  
17 February 2020

## 2 Executive summary

### 2.1 Introduction and background

Synergy holds a licence (ERL 1) issued by the Economic Regulation Authority (ERA or the Authority) under the Electricity Industry Act 2004 (WA) (the Act). The licence is related to Synergy's operations as the largest electricity retailer operating in the South West Interconnected System (SWIS). Each year Synergy, under its electricity retail licence operations, will typically issue 5.5-6 million bills, receive more than 1 million telephone calls, process 1.8 million concession payments, manage 250,000 renewable energy buyback scheme customers, facilitate 200,000 customer movements, issue and receive more than 1 million network related transactions to and from Western Power. Synergy under its electricity retail licence is extensively regulated and must comply with a range of instruments including the Electricity Industry Act 2004, regulations, industry codes, guidelines, and manuals as well as the licence itself.

Synergy is owned by the Western Australian government represented by the Minister for Energy. On 1 January 2014, the Electricity Retail Corporation (trading as Synergy) and Electricity Generation Corporation (trading as Verve Energy) merged to become Electricity Generation and Retail Corporation, creating a gentailer trading as Synergy.

Under sections 13(1) of the Act, Synergy is required to provide to the ERA a performance audit of its Electricity Retail Licence (ERL 1). Under the conditions of the licence, Synergy is currently subject to independent performance audits at 24-month intervals or other periods as determined by the ERA. The performance audit is an audit of the effectiveness of measures taken by the licensee to meet the performance criteria specified in the licence.

Section 1.6.3 of the Guidelines allows the Authority to identify areas of special focus for an audit. The Authority has specified the following three areas of special focus relating to the 2019 Electricity Retail Licence Performance Audit:

- Root Cause Analysis (Refer to Appendix A);
- Annual Performance Data (Refer to Appendix B); and
- Payment Difficulties and Financial Hardship (Refer to Appendix C).

PricewaterhouseCoopers (PwC) has been engaged by Synergy to conduct the independent performance audit (the audit) to requirements as evaluated against the ERL1 general licence conditions and the relevant legislative obligations from the 2018 Electricity Compliance Reporting Manual and 2017 Electricity Compliance Reporting Manual, assessed in accordance to the ERA Audit and Review Guidelines: Electricity and Gas Licences (March 2019) (the Guidelines) as they relate to the performance audit for the period 1 July 2017 to 30 June 2019.

### 2.2 Deviations from the audit plan

The licence obligations that were determined to be not applicable to Synergy after the ERA approval of the audit plan on 14 August 2019 are listed in the table below.

No.	Licence condition	Obligations under condition	Description	Audit priority per approved Audit Plan
146	Electricity Industry Act, section 82	Code of Conduct, clause 4.2(1)	For the purposes of sub clause 4.1(a)(ii), a retailer has given a customer notice if, prior to placing a customer on a shortened billing cycle, the retailer advises the customer of the information specified in sub clause 4.2(1).	4
147	Electricity Industry Act, section 82	Code of Conduct, clause 4.2(2)	If a residential customer informs a retailer that the customer is experiencing payment difficulties or financial hardship and the customer is assessed as experiencing payment difficulties or financial hardship, the retailer must not place that customer	4

No.	Licence condition	Obligations under condition	Description	Audit priority per approved Audit Plan
			on a shortened billing cycle without that customer's verifiable consent.	
148	Electricity Industry Act, section 82	Code of Conduct, clause 4.2(3)	A retailer must give a customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	4
149	Electricity Industry Act, section 82	Code of Conduct, clause 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	4
150	Electricity Industry Act, section 82	Code of Conduct, clause 4.2(5)	On request, a retailer must return a customer who is subject to a shortened billing cycle to the billing cycle that previously applied if the customer has paid 3 consecutive bills by the due date.	4
151	Electricity Industry Act, section 82	Code of Conduct, clause 4.2(6)	A retailer must inform a customer, who is subject to a shortened billing cycle, at least every 3 months about the conditions upon which the customer can be returned to the previous billing cycle.	4
152	Electricity Industry Act, section 82	Code of Conduct, clause 4.3(1)	Notwithstanding clause 4.1, upon receipt of a request by a customer, a retailer may provide the customer with a bill that reflects a bill-smoothing arrangement with respect to any 12-month period.	4
153	Electricity Industry Act, section 82	Code of Conduct, clause 4.3(2)	If a retailer provides a customer with a bill under a bill-smoothing arrangement, the retailer must ensure that the conditions specified in sub clause 4.3(2) are met.	4
231	Electricity Industry Act, section 82	Code of Conduct, clause 7.3	In relation to dual fuel contracts, a retailer must not arrange for disconnection of a residential customer's supply address for failure to pay a bill within 15 business days from the date of disconnection of that customer's gas supply.	4
371	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.	5
401	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition	Electricity Industry Metering	If a user collects or receives energy data from a metering installation, then the user must provide the network operator with the energy data (in	4

No.	Licence condition	Obligations under condition	Description	Audit priority per approved Audit Plan
	4.1.1 Retail Licence, condition 4.1.1	Code, clause 5.16	accordance with the communication rules) within the timeframes prescribed.	

## 2.3 Observations

In considering Synergy's internal controls procedures, structure and environment, its compliance culture and its information systems specifically relevant to those licence obligations subject to audit, we observed that Synergy;

- Maintains an ERL1 control register which is aligned with the ERL1 Licence Obligations to strengthen its compliance and control frameworks. In order to support the control framework, Synergy established the systems, policies, procedures, education and training programs, which are explicitly aligned with the Licence Obligations.
- Has established the Compliance Review Board which provides a forum whereby Retail Business Unit (RBU), Corporate Services (CSBU) and Information and Communication Technology (ICT) can prioritise necessary communications. The Retail Escalation Forum for communicating material issues has been developed as an avenue to support compliance initiatives. RBU have weekly, monthly and quarterly forums that monitor and track compliance performance and actions.
- Has a comprehensive policy and procedure library which consists of the Knowledge Management System (KANA) and Document Management system (DM). In 2018/19 Synergy has placed significant emphasis on re-organising KANA by undertaking a review of the documents. Process and procedure documents are stored in KANA and DM respectively.
- Has developed and deployed to its internal training portal, a compliance e-learning suite. Furthermore, additional compliance specific training courses are being developed and staff will be trained according to the need basis by November 2019. The objective of the Compliance training programs is to reduce the non-compliance breaches that are being identified on a yearly basis.
- Has recruited a Compliance Officer and a Compliance Analyst for its RBU and ICT teams to ensure resources and accountability for regulatory compliance meet organisational requirements and compliance policy.
- Has established Project Spark (Refer to Appendix A) to improve its compliance performance and culture. This has contributed to a reduction in the number of breaches during 2018/19 by 44%.
- Continuously promotes a culture of self-reporting through its incident management system (Empower) which has been reviewed and refined. Synergy self-identified and self-reported the non-compliances listed in this report.

Following our audit procedures conducted over the audit period, Synergy was found to be in compliance with the licence conditions apart from the 38 self-identified and reported non-compliances pertaining to obligations listed under the Basis of Qualified Opinion section of this report. 33 non-compliances were self-reported under the Code of Conduct, three (3) under the Electricity Industry Metering Code and two (2) under Electricity Industry (Customer Contracts) Regulations.

Based on the review of the three special focus areas detailed under Appendix A, B and C of this report, we observed that;

- The processes Synergy has in place to address the recommendations proposed through project spark are adequate and address the non-compliances identified in the 2017 audit while being consistent with the Electricity Compliance Reporting Manual requirements (Refer to Appendix A – Root cause Analysis).
- The processes and procedures for data collection are accurate and meet the performance indicators as described in the ERA performance reporting handbook (Refer to Appendix B – Annual Performance Data).
- Except for the breaches self-reported by Synergy to the ERA as part of its 2017/18 and 2018/19 compliance reports, the processes Synergy has in place to assist customers experiencing payment difficulties and financial hardship are adequate and meet the performance indicators as described in the ERA performance reporting handbook (Refer to Appendix C – Payment Difficulties and Financial Hardship).

Refer to Section 4 of this report, table 7 – Detailed findings and recommendations.

## 2.4 Findings

The following tables summarise the assessments made during the audit of Synergy’s compliance and the adequacy of controls in place for Synergy to manage its compliance with the relevant obligations or conditions of the Licence.

**Table 1** sets out the rating scale defined by the ERA in the Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Synergy was required to demonstrate it has developed mature processes and controls, which facilitate compliance with relevant obligations.

**Table 1: Control adequacy and compliance rating scale**

Rating	Adequacy of Controls Rating Descriptions	Rating	Compliance Rating Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-Compliant – minor impact on customers or third parties
C	Inadequate Controls – Significant improvement required	3	Non-Compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-Compliant – major effect on customers or third parties
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

Table 2 and 3 provide further detail on the control adequacy and compliance rating scales. The rating scales are defined by the Guidelines.

**Table 2: Assessment of audit priority**

		Preliminary Adequacy of existing controls		
		Weak	Medium	Strong
Inherent risk	High	Audit priority 1	Audit priority 2	
	Medium	Audit priority 3	Audit priority 4	
	Low	Audit priority 5		

Inherent risk ratings, along with a preliminary assessment of the adequacy of Synergy’s existing controls determine the audit priorities. These audit priorities determine the audit objectives and the nature and extent of the audit procedures required.

These audit priorities are subject to change as compliance testing progresses due to additional information which were brought to our attention regarding the licensee's control environment and procedures.

A preliminary risk assessment was performed to determine the audit priority ratings assigned to the obligations. This preliminary risk assessment was performed through a combination of high-level documentation review, workshops and interviews with key Synergy stakeholders and self-assessments performed by key Synergy stakeholders regarding the adequacy of existing controls.

**Table 3: Summary of finding, by compliance rating and control adequacy**

		Compliance Rating					Total
		1	2	3	4	N/R	
Controls Rating	A	158	-	-	-	66	224
	B	-	18	20	-	-	38
	C	-	-	-	-	-	-
	D	-	-	-	-	-	-
	N/P	-	-	-	-	2	2
	Total	158	18	20	-	68	264

Note that, in accordance with the Guidelines, only obligations that are applicable are assessed and have been included in this report. Based on the approved Audit Plan, there are 275 applicable obligations in total. Obligations determined as not applicable to Synergy during the Audit and after the approval of the Audit Plan were rated as Not Applicable (N/A) and not included in table 3 above. These 11 obligations rated as N/A have been referred in Section 2.2. Type 1 obligations listed under two sections (234,235,236 and 257) have been counted once under the compliance and controls rating table. Obligations with no activity during the audit period were Not Rated (N/R), however, controls, as applicable, to address compliance to the relevant licence conditions were assessed, therefore, provided with a control rating.

**Table 4: Changes in Obligations in the Electricity Compliance Reporting Manual for the audit period (2017 to 2018)**

Obligation Reference no.	Obligation Under	Licence condition	Description	Change and Impact
113	Retail Licence, condition 5.1	Electricity Industry Act, section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct that hinders or prohibits access.	Obligation 113 is not used in 2018.  Synergy does not maintain network infrastructure facilities; therefore, this obligation is not applicable.
115	Electricity Industry Act, section 11	Integrated Regional Licence, condition 23.2 Retail Licence, condition 23.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe.	Obligation 115 is not used in 2018.  Synergy does not engage or employ marketing agents to enter into contracts on its behalf, therefore, this obligation is not applicable for the audit period.
157	Electricity Industry Act, section 82	Code of Conduct, clause 4.6	Subject to clauses 4.3 and 4.8, a retailer must base a customer's bill on the following: - the distributor's or metering agent's reading of the meter at the customer's supply address; - the customer's reading of the meter in the circumstances	A change in wording from years 2016/2017 and 2018.  In 2018, the relevant clauses (4.3 and 4.8) from which the



Obligation Reference no.	Obligation Under	Licence condition	Description	Change and Impact
			specified in subclause 4.6(1) (b); or - if the connection point is a Type 7 connection point, the procedure is set out in the metrology procedure or Metering Code, or as set out in any applicable law.	obligation details are taken are specified.
177	Electricity Industry Act, section 82	Code of Conduct, clause 4.18(2)	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must: - use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. - subject to subclauses 4.18(6) and 4.18(7), ask the customer for instructions for the credit or repayment of the amount	The obligation details are summarised into bullet points in 2017 and 2018.
200	Electricity Industry Act, section 82	Code of Conduct, clause 5.8(1)	A retailer must not commence proceedings to recover a debt – a) from a residential customer who meets the criteria in accordance with clause 6.1(1) that they are experiencing payment difficulties or financial hardship, unless and until the retailer has complied with all the requirements of clause 6.1 and (if applicable) clause 6.3; and b) while a residential customer continues to make payments under an alternative arrangement.	Obligation details elaborated in 2017 and 2018. Including a change in referenced clauses from 5.8 (2) to 6.1 and 6.3.
211	Electricity Industry Act, section 82	Code of Conduct, clause 6.4(1)(a)	If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer additional time to pay a bill.	In 2018, the following requirement is omitted in obligation 211, as it is covered in obligation 212 and audited this audit period:  if requested by the residential customer, an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears

Obligation Reference no.	Obligation Under	Licence condition	Description	Change and Impact
				(including any disconnection and reconnection charges), while being permitted to continue consumption.
225	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(6)	If directed by the ERA, a retailer must review its hardship policy and hardship procedures in consultation with relevant consumer representatives and submit the results of that review to the ERA within 5 business days after it is completed.	In 2018, the phrase in consultation with relevant consumer representatives is added.
243A	Electricity Industry Act, section 82	Code of Conduct, clause 8.1(3)	If a retailer does not forward the request for reconnection to the relevant distributor within the timeframes in subclause 8.1(2), the retailer will not be in breach of this clause (8.1) if the retailer causes the customer's supply address to be reconnected by the distributor within the timeframes in subclause 8.2(2) as if the distributor had received the request for reconnection from the retailer in accordance with subclause 8.1(2).	A new obligation introduced in 2018 which is audited this audit period.
273	Electricity Industry Act, section 82	Code of Conduct, clause 10.1(2)	On request and at no charge, a retailer must give or make available to a customer reasonable information on its tariffs, fees and charges, including any alternative tariffs that may be available to that customer.	In 2018, the phrase fees and charges, that may be available to that customer is added.
495	Synergy Retail Licence condition 4.1.1	Electricity Industry Act, section 11	Prior to entering into a standard form contract or a non-standard contract with a customer, the licensee must provide the specified information verbally and in writing.	Obligation 495 is not used in 2018. Existing obligation 133, which is audited this period, covers the requirements of obligation 495 on providing customer with information prior to entering into a standard form contract.

### 2.4.1 Synergy's response to previous audit recommendations

This audit considered Synergy's progress in completing the action plans detailed in the Electricity Retail Licence (ERL1) 2017 Performance Audit Report. Based on our examination of the relevant documents, discussion with staff and consideration of the results of this audit period's testing against the compliance obligations, we have determined that Synergy has actioned/resolved 43 out of 47 post audit implementation plans detailed in the 2017 performance audit report, of which;

- Two (2) have no proposed recommendations in the post audit implementation plan. We noted no breaches during the audit period.
- One (1) was intentionally not actioned, as the cost of implementation of an automated declaration was assessed by Synergy as not financially viable.
- One (1) implementation plan pertaining to reviewing of regulatory training is on-going during the current audit period, as part of a two-year training program.

Refer to section 5 of this report for further detail.

### 2.4.2 Resolved during the current audit period (follow-up of 2017 audit non-compliances and recommendations)

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
<p><b>Obligations 131, 135, 145, 189 and 201A</b></p> <p><i>Code of Conduct clauses 2.2(2), 2.3(5), 4.1, 5.3 and 5.9</i></p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2</p> <p><b>Details:</b></p> <p>Declarations (relating to provision of information and consent)</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>(a) Management has in the past investigated the option to automate declarations into the call centre process. Introduction of a fully automated declaration process within the current customer relationship management system will require significant capital investment and is not considered feasible under current system design due to the volume and complexity of declarations. Synergy conducted a review to consolidate and simplify customer declarations to improve the customer experience and reduce the likelihood of agent error.</p> <p>(b) Management initiated a review of the annual refresher training content for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively.</p> <p>(c) Synergy periodically reported to senior management (including regulatory) the QA performance. This was included within the retail compliance snapshot report which is circulated quarterly.</p> <p>(d) Synergy currently had 41 declarations that are required to be communicated to customers. Retail Business Unit (RBU) has completed a review of all 41 declarations with the view to consolidate and reduce the number of declarations. As the automated declarations were not implemented, a review of</p>	<p>No further action required.</p>

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
		<p>management declarations on KPI's were performed.</p> <p><b>Date resolved</b></p> <p>(a) April 2018</p> <p>(b) January 2018</p> <p>(c) January 2018</p> <p>(d) April 2018</p>	
<p><b>Obligation 100</b></p> <p><i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p><b>Obligations</b></p> <p><b>130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 4.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 4.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p><b>Obligation 496</b></p> <p><i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2 except for 154, 202, 229, 230, 243 – B3</p> <p><b>Details:</b></p> <p>Customer Service Agent (CSA) performance</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>(a) Management undertook further root cause analysis (ICAM) on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error.</p> <p>(b) Reviewed standard operating procedures for compliance adequacy.</p> <p>(c) Management undertook a review of the QA assessment criteria in FY2016/2017 and the current QA assessment criteria has higher weighting on following procedure.</p> <p>(d) Management established an internal QA target to monitor QA compliance through monthly reporting of variation from mean.</p> <p>(e) Reporting of QA compliance performance has been included within the monthly operations dashboard that is circulated to senior management.</p> <p>(f) Management initiated a review of the annual refresher training material for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively.</p> <p><b>Date resolved</b></p> <p>(a) April 2018</p> <p>(b) December 2017</p> <p>(c) Business as usual activity</p> <p>(d) December 2017</p> <p>(e) December 2017</p> <p>(f) January 2018</p>	<p>No further action required.</p>

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
<p><b>Obligation 100</b> <i>Electricity Industry (Customer Contracts)</i> <i>Regulation 38</i></p> <p><b>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 5.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 5.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p><b>Obligation 496</b></p> <p><i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2 except for 154, 202, 229, 230, 243 – B3</p> <p><b>Details:</b> QA - Calibration process</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>(a) A formalised calibration process has been implemented.</p> <p>(b) Invited a member from the compliance team to attend calibration sessions and provide feedback on key queries.</p> <p>(c) Retail Compliance and Risk conducted a review of all compliance training in FY2017/18 including reviewer specific training.</p> <p>(d) Regular reporting to senior management (including regulatory) on calibration action item progress was carried out. This was included within the retail monthly operations report.</p> <p>(e) Management undertook further root cause analysis on high volume regulatory incidents.</p> <p><b>Date resolved</b></p> <p>(a) September 2017</p> <p>(b) November 2017</p> <p>(c) April 2018</p> <p>(d) January 2018</p> <p>(e) April 2018</p>	<p>No further action required.</p>
<p><b>Obligation 100</b> <i>Electricity Industry (Customer Contracts)</i> <i>Regulation 38</i></p> <p><b>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1),</i></p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2 except for 154, 202, 229, 230, 243 – B3</p> <p><b>Details:</b> Call centre regulatory performance reporting</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>(a) Type 1 and type 2 regulatory breaches are already included in the monthly performance reports within Synergy. The reporting captures all regulatory breaches recorded in the compliance reporting system Empower including breaches reported by the residential and business call centres.</p> <p>(b) Synergy has enhanced Empower (incident management system) capability to improve reporting of incident root causes for material incidents.</p> <p>(c) Management worked towards establishing a contract variation with the vendor.</p> <p>(d) Escalation to senior management is an established practice with review of contractual</p>	<p>No further action required.</p>

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
<p>4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 4.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 4.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses</i></p> <p>4.5(2), 5.17(1), 5.18 and 5.19(3)</p> <p><b>Obligation 496</b></p> <p><i>Electricity Industry (Customer Contracts) regulation 40</i></p>		<p>compliance KPI's at the monthly and quarterly business review meetings held between Synergy and call centre management.</p> <p>(e) Management established an internal QA target to monitor QA compliance through monthly reporting of variation from mean.</p> <p>(f) Management has undertaken further root cause analysis on high volume regulatory incidents.</p> <p><b>Date resolved</b></p> <p>(a) Business as usual activity</p> <p>(b) March 2018</p> <p>(c) January 2018</p> <p>(d) December 2017</p> <p>(e) December 2017</p> <p>(f) April 2018</p>	
<p><b>Obligations 144, 155, 160, 176, 177, 229, 230, 243 and 295</b></p> <p><i>Code of Conduct clauses</i></p> <p>3.1(2), 4.5(1), 4.8(2), 4.17(2), 4.18(2), 7.1(1), 7.2(1), 8.1(1), 8.1(3) and 10.11(2)</p> <p><b>Obligation 408</b></p> <p><i>Electricity Industry Metering Code clause</i></p> <p>5.19(3)</p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2 except 229,230 and 243 – B3</p> <p><b>Details:</b> Process/system change control</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>The change management framework was approved by retail leadership on 18 October 2017. The impact assessment template covered the requirements for sign-off by the regulation and compliance personnel prior to process and system changes.</p> <p><b>Date resolved</b></p> <p>December 2017</p>	<p>No further action required.</p>
<p><b>Obligation 145</b></p> <p><i>Code of Conduct clause 4.1</i></p> <p><i>A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.</i></p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2</p> <p><b>Details:</b> Billing process</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>(a) Immediate action was taken to incorporate unbilled account items nearing the 90-day timeframe into daily work review and Synergy's procedures.</p> <p>(b) Reviewed the billing procedures to ensure consistency with compliance obligations.</p> <p>(c) As part of the 2016/17 outsourcing project customer account note templates for billing were standardised.</p> <p><b>Date resolved</b></p> <p>(a) Business as usual activity</p> <p>(b) February 2018</p> <p>(c) Business as usual activity</p>	<p>No further action required.</p>

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
<p><b>Obligation 155</b> <i>Code of Conduct clause 4.5(1)</i> <i>A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.</i></p> <p><b>Obligations 295</b> <i>Code of Conduct clause 10.11(2)</i> <i>For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.</i></p>	<p><b>Non-Compliance</b> <b>Rating:</b> B2 <b>Details:</b> National Interpreter Symbol in bill templates</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>Synergy included the correct national interpreter symbol on its billing templates.</p> <p><b>Date resolved</b> October 2017</p>	<p>No further action required.</p>
<p><b>Obligation 302</b> <i>Code of Conduct clause 12.2</i> <i>A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.</i></p>	<p><b>Non-Compliance</b> <b>Rating:</b> B2 <b>Details:</b> Identification of Complaints</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>A full review of the current standard operating procedures for complaint handling was combined with a review of the training material for soft skills for agents.</p> <p><b>Date resolved</b> 31 January 2018</p>	<p>No further action required.</p>

### 2.4.3 Unresolved during the current audit period

Licence Obligation Reference no./ Recommendation reference	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
<p><b>Obligation 100</b> <i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p><b>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 5.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 5.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p><b>Obligation 496</b></p> <p><i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p><b>Non-Compliance</b></p> <p><b>Rating:</b> B2 except for 154, 202, 229, 230, 243 – B3</p> <p><b>Details:</b></p> <p>QA - Calibration process</p> <p>Please refer to section 5 table for details of breaches occurred.</p>	<p>Review the regulatory training requirements for QA reviewers with focus on higher customer impact areas (e.g. financial hardship).</p> <p>A two-year plan has been developed to cover the high-risk areas of compliance. This has been rolled out to both agents and reviewers/QA to ensure a greater understanding of the regulatory obligations that have a high customer impact.</p> <p>The metering code module has been developed and rolled out.</p> <p><b>Date resolved</b></p> <p>Ongoing as business as usual activity</p>	<p>The implementation of agreed management action is ongoing as a business as usual activity.</p>

## 2.5 Scope and Objective

We have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures performed, Synergy has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated 14 August 2019) for the period 1 July 2017 to 30 June 2019.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides reasonable assurance as defined in ASAE 3100. The procedures we performed are described in more detail in section 2.6 below.

A reasonable assurance engagement in accordance with ASAE 3100 involves performing procedures to obtain evidence about the compliance with the conditions of the Licence. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in compliance with the conditions of the Licence. In making those risk assessments, we considered internal controls in relation to compliance with the conditions of the Licence.



ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The ERA has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its 2018 Electricity Compliance Reporting Manual and 2017 Electricity Compliance Reporting Manual (**Reporting Manual**).

The Authority has specified three areas of special focus for this audit relating to Root Cause Analysis (see **Appendix A**), Annual Performance Data (see **Appendix B**) and Payment Difficulties and Financial Hardship (see **Appendix C**).

The audit plan approved by the ERA for this audit sets out Synergy's Licence obligations confirmed to be included in the scope of the audit, along with the risk assessments and audit priority assigned to each licence obligation.

## **2.6 Approach**

Our approach for this audit involved the following activities, which were undertaken during the period July to September 2019:

- Utilising the Guidelines and Reporting Manuals as a guide, developed a risk assessment, which involved discussions and workshops with key staff and document review to assess controls.
- Developed an Audit Plan for approval by the ERA and an associated work program.
- Interviews and workshops with relevant Synergy staff to gain understanding of process controls (see **Appendix D** for staff involved).
- Reviewed relevant documentation and walked through systems, processes and controls to assess overall compliance and effectiveness in accordance with Licence obligations (see **Appendix D** for reference listing).
- Sample tested relevant obligations (assessed as an audit priority 1, 2 or 3) and where there was relevant activity, determine whether transactions complied with the requirements of the obligation.
- Reporting of findings to Synergy for review and response.

## ***3 Summary of findings***

Table 1 in Section 2 above sets out the rating scale defined by the ERA in the Audit Guidelines for the assessment of the level of compliance with each condition of the Licence. For the highest possible compliance rating to be achieved, Synergy was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

The remainder of this report provides:

- Summary of findings for the compliance obligations (at Table 6 below) and
- Detailed finding, including relevant observation and recommendations (at section 4 below).



Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating				
					A	B	C	D	N/P	1	2	3	4	N/R
<b>9 ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE – LICENCE CONDITIONS AND OBLIGATIONS</b>														
6	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.2(2)	A retailer must submit a separate data request for each connection point, unless otherwise agreed.	4	✓						✓			
7	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.4(1)	A retailer must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day, unless otherwise agreed.	4	✓						✓			
8	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.5(3)	A retailer must withdraw a request for historical consumption data if the contestable customer’s verifiable consent ceases to apply before the network operator provides the historical consumption data.	4	✓									✓
9	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn.	4	✓									✓
16	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the retailer; or to initiate a transfer of that customer.	4	✓						✓			
17	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.9(2)	A retailer must not aggregate a contestable customer’s historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	✓									✓
18	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.9(3)	A retailer must not disclose a contestable customer’s data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	2	✓									✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
19	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	2	✓						✓				
23	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.2(2)	A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed.	4	✓						✓				
24	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer that submitted the customer transfer request or to reverse an erroneous transfer.	4	✓						✓				
25	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	4	✓						✓				
26	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	2	✓						✓				
27	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.5(1)	A retailer must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date, unless otherwise agreed.	4	✓						✓				
28	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	2	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
29	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer	4	✓						✓				
30	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	✓										✓
34	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	✓						✓				
39	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	4	✓						✓				
40	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	5	✓										✓
43	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and, if applicable, AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.	5	✓						✓				
44	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.16	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	3	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
45	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	4	✓						✓				
48	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 5.2	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	4	✓						✓				
48A	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	4	✓						✓				
49	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	4	✓						✓				
52	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	4	✓										✓
53	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 6.4(2)	A retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect.	4	✓										✓
54	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	4	✓						✓				
55	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 7.1(1)	For a dispute in respect of a matter under, or in connection with, the Electricity Industry Customer Transfer Code, the disputing parties must meet, within five business days of a request by one of those parties and attempt to resolve the dispute through negotiations that are conducted in good faith.	5	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
56	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute through negotiations that are conducted in good faith	5	✓										✓
57	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	✓										✓
58	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 7.2(4)	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	5	✓										✓
59	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code, clause 7.3(2)	A disputing party must, at all times, conduct itself in a manner that is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code	5	✓										✓

**11 ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS – LICENCE CONDITIONS AND OBLIGATIONS**

78	Retail Licence, condition 4.1.1	Electricity Industry Act, section 51	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website.	4	✓						✓				
79	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 5	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	4	✓						✓				
80	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 6	A non-standard contract must specify when it comes into effect and the period for which it has an effect.	4	✓						✓				



Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
81	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 7	A non-standard contract must specify certain information about the retailer.	4	✓						✓				
82	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 8	A non-standard contract must give an exact description of the goods and services that the retailer will provide under the contract.	4	✓						✓				
83	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 9	A non-standard contract must require the customer to pay for electricity supplied under the contract.	4	✓						✓				
84	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 10	A non-standard contract must prohibit the customer from tampering with, or bypassing, network equipment or allowing any other person to do so.	4	✓						✓				
85	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 11	A non-standard contract must describe the circumstances under which a retailer has the right to disconnect supply and is required to reconnect supply.	4	✓						✓				
86	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 12	A non-standard contract must require the retailer to deal with security deposits and the payment of interest in the manner that is specified.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
87	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 13	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.	4	✓						✓				
88	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 14	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.	4	✓						✓				
89	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 15	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation.	4	✓						✓				
90	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulations 16 and 34	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amending the contract including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract.	4	✓						✓				
91	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 17	A non-standard contract must specify the assignment of rights and obligations, including assignment without the customer's consent.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
92	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 18	A non-standard contract must describe the procedures that must be followed by the retailer in responding to a complaint made by a customer.	5	✓						✓				
93	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 19	A non-standard contract must specify the process that must be taken by the retailer to ensure information held by the retailer is treated confidentially.	5	✓						✓				
94	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 20	A non-standard contract must specify the governing legislation, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer.	4	✓						✓				
95	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 21	A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code,	4	✓						✓				
96	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 32	A non-standard contract must include details about the cooling off period specified in the regulation.	4	✓						✓				
97	Retail Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 33(2)	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days' notice.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
98	Retail Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulations 33(3) and (4)	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.	4	✓						✓				
100	Retail Licence, condition 6.8.1 Integrated Regional Licence, condition 6.8.1	Electricity Industry (Customer Contracts) Regulations, regulation 38	If a licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must notify the customer within 5 days after becoming aware of it and provide specific information.	4		✓						✓			
<b>12 ELECTRICITY INDUSTRY ACT – LICENCE CONDITIONS AND OBLIGATIONS</b>															
101	Generation Licence, condition 5.3.1 Transmission Licence, condition 5.3.1 Distribution Licence, condition 5.3.1 Retail Licence, condition 5.3.1	Electricity Industry Act, section 13(1)	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.	5	✓						✓				
105	Distribution Licence, condition 4.2.1 Generation Licence, condition 4.2.1 Integrated Regional Licence, condition 4.2.1 Retail Licence, condition 4.2.1 Transmission Licence, condition 4.2.1	Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	4	✓						✓				
106	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1	Electricity Industry Act, section 31(3)	A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	5	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
107	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Act, section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	4					✓						✓
108	Integrated Regional Licence, condition 6.4.1 Retail Licence, condition 6.4.1	Electricity Industry Act, section 54(1)	A retail or integrated regional licensee must not supply electricity to small use customers otherwise than under a standard form contract or a non- standard form contract that complies with the Act.	4	✓					✓					
109	Integrated Regional Licence, condition 6.6.1 Retail Licence, condition 6.6.1	Electricity Industry Act, section 54(2)	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	4	✓										✓
110	Integrated Regional Licence, 6.7.1 Retail Licence, condition 6.7.1	Electricity Industry Act, section 76	If a designation under section 71(1) of the Electricity Industry Act is in force, a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	4	✓										✓
111	Distribution Licence, condition 6.1.1 Integrated Regional Licence, 6.1.1 Retail Licence, condition 6.1.1	Electricity Industry Act, section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by, and compliant, with any decision or direction of the electricity ombudsman under the approved scheme.	4	✓					✓					
<b>13 ELECTRICITY LICENCES – LICENCE CONDITIONS AND OBLIGATIONS</b>															
114	Electricity Industry Act, section 11	Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
115	Electricity Industry Act, section 11 *Removed from licence conditions and obligations in July 2018. Applicable 1 July 2017-30 June 2018	Integrated Regional Licence, condition 23.2 Retail Licence, condition 23.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed time frame.	4	✓										✓
116	Electricity Industry Act, section 11	Integrated Regional Licence, condition 6.4.2 Retail Licence, condition 6.4.2	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified.	5	✓										✓
117	Electricity Industry Act, section 11	Integrated Regional Licence, condition 6.4.3 Retail Licence, condition 6.4.3	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	5	✓										✓
118	Electricity Industry Act, section 11	Integrated Regional Licence, condition 6.5.1 Retail Licence, condition 6.5.1	A licensee can only amend the standard form contract with the ERA's approval.	4	✓										✓
119	Electricity Industry Act, section 11	Distribution Licence, condition 4.3.1 Generation Licence, condition 4.3.1 Integrated Regional Licence, condition 4.3.1 Retail Licence, condition 4.3.1 Transmission Licence, condition 4.3.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	4	✓					✓					
120	Electricity Industry Act, section 11	Distribution Licence, condition 5.2.4 Generation Licence, condition 5.2.4 Integrated Regional Licence, condition 5.2.4 Retail Licence, condition 5.2.4	A licensee must comply with any individual performance standards prescribed by the ERA.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
		Transmission Licence, condition 5.2.4													
121	Electricity Industry Act, section 11	Distribution Licence, condition 5.3.2 Generation Licence, condition 5.3.2 Integrated Regional Licence, condition 5.3.2 Retail Licence, condition 5.3.2 Transmission Licence, condition 5.3.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	4	✓						✓				
123	Electricity Industry Act, section 11	Distribution Licence, condition 4.4.1 Generation Licence, condition 4.4.1 Integrated Regional Licence, condition 4.4.1 Retail Licence, condition 4.4.1 Transmission Licence, condition 4.4.1	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.	4	✓										✓
124	Electricity Industry Act, section 11	Distribution Licence, condition 4.5.1 Generation Licence, condition 4.5.1 Integrated Regional Licence, condition 4.5.1 Retail Licence, condition 4.5.1 Transmission Licence, condition 4.5.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	2	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
125	Electricity Industry Act, section 11	Distribution Licence, condition 3.8.1 and 3.8.2  Generation Licence, condition 3.8.1 and 3.8.2  Integrated Regional Licence, condition 3.8.1 and 3.8.2  Retail Licence, condition 3.8.1 and 3.8.2  Transmission Licence, condition 3.8.1 and 3.8.2	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	2	✓						✓				
126	Electricity Industry Act, section 11	Distribution Licence, condition 3.7.1  Generation Licence, condition 3.7.1  Integrated Regional Licence, condition 3.7.1  Retail Licence, condition 3.7.1  Transmission Licence, condition 3.7.1	All notices must be in writing, unless otherwise specified.	4	✓						✓				
<b>14 CODE OF CONDUCT – LICENCE CONDITIONS AND OBLIGATIONS</b>															
<b>MARKETING</b>															
129	Electricity Industry Act, section 82	Code of Conduct, clause 2.1  Integrated Regional Licence, condition 6.3.1  Retail Licence, condition 6.3.1	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	4	✓										✓



Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
130	Electricity Industry Act, section 82	Code of Conduct, clause 2.2(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1).	2		✓						✓			
131	Electricity Industry Act, section 82	Code of Conduct, clause 2.2(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	Subject to sub clause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill.	4		✓						✓			
132	Electricity Industry Act, section 82	Code of Conduct, clause 2.3(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must ensure that non- standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.3(1).	4	✓							✓			
133	Electricity Industry Act, section 82	Code of Conduct, clause 2.3(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.	4	✓							✓			
134	Electricity Industry Act, section 82	Code of Conduct, clause 2.3(4) Integrated Regional Licence, condition 6.3.1 (Regional Power Corporation) Retail Licence, condition 6.3.1 (Electricity Retail Corporation)	The Electricity Generation and Retail Corporation or Regional Power Corporation, or an electricity marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation, must ensure that the information specified in subclause 2.3(4) is provided to the customer before arranging a non-standard contract.	4	✓							✓			

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
135	Electricity Industry Act, section 82	Code of Conduct, clause 2.3(5) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	Subject to sub clause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.	2	✓						✓				
136	Electricity Industry Act, section 82	Code of Conduct, clause 2.4(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	4	✓						✓				
137	Electricity Industry Act, section 82	Code of Conduct, clause 2.4(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.	4	✓						✓				
138	Electricity Industry Act, section 82	Code of Conduct, clause 2.5(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.5(1).	3	✓						✓				
139	Electricity Industry Act, section 82	Code of Conduct, clause 2.5(2) Integrated Regional Licence, condition 6.3.1	A retailer or electricity marketing agent who meets with a customer face to face must: · wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and · provide the written information specified in subclause 2.5(2)(b) as soon as practicable following a request by the customer.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
		Retail Licence, condition 6.3.1													
140	Electricity Industry Act, section 82	Code of Conduct, clause 2.6	A retailer or electricity marketing agent who visits a person's premises for the purposes of marketing must comply with any clearly visible signs indicating that canvassing is not permitted at the premises, or no advertising is to be left at the premises.	4	✓						✓				
141	Electricity Industry Act, section 82	Code of Conduct, clause 2.9 Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information.	4	✓										✓
142	Electricity Industry Act, section 82	Code of Conduct, clause 2.10 Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	An electricity marketing agent must keep a record, or other information, required under the Code for at least 2 years after the last time that a customer or person was contacted by, or on behalf of, the electricity marketing agent, or after receipt of the last contact from, or on behalf of, the electricity marketing agent, whichever is later.	4	✓										✓
<b>CONNECTION</b>															
143	Electricity Industry Act, section 82	Code of Conduct, clause 3.1(1)	If a retailer agrees to sell electricity to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor.	4	✓						✓				
144	Electricity Industry Act, section 82	Code of Conduct, clause 3.1(2)	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day if the request is received after 3pm on a weekend or public holiday.	3		✓						✓			

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
<b>BILLING</b>															
145	Electricity Industry Act, section 82	Code of Conduct, clause 4.1	A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.	2		✓						✓			
154	Electricity Industry Act, section 82	Code of Conduct, clause 4.4	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	2		✓						✓			
155	Electricity Industry Act, section 82	Code of Conduct, clause 4.5(1)	A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.	2		✓						✓			
156	Electricity Industry Act, section 82	Code of Conduct, clause 4.5(3)	If a retailer identifies and wishes to bill a customer for a historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with, or on the customer's next bill.	2		✓						✓			
157	Electricity Industry Act, section 82	Code of Conduct, clause 4.6	Subject to clauses 4.3 and 4.8, a retailer must base a customer's bill on the following: · the distributor's or metering agent's reading of the meter at the customer's supply address; · the customer's reading of the meter in the circumstances specified in sub clause 4.6(1) (b); or · if the connection point is a Type 7 connection point, the procedure is set out in the metrology procedure or Metering Code, or as set out in any applicable law.	2		✓						✓			
158	Electricity Industry Act, section 82	Code of Conduct, clause 4.7	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.	5	✓							✓			
159	Electricity Industry Act, section 82	Code of Conduct, clause 4.8(1)	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	4	✓							✓			

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
160	Electricity Industry Act, section 82	Code of Conduct, clause 4.8(2)	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under sub clause 4.8(2).	2	✓						✓				
161	Electricity Industry Act, section 82	Code of Conduct, clause 4.8(3)	On request, a retailer must inform a customer of the basis and the reason for the estimation. <sup>7</sup>	4	✓						✓				
162	Electricity Industry Act, section 82	Code of Conduct, clause 4.9	In accordance with clause 4.19, if a retailer gives a customer an estimated bill and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading.	4	✓						✓				
163	Electricity Industry Act, section 82	Code of Conduct, clause 4.10	If a customer satisfies the requirements specified in subclause 4.10, a retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading.	5	✓						✓				
164	Electricity Industry Act, section 82	Code of Conduct, clause 4.11(1)	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	4	✓						✓				
165	Electricity Industry Act, section 82	Code of Conduct, clause 4.11(2)	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	4	✓						✓				
166	Electricity Industry Act, section 82	Code of Conduct, clause 4.12(1)	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility, a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	2		✓							✓		

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
167	Electricity Industry Act, section 82	Code of Conduct, clause 4.13	If a customer's electricity use changes, and the customer is no longer eligible to continue to receive an existing more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	2	✓						✓				
168	Electricity Industry Act, section 82	Code of Conduct, clause 4.14(1)	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	3	✓						✓				
169	Electricity Industry Act, section 82	Code of Conduct, clause 4.14(2)	Subject to sub clause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.	4	✓						✓				
170	Electricity Industry Act, section 82	Code of Conduct, clause 4.14(3)	If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset the debt owed to the retailer by giving the customer written notice. If any amount remains after the set off, the retailer must ask the customer for instructions to transfer the remaining amount in accordance with sub clause 4.14(2).	4	✓						✓				
171	Electricity Industry Act, section 82	Code of Conduct, clause 4.15	A retailer must review a customer's bill on request by the customer, subject to the customer paying: · that portion of the bill under review that the customer and a retailer agree is not in dispute; or · an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute) and · any future bills that are properly due.	4	✓						✓				
172	Electricity Industry Act, section 82	Code of Conduct, clause 4.16(1)(a)	If a retailer has reviewed a customer's bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount. The retailer must advise the customer that the customer may request for a meter test in accordance with the applicable law; and also the existence and operation of the retailer's internal complaints handling processes and	2	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
			details of any applicable external complaints handling processes.												
173	Electricity Industry Act, section 82	Code of Conduct, clause 4.16(1)(b)	If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	4	✓						✓				
174	Electricity Industry Act, section 82	Code of Conduct, clause 4.16(2)	A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	4	✓						✓				
175	Electricity Industry Act, section 82	Code of Conduct, clause 4.16(3)	If a retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.	4	✓										✓
176	Electricity Industry Act, section 82	Code of Conduct, clause 4.17(2)	If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified.8	4		✓							✓		
176A.	Electricity Industry Act, section 82	Code of Conduct, clause 4.17(3)	A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met.	5	✓										✓
177	Electricity Industry Act, section 82	Code of Conduct, clause 4.18(2)	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must: · use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default; and · subject to subclauses 4.18(6) and 4.18(7), ask the customer for instructions for the credit or repayment of the amount.	5	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
178	Electricity Industry Act, section 82	Code of Conduct, clause 4.18(3)	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	4	✓						✓				
179	Electricity Industry Act, section 82	Code of Conduct, clause 4.18(4)	If instructions regarding repayment of an overcharged bill are not received within 20 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to a customer's account.	5	✓						✓				
180	Electricity Industry Act, section 82	Code of Conduct, clause 4.18(6)	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6).	5	✓						✓				
181	Electricity Industry Act, section 82	Code of Conduct, clause 4.18(7)	A retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer, provided that the customer is not a residential customer experiencing payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.	5	✓						✓				
182	Electricity Industry Act, section 82	Code of Conduct, clause 4.19(1)	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with the requirements specified in sub clause 4.19(1).	4	✓						✓				
183	Electricity Industry Act, section 82	Code of Conduct, clause 4.19(2)	If the meter is read under either clause 4.6 or clause 4.3(2) (d), and the amount of the adjustment is an amount owing to the customer, the retailer must: · use its best endeavours to inform the customer within 10 business days; and · subject to subclauses 4.19(5) and 4.19(7), ask the customer for instructions about the repayment of the amount.	5	✓						✓				



Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
184	Electricity Industry Act, section 82	Code of Conduct, clause 4.19(3)	If a retailer receives instructions under sub clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	4		✓							✓		
185	Electricity Industry Act, section 82	Code of Conduct, clause 4.19(4)	If a retailer does not receive instructions under sub clause 4.19(2), within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.	5	✓						✓				
186	Electricity Industry Act, section 82	Code of Conduct, clause 4.19(7)	A retailer may, after notifying the customer in writing, use an amount of an adjustment to set off that customer's debt owed to the retailer, provided that the customer is not a residential customer in payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with that amount in accordance with sub clause 4.19(2) or, if the amount is less than \$100, subclause 4.19(5).	5	✓						✓				

**PAYMENT**

187	Electricity Industry Act, section 82	Code of Conduct, clause 5.1	The due date on a bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.	4	✓						✓				
188	Electricity Industry Act, section 82	Code of Conduct, clause 5.2	Unless otherwise agreed with a customer, a retailer must offer the customer at least the payment methods prescribed in clause 5.2.	4	✓						✓				
189	Electricity Industry Act, section 82	Code of Conduct, clause 5.3	Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.	2		✓						✓			
190	Electricity Industry Act, section 82	Code of Conduct, clause 5.4	Upon request, a retailer must accept payment in advance from a customer. This will not require a retailer to credit any interest to the amounts paid in advance. Subject to clause 6.9, and unless otherwise agreed with a customer,	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
			the minimum amount for an advance payment that a retailer will accept is \$20.												
191	Electricity Industry Act, section 82	Code of Conduct, clause 5.5	If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.	4	✓						✓				
192	Electricity Industry Act, section 82	Code of Conduct, clause 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified in sub clause 5.6(1).	4	✓						✓				
193	Electricity Industry Act, section 82	Code of Conduct, clause 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in sub clause 5.6(1) (c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	4	✓										✓
194	Electricity Industry Act, section 82	Code of Conduct, clause 5.6(3)	A retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	4	✓						✓				
195	Electricity Industry Act, section 82	Code of Conduct, clause 5.6(4)	A retailer must not charge a residential customer more than 2 late payment fees in relation to the same bill or more than 12 late payment fees in a year.	4	✓						✓				
196	Electricity Industry Act, section 82	Code of Conduct, clause 5.6(5)	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.	2		✓							✓		
197	Electricity Industry Act, section 82	Code of Conduct, clause 5.7(1)	A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in sub clause 5.7(1).	2		✓							✓		

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
198	Electricity Industry Act, section 82	Code of Conduct, clause 5.7(2)	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.	4	✓						✓				
199	Electricity Industry Act, section 82	Code of Conduct, clause 5.7(4)	Notwithstanding subclauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in sub clause 5.7(4).	4		✓							✓		
200	Electricity Industry Act, section 82	Code of Conduct, clause 5.8(1)	A retailer must not commence proceedings to recover a debt – a) from a residential customer who has informed the retailer in accordance with clause 6.1(1) that they are experiencing payment difficulties or financial hardship, unless and until the retailer has complied with all the requirements of clause 6.1 and (if applicable) clause 6.3; and b) while a residential customer continues to make payments under an alternative arrangement.	4	✓						✓				
201	Electricity Industry Act, section 82	Code of Conduct, clause 5.8(2)	A retailer must not recover or attempt to recover a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.	2		✓							✓		
201A.	Electricity Industry Act, section 82	Code of Conduct, clause 5.8(3)	A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt, providing the retailer obtains the other customer's verifiable consent to the transfer.	5	✓						✓				
<b>PAYMENT DIFFICULTIES and FINANCIAL HARDSHIP</b>															
202	Electricity Industry Act, section 82	Code of Conduct, clause 6.1(1)	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer	2		✓							✓		

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating								
					A	B	C	D	N/P	1	2	3	4	N/R				
			to a relevant consumer representative to make the assessment.															
203	Electricity Industry Act, section 82	Code of Conduct, clause 6.1(3)	When undertaking an assessment under sub clause 6.1(1) (a), a retailer must give reasonable consideration to the information prescribed in sub clause 6.1(3) (a), or advice prescribed in sub clause 6.1(3) (b), unless a retailer adopts an assessment from a relevant consumer representative.	2	✓						✓							
204	Electricity Industry Act, section 82	Code of Conduct, clause 6.1(4)	Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under sub clause 6.1(1).	2	✓						✓							
205	Electricity Industry Act, section 82	Code of Conduct, clause 6.2(1)	If a residential customer is referred to a relevant consumer representative under sub clause 6.1(1) (b), a retailer must grant a temporary suspension of actions for that customer.	2	✓						✓							
206	Electricity Industry Act, section 82	Code of Conduct, clause 6.2(2)	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.	2		✓									✓			
207	Electricity Industry Act, section 82	Code of Conduct, clause 6.2(3)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	2	✓						✓							
208	Electricity Industry Act, section 82	Code of Conduct, clause 6.2(4)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.	2	✓						✓							
209	Electricity Industry Act, section 82	Code of Conduct, clause 6.3(1)(a)	If a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1), and advise the residential customer that additional assistance may be available if the prescribed circumstances apply.	2	✓						✓							

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
210	Electricity Industry Act, section 82	Code of Conduct, clause 6.3(1)(b)	If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.	2		✓							✓		
211	Electricity Industry Act, section 82	Code of Conduct, clause 6.4(1)(a)	If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer additional time to pay a bill.	2	✓						✓				
212	Electricity Industry Act, section 82	Code of Conduct, clause 6.4(1)(b)	If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.	2		✓							✓		
213	Electricity Industry Act, section 82	Code of Conduct, clause 6.4(2)	When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with sub clause 6.4(2).	2		✓							✓		
214	Electricity Industry Act, section 82	Code of Conduct, clause 6.4(3)	If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in sub clause 6.4(3)(a) within 5 business days and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.	2		✓						✓			
215	Electricity Industry Act, section 82	Code of Conduct, clause 6.6(1)	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative, for a reduction of the customer's fees, charges or debt.	2	✓						✓				
216	Electricity Industry Act, section 82	Code of Conduct, clause 6.6(2)	In giving reasonable consideration under sub clause 6.6(1), a retailer should refer to the hardship procedures referred to in sub clause 6.10(3).	2	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
217	Electricity Industry Act, section 82	Code of Conduct, clause 6.7	If it is reasonably demonstrated to a retailer that a customer experiencing financial hardship is unable to meet the customer's obligations under a payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan.	2	✓						✓				
218	Electricity Industry Act, section 82	Code of Conduct, clause 6.8	A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).	2		✓							✓		
219	Electricity Industry Act, section 82	Code of Conduct, clause 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives, as referred to in sub clause 5.4(3).	2	✓						✓				
220	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(1)	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer.	4	✓						✓				
221	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(2)	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).	4	✓						✓				
222	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(3)	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3).	4	✓						✓				
223	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(4)	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's hardship policy, including by post, at no charge.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
225	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(6)	If directed by the ERA, a retailer must review its hardship policy and hardship procedures in consultation with relevant consumer representatives and submit the results of that review to the ERA within 5 business days after it is completed.	4	✓										✓
226	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(7)	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	4	✓						✓				
227	Electricity Industry Act, section 82	Code of Conduct, clause 6.10(8)	If a retailer makes a material amendment to its hardship policy, the retailer must consult with relevant consumer representatives and submit a copy of the retailer's amended hardship policy to the ERA within 5 business days of the amendment.	4	✓										✓
228	Electricity Industry Act, section 82	Code of Conduct, clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	4	✓						✓				
<b>DISCONNECTION and INTERRUPTION</b>															
229	Electricity Industry Act, section 82	Code of Conduct, clause 7.1(1)	Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in sub clause 7.1(1)(c).	2		✓						✓			
230	Electricity Industry Act, section 82	Code of Conduct, clause 7.2(1)	A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in sub clause 7.2(1).	4		✓							✓		

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating				
					A	B	C	D	N/P	1	2	3	4	N/R
232	Electricity Industry Act, section 82	Code of Conduct, clause 7.4(1)	Unless the conditions specified in sub clause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter.	4					✓					✓
234	Electricity Industry Act, section 82	Code of Conduct, clause 7.6	Subject to sub clause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.	2		✓							✓	
235	Electricity Industry Act, section 82	Code of Conduct, clause 7.7(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with sub clause 7.7(1).9	2	✓					✓				
236	Electricity Industry Act, section 82	Code of Conduct, clause 7.7(2)	A retailer must undertake the actions specified in subclauses 7.7(2) (e)-(g), if a customer registered with a retailer under sub clause 7.7(1) notifies the retailer:  · that the person requiring life support equipment is changing supply address; · that the customer, but not the person requiring life support equipment, is changing supply address; · of a change in contact details; or · that the address no longer requires registration as life support equipment address.	2	✓					✓				
240	Electricity Industry Act, section 82	Code of Conduct, clause 7.7(6)	A retailer must contact the customer to ascertain whether life support equipment is required or to request recertification in the time frame, manner and circumstances specified in sub clause 7.7(6).	4	✓					✓				
241	Electricity Industry Act, section 82	Code of Conduct, clause 7.7(7)	A retailer or distributor must remove the customers' details from the life support equipment register in the circumstances and timeframes specified in sub clause 7.7(7).	4	✓					✓				



Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating				
					A	B	C	D	N/P	1	2	3	4	N/R
<b>RECONNECTION</b>														
242	Electricity Industry Act, section 82	Code of Conduct, clause 8.1(1)	A retailer must arrange to reconnect a customer's supply address if the customer remedies their breach, makes a request for reconnection and pays the retailer's reasonable charges (if any) for reconnection, or accepts an offer of an instalment plan for the retailer's reasonable charges.	4		✓							✓	
243	Electricity Industry Act, section 82	Code of Conduct, clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).	2		✓							✓	
243A.	Electricity Industry Act, section 82	Code of Conduct, clause 8.1(3)	If a retailer does not forward the request for reconnection to the relevant distributor within the timeframes in subclause 8.1(2), the retailer will not be in breach of this clause (8.1) if the retailer causes the customer's supply address to be reconnected by the distributor within the timeframes in sub clause 8.2(2) as if the distributor had received the request for reconnection from the retailer in accordance with sub clause 8.1(2).	4	✓									✓
<b>PRE-PAYMENT METERS</b>														
245	Electricity Industry Act, section 82	Code of Conduct, clause 9.1(2)	A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.	4	✓						✓			
246	Electricity Industry Act, section 82	Code of Conduct, clause 9.2(1)	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.	4	✓									✓
247	Electricity Industry Act, section 82	Code of Conduct, clause 9.2(2)	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address.	4	✓									✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
249	Electricity Industry Act, section 82	Code of Conduct, clause 9.3(1)	If a residential customer requests information on the use of a prepayment meter, a retailer must advise the information specified in subclause 9.3(1) at no charge, and in clear, simple and concise language.	4	✓										✓
250	Electricity Industry Act, section 82	Code of Conduct, clause 9.3(2)	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give, or make available to that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge.	4	✓										✓
251	Electricity Industry Act, section 82	Code of Conduct, clause 9.3(3)	A retailer must ensure that the following information is shown on, or directly adjacent to, a residential customer's prepayment meter: <ul style="list-style-type: none"> <li>• the positive or negative financial balance of the prepayment meter within one dollar (\$1) of the actual balance;</li> <li>• whether the pre-payment meter is operating on normal credit or emergency credit;</li> <li>• a telephone number for enquiries; and</li> <li>• the distributor's 24-hour telephone number for faults and emergencies.</li> </ul>	4	✓					✓					
252	Electricity Industry Act, section 82	Code of Conduct, clause 9.3(4)	Upon request and at no charge, a retailer must give a prepayment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous 2 years, or since the commencement of the prepayment meter contract (whichever is shorter), divided into quarterly segments.	4	✓										✓
253	Electricity Industry Act, section 82	Code of Conduct, clause 9.3(5)	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause (2)(r), a retailer must use reasonable endeavours to notify a prepayment meter customer in writing or by electronic means within 10 business days of the change.	4	✓										✓
254	Electricity Industry Act, section 82	Code of Conduct, clause 9.4(1)	If a prepayment meter customer notifies a retailer that it wants to replace or switch a prepayment meter to a standard meter, the retailer must	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
			<ul style="list-style-type: none"> <li>send the information referred to in clauses 2.3 and 2.4 to the customer; and</li> <li>arrange with the relevant distributor to remove or render non-operational the pre-payment meter and replace or switch the pre-payment meter to a standard meter within 1 business day of the request.</li> </ul>												
255	Electricity Industry Act, section 82	Code of Conduct, clause 9.4(2)	A retailer must not charge for reversion to a standard meter if a prepayment customer is a residential customer and that customer, or their nominated representative, requests reversion of a prepayment meter within 3 months of its installation or the date the customer agreed to enter into the prepayment contract, whichever is later.	4	✓										✓
257	Electricity Industry Act, section 82	Code of Conduct, clause 9.5(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in subclauses 9.5(1) (a)-(c).	2	✓										✓
259	Electricity Industry Act, section 82	Code of Conduct, clause 9.6	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.	4	✓					✓					
260	Electricity Industry Act, section 82	Code of Conduct, clause 9.7(a), (b) and (d)	<p>A retailer must ensure that:</p> <ul style="list-style-type: none"> <li>at least 1 recharge facility is located as close as practicable to a prepayment meter, and in any case no further than 40 kilometres away;</li> <li>a prepayment meter customer can access a recharge facility at least 3 hours per day, 5 days a week; and</li> <li>the minimum amount to be credited by a recharge facility does not exceed \$20 per increment.</li> </ul>	4	✓					✓					
261	Electricity Industry Act, section 82	Code of Conduct, clause 9.8	If a prepayment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the prepayment meter customer receives the benefit of the concession.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
262	Electricity Industry Act, section 82	Code of Conduct, clause 9.9(1)	If requested by a prepayment meter customer, a retailer must make immediate arrangements to check the metering data; test the pre-payment meter; and/or arrange for a test of the metering installation at the connection point.	4	✓										✓
264	Electricity Industry Act, section 82	Code of Conduct, clause 9.9(4)	If a prepayment meter is found to be inaccurate or not operating correctly, a retailer must: immediately arrange for the repair or replacement of the prepayment meter; correct any overcharging or undercharging; and refund any charges payable by a customer for testing the pre-payment meter.	4	✓										✓
265	Electricity Industry Act, section 82	Code of Conduct, clause 9.10(1)	Subject to a prepayment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the prepayment customer can retrieve all remaining credit at the time that customer vacates the supply address.	4	✓										✓
266	Electricity Industry Act, section 82	Code of Conduct, clause 9.10(2)	If a prepayment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform and reimburse the prepayment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified.	5	✓										✓
267	Electricity Industry Act, section 82	Code of Conduct, clause 9.10(3)	The retailer must pay the amount in accordance with the prepayment meter customer's instructions within 12 business days of receiving the instructions.	4	✓										✓
268	Electricity Industry Act, section 82	Code of Conduct, clause 9.10(4)	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	5	✓										✓
269	Electricity Industry Act, section 82	Code of Conduct, clause 9.10(6)	If a retailer proposes to recover an amount undercharged to a prepayment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in subclause 9.10(6).	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
270	Electricity Industry Act, section 82	Code of Conduct, clause 9.11(1)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a waiver of any fee to replace or switch a prepayment meter to a standard meter.	4	✓										✓
271	Electricity Industry Act, section 82	Code of Conduct, clauses 9.11(2)	If a retailer is informed by a prepayment meter customer that the customer is experiencing payment difficulties or financial hardship, or the retailer identifies the customer as having been disconnected in the manner specified in subclause 9.11(2) (b), the retailer must, subject to sub clause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2) (d)-(g).	5	✓										✓

**INFORMATION and COMMUNICATION**

272	Electricity Industry Act, section 82	Code of Conduct, clause 10.1(1)	A retailer must give notice of any variations in its tariffs, fees and charges, to each of its customers affected by the variation no later than the next bill in the customer's billing cycle.	4	✓						✓				
273	Electricity Industry Act, section 82	Code of Conduct, clause 10.1(2)	Upon request and at no charge, a retailer must give or make available to a customer reasonable information on its tariffs, fees and charges, including any alternative tariffs that may be available to that customer.	4	✓						✓				
274	Electricity Industry Act, section 82	Code of Conduct, clause 10.1(3)	A retailer must give or make available to a customer the information requested on tariffs, fees and charges within 8 business days of the date of receipt and, if requested, provide the information in writing.	4	✓						✓				
275	Electricity Industry Act, section 82	Code of Conduct, clause 10.2(1)	On request, a retailer must provide a non-contestable customer with their billing data.	4	✓						✓				
276	Electricity Industry Act, section 82	Code of Conduct, clause 10.2(2)	If a non-contestable customer requests billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with a retailer, the retailer must provide the data at no charge.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
277	Electricity Industry Act, section 82	Code of Conduct, clause 10.2(3)	A retailer must give the requested billing data under sub clause 10.2(1) within 10 business days of the receipt of the request, or on payment of the retailer's reasonable charge for providing this data.	4	✓						✓				
278	Electricity Industry Act, section 82	Code of Conduct, clause 10.2(4)	A retailer must keep a non-contestable customer's billing data for 7 years.	4	✓						✓				
279	Electricity Industry Act, section 82	Code of Conduct, clause 10.3	Upon request and at no charge, a retailer must provide a residential customer with information on the types of concessions available to the residential customer and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).	4		✓						✓			
280	Electricity Industry Act, section 82	Code of Conduct, clause 10.3A	At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this Code and under any other legislation in Western Australia, including the amount of the payment and the eligibility criteria for the payment.	4	✓						✓				
281	Electricity Industry Act, section 82	Code of Conduct, clause 10.4	Upon request and at no charge, a retailer must give, or make available to a customer general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.	4	✓						✓				
282	Electricity Industry Act, section 82	Code of Conduct, clause 10.5	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	4	✓						✓				
290	Electricity Industry Act, section 82	Code of Conduct, clause 10.9	To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, concise language and in a format that is easy to understand.	5	✓						✓				
291	Electricity Industry Act, section 82	Code of Conduct, clause 10.10(1)	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
292	Electricity Industry Act, section 82	Code of Conduct, clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.	4	✓						✓				
294	Electricity Industry Act, section 82	Code of Conduct, clause 10.11(1)	Upon request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	4	✓						✓				
295	Electricity Industry Act, section 82	Code of Conduct, clause 10.11(2)	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2) (a) on its bills and bill-related information, reminder notices and disconnection warnings.	4		✓						✓			
297	Electricity Industry Act, section 82	Code of Conduct, clause 10.12(2)	On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	4	✓						✓				
<b>COMPLAINTS and DISPUTE RESOLUTION</b>															
298	Electricity Industry Act, section 82	Code of Conduct, clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	4	✓						✓				
299	Electricity Industry Act, section 82	Code of Conduct, clause 12.1(2)	The complaints handling process under sub clause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.	4	✓						✓				
300	Electricity Industry Act, section 82	Code of Conduct, clause 12.1(3)	A retailer or distributor must advise the customer in accordance with sub clause 12.1(3).	4		✓							✓		
301	Electricity Industry Act, section 82	Code of Conduct, clause 12.1(4)	On receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	4		✓							✓		

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating						
					A	B	C	D	N/P	1	2	3	4	N/R		
302	Electricity Industry Act, section 82	Code of Conduct, clause 12.2	A retailer must comply with any guidelines developed by the ERA to distinguish customer queries from complaints.	2		✓							✓			
303	Electricity Industry Act, section 82	Code of Conduct, clause 12.3	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.	4	✓						✓					
304	Electricity Industry Act, section 82	Code of Conduct, clause 12.4	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be appropriate to deal with the complaint (if known).	4	✓						✓					

**REPORTING**

305	Electricity Industry Act, section 82	Code of Conduct, clause 13.1	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	4	✓						✓					
306	Electricity Industry Act, section 82	Code of Conduct, clause 13.2	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	4	✓						✓					
307	Electricity Industry Act, section 82	Code of Conduct, clause 13.3	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if:  · copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and  · a copy is posted on the retailer or distributor's website.	4	✓						✓					



Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
<b>SERVICE STANDARD PAYMENTS</b>															
308	Electricity Industry Act, section 82	Code of Conduct, clause 14.1(1)	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8.	4	✓						✓				
310	Electricity Industry Act, section 82	Code of Conduct, clause 14.2(1)	Subject to clause 14.6, a retailer must pay the specified compensation to a customer if: it fails to comply with any of the procedures specified in Part 6 or Part 7 prior to arranging for disconnection or disconnecting the customer for failure to pay a bill; or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7 for failure to pay a bill.	4	✓						✓				
312	Electricity Industry Act, section 82	Code of Conduct, clause 14.3(1)	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer did not acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4).	4	✓						✓				
315	Electricity Industry Act, section 82	Code of Conduct, clause 14.7(1)	A retailer that is required to make a compensation payment for failing to satisfy a service standard under clauses 14.1, 14.2 or 14.3 must do so in the manner specified in sub clause 14.7(1).	4	✓						✓				
<b>15 ELECTRICITY INDUSTRY METERING CODE – LICENCE CONDITIONS AND OBLIGATIONS</b>															
324	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flow or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
339	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	4	✓										✓
354	Distribution Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 3.18(1)	The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.	4	✓										✓
372	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	5	✓					✓					
373	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 4.5(2)	Subject to sub clause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	4		✓					✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
388	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under sub clause 5.4(1).	4	✓										✓
402	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.17(1)	A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	4		✓								✓	
405	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.18	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	4	✓						✓				
406	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.19(1)	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator.	5	✓						✓				
407	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	5	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
408	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.19(3)	Subject to subclauses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change.	2		✓							✓		
410	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.19(6)	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.	5	✓						✓				
416	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.21(5)	A Code participant must not request a test or audit under sub clause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user, or the Code participant is the IMO.	4	✓						✓				
417	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.21(6)	A Code participant must not make a request under sub clause 5.21(1) that is inconsistent with any access arrangement or agreement.	4	✓						✓				
435	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.27	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
448	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	4	✓						✓				
451	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	5	✓						✓				
453	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	4	✓										✓
454	Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under sub clause 7.2(4) at least 3 business days before the change takes effect.	4	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
455	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed, or another purpose contemplated by the Code.	4	✓						✓				
456	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	4	✓						✓				
457	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1  Integrated Regional Licence, condition 4.1.1  Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 8.1(1)	If any dispute arises between any Code participants, then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	5	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
458	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	✓										✓
459	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	✓										✓
460	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	✓										✓
461	Distribution Licence, condition 4.1.1 Generation Licence, condition 4.1.1 Integrated Regional Licence, condition 4.1.1 Retail Licence, condition 4.1.1 Transmission Licence, condition 4.1.1	Electricity Industry Metering Code, clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	5	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating				
					A	B	C	D	N/P	1	2	3	4	N/R
<b>16 ELECTRICITY INDUSTRY (NETWORK QUALITY AND RELIABILITY OF SUPPLY) CODE – LICENCE CONDITIONS AND OBLIGATIONS</b>														
<b>17 ELECTRICITY LICENCES - LICENSEE SPECIFIC CONDITIONS AND OBLIGATIONS</b>														
486	Horizon Power Integrated Regional Licence, Schedule 1, condition 2.1 Synergy Retail Licence, Schedule 1, condition 2.1	Electricity Industry (Licence Conditions) Regulations, regulation 8	The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.	4	✓									✓
487	Horizon Power Integrated Regional Licence, Schedule 1, condition 2.6 Synergy Retail Licence, Schedule 1, condition 2.6	Electricity Industry (Licence Conditions) Regulations, regulation 8	The licensee must comply with a direction by the Coordinator to submit an amendment to the renewable source electricity contract by the time specified.	4	✓									✓
488	Horizon Power Integrated Regional Licence, Schedule 1, conditions 3.1 and 3.2 Synergy Retail Licence, Schedule 1, conditions 3.1 and 3.2	Electricity Industry (Licence Conditions) Regulations, regulation 6	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract.	4	✓									✓
489	Horizon Power Integrated Regional Licence, Schedule 1, condition 3.3 Synergy Retail Licence, Schedule 1, condition 3.3	Electricity Industry (Licence Conditions) Regulations, regulation 7	The licensee must submit to the Coordinator a written report detailing the amount of renewable source electricity purchased by the licensee and the cost of purchasing that renewable source electricity as soon as practicable at the end of each financial year.	4	✓					✓				
496	Horizon Power Integrated Regional Licence, condition 4.1.1 Synergy Retail Licence, condition 4.1.1	Electricity Industry (Customer Contracts) Regulations, regulation 40	Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.	4		✓					✓			



# 4 Detailed findings and recommendations

This section has been structured in subsections for the relevant Codes and Regulations against which we assessed Synergy's compliance.

Assessment of compliance adequacy:

- **Findings** – the auditors understanding of the process and any issues that have been identified during the audit and
- **Recommendations** – recommendations for improvement or enhancement of the process of control.

The compliance and control adequacy rating have been summarised below for each sub-section.

**Table 7: Detailed findings and recommendation**

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
<b>TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES</b>							
234	Code of Conduct, clause 7.6	Subject to sub clause 7.6(3), a retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.	2	<p>Through walkthrough with the Electricity Billing Team, enquiries with the Regulation and Compliance (RaC) Team, and review of the Probe Disconnection Process, we have determined that Synergy has appropriate controls in place to address compliance requirements in regard to disconnections (i.e. disconnection where there is a related complaint or requested by the customer, for emergency reasons).</p> <p>Synergy does not proceed with the disconnection request if an account is flagged with an unresolved complaint (be it raised directly from the customer or from any relevant third party pursuant to the code). We tested the system control which prevents an account with an open complaint to be disconnected and noted no exceptions.</p> <p>In the 2017/18 Compliance Report submitted to the ERA, Synergy self-reported one (1) breach. This breach resulted from agent error and a failure to follow standard operating procedures.</p>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>In response to the causes of the non-compliance, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• a review of and update customer soft skills training and call training for all Synergy collection agents;</li> <li>• all processes within Synergy’s knowledge management system were updated, specifically those relating to credit management processes and disconnection;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings and Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>• Synergy collection agents’ scripts have been updated to confirm whether the reason for call has been appropriately addressed;</li> <li>• system access to Synergy’s knowledge management system, training portal and governance and risk system has been authorised for remote access;</li> <li>• creation of a case study from incident learnings for training purposes;</li> <li>• review of the call transfer process;</li> <li>• implementation of a process for collections agents to record customer complaints;</li> <li>• ICAM root cause analysis; and</li> <li>• Upgrade SAP complaints system module.</li> </ul> <p>As part of this audit, we tested the system control to determine the operational effectiveness of the above</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>process and confirmed that Synergy prevents an account with an open complaint to be disconnected and noted no exceptions. Sample testing did not identify further non-compliance.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
235	Code of Conduct, clause 7.7(1)	Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with sub clause 7.7(1).	2	Through walkthrough and enquiries with Complaints and Life Support Team Leader and the examination of the Life Support Policy, Life Support Standard Operating Procedure and Synergy's website on life support information and system walkthrough, we determined that Synergy has a process in place to facilitate life support customers in compliance with this obligation.	N/A. None noted.	A	1
236	Code of Conduct, clause 7.7(2)	<p>A retailer must undertake the actions specified in sub clauses 7.7(2) (e)-(g), if a customer registered with a retailer under sub clause 7.7(1) notifies the retailer:</p> <ul style="list-style-type: none"> <li>· that the person requiring life support equipment is changing supply address;</li> <li>· that the customer, but not the person requiring life support equipment, is changing supply address;</li> <li>· of a change in contact details; or</li> <li>· the address no longer requires registration as life support equipment address.</li> </ul>	2	<p>Synergy has a dedicated Life Support Team who are responsible for actioning all registrations. According to the request received, life support registration is made available to the customers either through Synergy's website or sent on request. Customers are advised regarding completing the form along with the medical practitioner's confirmation within six (6) weeks, 10 weeks, 12 weeks and 14 weeks. Synergy evaluates the life support customers on an annual basis (a confirmation is obtained) and every three years (a medical certificate is required) to ensure the life support customers are still eligible to be receiving a registration under this program.</p> <p>When the life support information is entered into the SAP system an automatic notification is sent across to Western Power. This allows Synergy to flag the customer as a life support customer which exempts the customer from being disconnected. In addition to the automatic notification that is sent to Western Power, the spreadsheet is maintained by the Complaints and Life Support Team which includes all new and life support changes which are emailed to Western Power on a daily basis at 3.00pm for requests received on the</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>same day and for requests after 3.00pm to be reported on the next business day.</p> <p>We sample tested five (5) instances of new and changed life support request and we confirmed that the requirements as per obligation 235 and 236 have been met.</p> <p>Based on our walkthrough, enquires and review of documentation and system control and testing of samples, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
257	Code of Conduct, clause 9.5(1)	<p>If a customer provides the retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the address requires life support equipment, a retailer must not provide a pre-payment meter service at their supply address. Further, the retailer must, or must immediately arrange to remove or render non-operational the pre-payment meter at no charge; replace or switch the pre-payment meter to a standard meter at no charge; and provide information to the prepayment meter customer about the contract options available to the customer.</p>	2	<p>Through walkthrough and enquiries with Complaints and Life Support Team Leader and the examination of the Life Support Policy, Life Support Standard Operation Procedure and Synergy's website on life support information and system walkthrough, we determined that Synergy has a process in place to facilitate life support customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, we noted that there were no prepayment meter customers on Life Support Equipment during the audit period, therefore, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

**9 ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE – LICENCE CONDITIONS AND OBLIGATIONS**

6	Electricity Industry Customer Transfer Code, clause 3.2(2)	A retailer must submit a separate data request for each connection point, unless otherwise agreed.	4	<p>Through walkthrough and enquiries with the ICT Team, as well as examination of the nominations log recording template, we determined that the Western Power portal would only allow a data request to be submitted for one nomination log Meter Identifier (MI) (or connection point) at a time.</p>	N/A. None noted.	A	1
7	Electricity Industry Customer Transfer Code, clause 3.4(1)	A retailer must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day, unless otherwise agreed.	4	<p>We reviewed the Western Power portal as part of the review to test the operational effectiveness of the above process and confirmed that Synergy was able to undertake the following:</p> <ul style="list-style-type: none"> <li>• Synergy submits a separate data request for each</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>exit point through the Metering Service Centre web portal (maintained by Western Power), for which a unique identification is assigned. (A National Meter Identifier (NMI) is 10-digit unique number assigned to an electricity network connection point for the purpose of identifying it).</p> <ul style="list-style-type: none"> <li>Western Power Portal only accepts requests for one NMI at a time.</li> <li>WP portal is configured to accept the maximum number (50 during the audit period and this number was revised to 1,800 in August 2019) prescribed under the Customer Transfer Code. This amount can be exceeded provided Synergy obtains Western Powers approval.</li> </ul> <p>Based on our walkthrough, enquiries, and examination of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
8	Electricity Industry Customer Transfer Code, clause 3.5(3)	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	4	<p>We examined the Pre-churn Data Request Process and found that each Verifiable Consent Form (VCF) is checked for validity and a data request is only put through the Western Power portal when Synergy possesses a valid VCF from the customer or broker including Letter of Authority (LOA). Through enquiries with the RaC Team, we confirmed that no instances of a customer's verifiable consent ceasing to apply before the network operator provides the historical consumption data, occurred during the audit period.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
9	Electricity Industry Customer Transfer Code, clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn.	4	<p>After review of the pre-churn in meter data request process, we note that Synergy only requests a maximum period of 12 months data. As per enquiry, we also note that in case of a withdrawal for a request (for a maximum period of 12 months), no cancellation fees would arise.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to the process undertaken by Synergy of requesting only 12 months data, there were no instances relevant to this obligation during the audit period, and therefore, we were unable to test compliance with the licence condition.			
16	Electricity Industry Customer Transfer Code, clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the retailer; or to initiate a transfer of that customer.	4	<p>Through walkthrough and enquiries with the Customer Fulfilment Team Leader, as well as examination of the Network Process and Procedures, we determined that Synergy only uses a contestable customer's data in order to provide a quotation for the supply of electricity, or to initiate a transfer of that customer.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
17	Electricity Industry Customer Transfer Code, clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	Based on our enquiries with the Customer Fulfilment Team Leader and review of the do-not-use-data process, as well as the Synergy networks process and procedures, we can conclude that there are adequate controls in place. During the audit period, there were no requests from a contestable customer not to aggregate historical consumption data with that of other contestable customers for the purposes of internal business development, therefore, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R
18	Electricity Industry Customer Transfer Code, clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	2	<p>Through discussions with the Customer Fulfilment Team Leader and examination of Synergy's Pre-Churn in Process and Standard Form Consent, we determined that, for those instances during the audit period where a contestable customer's data was obtained, Synergy's processes provided for:</p> <ul style="list-style-type: none"> <li>• Non-disclosure of customer information to any other person or entity without the customer's consent;</li> <li>• Maintaining records of customer consent in</li> </ul>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>Nomination Log and Salesforce; and</p> <ul style="list-style-type: none"> <li>Customer consent records to be retained indefinitely.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, there were no instances where contestable customer data was disclosed to any other person during the audit period, and therefore, we were unable to test compliance with the licence condition.</p>			
19	Electricity Industry Customer Transfer Code, clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	2	<p>Through discussions with the Customer Fulfilment Team Leader and examination of Synergy's Pre-Churn in Process and Standard Form Consent, we determined, for those instances during the audit period where a contestable customer's data was obtained, Synergy's processes provided for:</p> <ul style="list-style-type: none"> <li>Non-disclosure of customer information to any other person or entity without the customer's consent;</li> <li>Maintaining records of customer consent in Nomination Log and Salesforce; and</li> <li>Customer consent records to be retained indefinitely.</li> </ul> <p>ICT Corporate Systems are responsible for ensuring that users can store a link to DM in SAP. SAP stores a link to a DM document as an attachment to a business object. The physical document is not stored in SAP, just a link.</p> <p>As part of this audit, we undertook a system walkthrough with the Customer Fulfilment Officer for verifiable consent maintained physically and noted the following:</p> <ul style="list-style-type: none"> <li>The verifiable consent obtained in writing is maintained within the DM system.</li> <li>Each time an acquisition is undertaken a verifiable consent is requested prior to obtaining historical data information from Western Power.</li> <li>Verifiable consent obtained verbally is maintained</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>indefinitely as Synergy does not have an archiving procedure in place.</p> <ul style="list-style-type: none"> <li>For the five (5) samples selected for acquisitions, the verifiable consent was available for sighting.</li> </ul> <p>Our walkthrough and sample testing did not identify any non-compliances with the licence obligation.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
23	Electricity Industry Customer Transfer Code, clause 4.2(2)	A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed.	4	<p>Through discussions with the Customer Fulfilment Team Leader, walkthrough and examination of the Network Process and Procedures, we determined that the Western Power portal would only allow a customer transfer request to be submitted for one National Metering Identifier (NMI) (or connection point) at a time.</p> <p>For those instances during the audit period where a customer had requested a transfer, Synergy's processes provided for a separate customer transfer request for each exit point to be submitted through the Metering Service Centre web portal, based on the assigned NMI.</p> <p>Based on our examination of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
24	Electricity Industry Customer Transfer Code, clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer that submitted the customer transfer request or to reverse an erroneous transfer.	4	<p>Through enquiries with the Customer Fulfilment Team Leader, walkthrough and examination of the Network Process and Procedures, we determined that the Western Power portal would only allow a customer transfer request to be submitted if the mandatory field transfer type as either a new customer transfer or as a reversal of an erroneous transfer is completed.</p> <p>We reviewed the Western Power portal transfer input screen as part of the review to test the operational effectiveness of the above process and confirmed that for those instances during the audit period where a contestable customer was transferred, Synergy's processes provided for the customer's transfer type to be</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>nominated as either a new customer transfer or as a reversal of an erroneous transfer on Western Power's web portal.</p> <p>Based on our enquiries, walkthrough and examination of the documentation we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
25	Electricity Industry Customer Transfer Code, clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	4	<p>We have observed Synergy's current Electricity Transfer Access Contract with Western Power and confirmed that this contract was in effect for the entire period of the audit.</p> <p>Based on our observations and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
26	Electricity Industry Customer Transfer Code, clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	2	<p>Through enquiries with the Customer Fulfilment Team Leader and examination of Synergy's Network Process and Procedures, we determined that Synergy's processes and procedures include the following to address the obligation:</p> <ul style="list-style-type: none"> <li>All customer transfer requests (CTR) to reverse an erroneous transfer will be processed through the Western Power portal once the Customer Service Representative (CSR) has confirmed the erroneous transfer.</li> <li>For an incoming retailer, there will be an automated notification from Western Power to Synergy confirming the transfer.</li> <li>If the retailer's identity is unknown, Synergy to contact Western Power for assistance in identifying the incoming retailer.</li> </ul> <p>We reviewed one sample transaction of an erroneous transfer as part of the review to test the operational effectiveness of the above process and confirmed that Synergy undertook the required procedures in line with the obligation expectation.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our enquiries, review of documentation and system control, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition during the audit period.			
27	Electricity Industry Customer Transfer Code, clause 4.5 (1)	A retailer must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date, unless otherwise agreed.	4	<p>Through discussions with the Customer Fulfilment Team Leader, walkthrough and examination of the Network Process and Procedures, we observed and determined that a standard transfer request can be submitted at any time on any business day, up to a limit of 20 requests on any business day and must be submitted for each exit point separately.</p> <p>Based on our walkthrough and review of documentation, we can conclude that there are adequate controls in place and Synergy has not exceeded this limit and complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
28	Electricity Industry Customer Transfer Code, clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	2	<p>Through walkthrough discussion with Customer Fulfilment Team Leader, examination of the Network Process and Procedures and the customer verifiable consent, we determined that in instances where the customer verifiable consent ceased to apply before the transfer occurred, Synergy's processes ensured the following:</p> <ul style="list-style-type: none"> <li>Customer consent form to be obtained from the customer and ensure that a signed document is made available before the transfer is initiated or undertaken.</li> <li>Any withdrawals undertaken on the request of the customer to be saved in the document management system.</li> </ul> <p>Based on our walkthrough and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
29	Electricity Industry Customer Transfer Code, clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer	4	<p>Through enquiries with the Customer Fulfilment Team Leader, and examination of the Churn in Process and of Synergy's Network Process and Procedures, we confirmed that the nominated transfer dates are within the prescribed timeframes.</p> <p>Based on our observations and review of documentation and system walkthrough, we determined Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
30	Electricity Industry Customer Transfer Code, clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	<p>Based on our enquiries with the RaC Team and through examination of the Customer Transfer Request (CTR) Process and Synergy's Network Process and Procedures, we determined that Synergy must pay the reasonable costs to Western Power for either or both of providing and installing a meter until the earlier of:</p> <ul style="list-style-type: none"> <li>• Time the network operator receives the request (providing and /or installing a meter) and is reasonably able to act upon the notification of the CTR withdrawal.</li> <li>• End of the business day that Network operator receives the notification of the CTR withdrawal.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place. During the audit period, there were no instances where the network operator provided/installed a meter for a customer whose transfer request is withdrawn, therefore we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
34	Electricity Industry Customer Transfer Code, clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	<p>Through discussion and examination of the Customer Transfer Request process and of Synergy's Network Process and Procedures, we determined that:</p> <ul style="list-style-type: none"> <li>• If a transfer cannot be completed on the nominated date, Western Power will provide an explanation to Synergy as to why and propose a new transfer date.</li> <li>• If a meter cannot be read on the nominated date,</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
39	Electricity Industry Customer Transfer Code, clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	4	<p>Western Power will communicate with Synergy and propose a new transfer date.</p> <ul style="list-style-type: none"> <li>• Synergy will ensure the customer is made aware of any changes and obtain their consent before approving a new transfer date.</li> <li>• In relation to obligation 39, contestable customers have interval meters which automatically read and record energy data in 30-minute intervals. This ensures that the meter will always be read in relation to the nominated transfer date.</li> </ul> <p>Based on the review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
40	Electricity Industry Customer Transfer Code, clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	5	<p>Through examination of Synergy's Western Power Governance Structure model, we determined that Synergy has a well-defined governance framework in place to facilitate communication and resolve disputes with Western Power. If the access contract needs to be amended, resolutions will go through an escalation process involving the following channels:</p> <ul style="list-style-type: none"> <li>• Business as Usual (BAU);</li> <li>• Business to Business (B2B); and</li> <li>• Managing Director to Managing Director (MD to MD), etc.</li> </ul> <p>The framework includes elements of the dispute process and joint consultation between Synergy and Western Power.</p> <p>Through discussion with the RaC Team, no additional amendments needed to be made to the access contract during the audit period, to give effect to a transfer under the Customer Transfer Code.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
43	Electricity Industry Customer Transfer Code, clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and, if applicable, AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.	5	<p>Through enquiries with the Customer Fulfilment Team Leader, and examination of the Western Power Governance Structure model, we determined that Synergy has a well-defined governance framework in which Market Services are involved when an erroneous transfer is either disputed by Western Power or not actioned in the correct way. Market Services act as an escalation avenue in these instances and follows the documented governance framework. The framework includes elements of the dispute process and joint consultation between Synergy and Western Power (and if applicable, the AEMO).</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
44	Electricity Industry Customer Transfer Code, clause 4.16	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	3	Please refer to obligation 19 above.	N/A. None noted.	A	1
45	Electricity Industry Customer Transfer Code, clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	4	<p>Through walkthrough and enquiry with the Electricity Billing Team, and review of Synergy's Network Process and Procedures, we determined that when a move out is processed for a customer, this automatically triggers a Service Notification (SN) to Western Power requesting a final reading. Once this has been received, SAP ISU will automatically bill the customer for consumption up until the move out date specified by the customer and prevent further charges to be incurred after the transfer time.</p> <p>Based on our walkthroughs, review of documentation and system control, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
48	Electricity Industry Customer Transfer Code, clause 5.2	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	4	<p>Through review of Western Power's metering services generic SLA with WA retailers, communication rules and build pack, as well as enquiry with the Electricity Billing Team, we determined that Synergy respects and applies the network's communication rules in place when engaging in communications with Western Power.</p> <p>Based on our enquiries, and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
48A	Electricity Industry Customer Transfer Code, clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	4	<p>Through review of the Western Power Data Requests for Customer Fulfilment template, and observation of the process of uploading notices, we confirmed that the information is populated in the template during business hours and compiled before 3 PM (cut off time). The template is macro-embedded and uploads the information to the Western Power portal upon request, in accordance with the Electricity Industry Customer Transfer Code, clause 6.1(c), which states that notices must be given in writing, electronically, to the recipient's notified electronic communication address.</p> <p>Based on our observations, and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
49	Electricity Industry Customer Transfer Code, clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	4	<p>Through observation and review of Synergy's Churn In process and Network Process and Procedures, we confirmed that for a request to be processed, a mandatory field on the Western Power form needs to be completed in order to identify the NMI (or connection point) to which the request relates to.</p> <p>Based on our observations and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
52	Electricity Industry Customer Transfer Code, clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	4	<p>Through enquiries with Synergy RaC Team, as well as examination of the Electricity Transfer Access Contract, we determined that Synergy has Authorised Officers in charge of notifying Western Power within the prescribed time frame if such a request occur.</p> <p>Additionally, Synergy's contact details are available on its website or on any publicly available information. It was noted that Synergy did not change their contact details during the audit period and therefore no requests from Western Power was received to inform them as per the obligation.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
53	Electricity Industry Customer Transfer Code, clause 6.4(2)	A retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect.	4	<p>The Network and Regulatory Compliance Manager confirmed that Synergy's contact information remained unchanged during the audit period.</p> <p>Synergy has various controls to notify Western Power of changes in contact details. These include:</p> <ul style="list-style-type: none"> <li>• The Synergy/Western Power monthly business to business forum;</li> <li>• Use of the Empower regulatory calendar; and</li> <li>• Corporate affairs' notification to key stakeholders of changes of Synergy's contact details.</li> </ul> <p>We noted that Synergy's contact details are available on its website or on any publicly available information. There have been no changes of the contact details of Synergy during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
54	Electricity Industry Customer Transfer Code, clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	4	<p>Through enquiry with the Revenue and Credit Team, and review of the Business Continuity Plan, we observed that:</p> <ul style="list-style-type: none"> <li>The communication protocol specified within the Network Process and Procedure specifies the relevant electronic communication addresses.</li> <li>The Revenue and Credit Teams operate the Western Power Liaison mailbox which receives e-mail communication from Western Power.</li> <li>An automated response is generated to acknowledge receipt of communications.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
55	Electricity Industry Customer Transfer Code, clause 7.1(1)	For a dispute in respect of a matter under, or in connection with, the Electricity Industry Customer Transfer Code, the disputing parties must meet, within five business days of a request by one of those parties and attempt to resolve the dispute through negotiations that are conducted in good faith.	5	<p>Through walkthrough and enquiries with the Manager Network Regulation, we confirmed that Synergy has not been involved in disputes concerning Electricity Industry Customer Transfer Code clause 7.1(1) during the audit period.</p> <p>We reviewed Synergy's Network Procedure and Process 'dispute process section 7.3', which set up adequate processes to facilitate dispute resolution through appropriate escalation channels, in the event a dispute occurs.</p> <p>Accordingly, Synergy's processes for dispute resolution provided for:</p> <ul style="list-style-type: none"> <li>Measure for dispute resolution and the process for escalation in the event a dispute was to occur;</li> <li>How each party in dispute was expected to conduct themselves; and</li> <li>Documentation revolving dispute resolution.</li> </ul> <p>Based on our walkthrough and enquiries, we can conclude that there are adequate controls in place, however, due to no disputes during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
56	Electricity Industry Customer Transfer Code, clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute through negotiations that are conducted in good faith	5	Please refer to obligation 55 above.	N/A. None noted.	A	N/R
57	Electricity Industry Customer Transfer Code, clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	Please refer to obligation 55 above.	N/A. None noted.	A	N/R
58	Electricity Industry Customer Transfer Code, clause 7.2(4)	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	5	Please refer to obligation 55 above.	N/A. None noted.	A	N/R
59	Electricity Industry Customer Transfer Code, clause 7.3(2)	A disputing party must, at all times, conduct itself in a manner that is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code	5	Please refer to obligation 55 above.	N/A. None noted.	A	N/R

**11 ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS – LICENCE CONDITIONS AND OBLIGATIONS**

78	Electricity Industry Act, section 51	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website.	4	Through walkthrough and enquiries with the RaC Team, as well as examination of Synergy's Standard Form Contract (as published on Synergy's website), we established that Synergy supplies small-use customers who agree to enter into a standard form contract on the basis of the contract approved by the Economic Regulation Authority. We confirmed that Synergy's Standard Form Contract complies with the approved Standard Form Contract as published on the ERA's website.  Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the	N/A. None noted.	A	1
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				licence condition, during the audit period.			
79	Electricity Industry (Customer Contracts) Regulations, regulation 5	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Electricity Non-Standard Form Contracts, Business Terms and Conditions, and Legal Templates, we confirmed that:</p> <ul style="list-style-type: none"> <li>The non-standard contract which Synergy issues to the customer comprises of a form of agreement and the terms and conditions (version 14, November 2016). There are multiple forms of contracts based on the type of customer i.e. small use business fixed – verbal acceptance, small use business fixed – digital acceptance etc. However, all these forms of agreements will include a common standard Business Terms and Conditions.</li> <li>Non-standard contracts are presented in a format that is easy to read and expressed in clear, simple and concise language.</li> <li>When any amendments are done to the non-standard form contract template, the guidance of the legal and marketing team is sought to prepare any communication information.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
80	Electricity Industry (Customer Contracts) Regulations, regulation 6	A non-standard contract must specify when it comes into effect and the period for which it has an effect.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Electricity Non-Standard Form Contracts, and Business Terms and Conditions, we confirmed that non-standard contracts include a starting state for the supply of electricity (as described in clause 3), as well as an end date (as described in clause 18). The non-standard contracts are reviewed and assessed by Synergy's Legal and Marketing teams.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
81	Electricity Industry (Customer Contracts) Regulations, regulation 7	A non-standard contract must specify certain information about the retailer.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Electricity Non-Standard Form Contracts, and Business Terms and Conditions, we confirmed that non-standard contracts include Synergy's information as required by section 7 of the Electricity Industry (Customer Contracts) Regulations. The non-standard contracts are reviewed by the Legal team to ensure consistency and compliance with the customer contract regulations and also applicable laws such as Australian Consumer Law.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
82	Electricity Industry (Customer Contracts) Regulations, regulation 8	A non-standard contract must give an exact description of the goods and services that the retailer will provide under the contract.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Electricity Non-Standard Form Contracts, and Business Terms and Conditions, we confirmed that non-standard contracts give an exact description of the goods and services that the retailer will provide under the contract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
83	Electricity Industry (Customer Contracts) Regulations, regulation 9	A non-standard contract must require the customer to pay for electricity supplied under the contract.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Electricity Non-Standard Form Contracts, and Business Terms and Conditions, we confirmed that non-standard contracts require the customer to pay for electricity supplied under the contract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
84	Electricity Industry (Customer Contracts) Regulations, regulation 10	A non-standard contract must prohibit the customer from tampering with, or bypassing, network equipment or allowing any other person to do so.	4	<p>Through enquiries with the RaC Team, we found that a copy of the non-standard contract is automatically enclosed with the welcome letter sent to new customers. We have examined that contract and confirmed that</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>clause 10.1 prohibits customers from getting involved in any activity that may damage or interfere with the network equipment. Additionally, in relation to non-standard contracts, we confirmed that clause 10.3 of the Business Plan Terms and Conditions enforces the same restrictions.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
85	Electricity Industry (Customer Contracts) Regulations, regulation 11	A non-standard contract must describe the circumstances under which a retailer has the right to disconnect supply and is required to reconnect supply.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Electricity Non-Standard Form Contracts, and Business Terms and Conditions, we confirmed that clause 12 of those terms and conditions describe the circumstances under which Synergy has the right to disconnect supply and is required to reconnect supply.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
86	Electricity Industry (Customer Contracts) Regulations, regulation 12	A non-standard contract must require the retailer to deal with security deposits and the payment of interest in the manner that is specified.	4	<p>Through enquiries with the RaC Team, and review of the Electricity Non-Standard Form Contracts, and Business Terms and Conditions (clause 20), we confirmed that in relation to non-standard contracts, Synergy has controls in place to deal with security deposits and the payment of interest in the manner that is specified by the Electricity Contract Regulations.</p> <p>Synergy also advised that it is exempt from outlining interest payments in its non-standard contracts by virtue of regulation 12 (5).</p> <p>Synergy's non-standard contract includes the following information pertaining to security deposits:</p> <ul style="list-style-type: none"> <li>• How Synergy will hold the security deposits; and</li> <li>• How the transaction is identified in Synergy's accounting records.</li> </ul> <p>Through discussion with the RaC Team, we confirmed that no security deposits were held on behalf of small use</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>customers during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
87	Electricity Industry (Customer Contracts) Regulations, regulation 13	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.	4	<p>Through walkthrough and enquiries with the RaC Team, as well as review of the Electricity Non-Standard Form Contracts, Business Terms and Conditions, we confirmed that clause 5 of the terms and conditions describe Synergy's obligation to use reasonable endeavours to provide customers with reasonable information on changes in charges as soon as the information is made available to Synergy.</p> <p>The non-standard contract which Synergy issues to the customer comprises of a form of agreement and the terms and conditions (version 14, November 2016). There are multiple forms of contracts based on the type of customer i.e. small use business fixed – verbal acceptance, small use business fixed – digital acceptance etc. However, all these forms of agreements will include a common standard Business Terms and Conditions as explained above.</p> <p>Based on our enquiries, and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
88	Electricity Industry (Customer Contracts) Regulations, regulation 14	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.	4	<p>Through walkthrough and enquiries with the RaC Team, as well as review of clauses 8 and 9 of the Synergy's Terms and Conditions, we confirmed that Electricity Non-Standard Form Contracts describe the procedures to be followed by Synergy in relation to the preparation, issue and review of customer bills.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
89	Electricity Industry (Customer Contracts) Regulations, regulation 15	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation.	4	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Terms and Conditions, we confirmed that clause 18 describes all matters relating to the termination of a non-standard contract as specified in section 15 of the Electricity Industry (Customer Contracts) Regulations.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
90	Electricity Industry (Customer Contracts) Regulations, regulations 16 and 34	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amending the contract including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract.	4	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, we confirmed that clause 22.9 stipulates that the provisions of the contract may be amended without the customer's consent, and describes the process for amending the contract including requirements for approval and the way in which the amendment will be published, as required by section 16 of the Electricity Industry (Customer Contracts) Regulations.</p> <p>We also confirmed that clause 22.9 defines Synergy as responsible to notify customers of any amendment to their Non-standard contract, as required by section 34 of the Electricity Industry (Customer Contracts) Regulations.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
91	Electricity Industry (Customer Contracts) Regulations, regulation 17	A non-standard contract must specify the assignment of rights and obligations, including assignment without the customer's consent.	4	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, we confirmed that clause 22.4 specifies Synergy's ability to assign or novate non-standard contractual agreements without providing notice to customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
92	Electricity Industry (Customer Contracts) Regulations, regulation 18	A non-standard contract must describe the procedures that must be followed by the retailer in responding to a complaint made by a customer.	5	<p>Through walkthrough and enquiries with the RaC Team, as well as review of Synergy's Customer Charter and clause 16 of the Business Terms and Conditions, we confirmed that Synergy commits to resolving customer complaints by referring them to the appropriate channels and acting in accordance with policies and procedures.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
93	Electricity Industry (Customer Contracts) Regulations, regulation 19	A non-standard contract must specify the process that must be taken by the retailer to ensure information held by the retailer is treated confidentially.	5	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, we confirmed that clause 15 details the process Synergy has in place in order to ensure customers' information is treated confidentially.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
94	Electricity Industry (Customer Contracts) Regulations, regulation 20	A non-standard contract must specify the governing legislation, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer.	4	<p>Through enquiries with the RaC Team, as well as review of Synergy's Business Terms and Conditions, we confirmed the following:</p> <ul style="list-style-type: none"> <li>The agreement is governed by the laws of the State of Western Australia (clause 22.8). The effect of an invalid or unenforceable provision (clause 22.10);</li> <li>The way in which notice may be given (clause 22.2); and</li> <li>The rules governing the use of electronic communication by Synergy (clause 22.3).</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
95	Electricity Industry (Customer Contracts) Regulations, regulation 21	A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code,	4	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, Customer Charter, and non-standard contracts templates, we confirmed that a non-standard contract does not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code. Additionally, clause 14 of Synergy's Business Terms and Conditions clearly states that nothing in the agreement excludes, restricts or modifies rights of recovery or compensation customers may have under law, including the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
96	Electricity Industry (Customer Contracts) Regulations, regulation 32	A non-standard contract must include details about the cooling off period specified in the regulation.	4	<p>Through walkthrough and enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, we confirm that clause 19.4 establishes that Synergy will not provide electricity under a non-standard contract, until the end of the cool-off period. Additionally, we have examined each Form of Agreement for Synergy's non-standard agreements and confirmed that they specify a 10-day cooling-off period during which customers can withdraw from the contract.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
97	Electricity Industry (Customer Contracts) Regulations, regulation 33(2)	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days' notice.	4	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, we confirmed that:</p> <ul style="list-style-type: none"> <li>• Clause 18 stipulates that a customer can terminate a non-standard contract by giving Synergy a 20-day notice (before the end date of the agreement), or a five-day notice (after the end of the agreement).</li> <li>• Synergy does not offer non-standard contracts other than the fixed term agreements, to which the</li> </ul>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>5 days' notice at any time to withdraw is non-applicable as per Electricity Industry (Customer Contracts) Regulations section 33.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
98	Electricity Industry (Customer Contracts) Regulations, regulations 33(3) and (4)	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.	4	<p>Through enquiries with the RaC Team, as well as review of the Synergy's Business Terms and Conditions, we confirmed that clause 18 stipulates a customer can terminate a non-standard contract by giving Synergy a 20-day notice (before the end date of the agreement), or a five-day notice (after the end of the agreement). In the case of a termination before the end date of the agreement, clause 18 also specifies that a termination payment is applicable.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
100	Electricity Industry (Customer Contracts) Regulations, regulation 38	If a licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must notify the customer within 5 days after becoming aware of it and provide specific information.	4	<p>Through walkthrough and enquiries with the RaC Team, as well as review of the non-application letters and vacant premises disconnection letter, there are controls in place to fulfil this obligation. We noted that Synergy receives consumption data from Western Power and if the data corresponds to a vacant site and a certain amount of units have been utilised, SAP ISU prompts a non-application letter to the premises of the vacant site, notifying the occupant to contact Synergy to establish an account.</p> <p>In its 2017/18 Compliance Report submitted to the ERA, Synergy self-reported two (2) breaches where the deemed contract notice was not issued within five business days of Synergy becoming aware that electricity supply had been taken without a customer establishing a contract. The breaches resulted from manual error and failure to follow standard operating processes.</p> <p>In response to the cause of the non-compliance, Synergy introduced the following initiatives to address the cause:</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• implementation of Project Spark initiatives which improved compliance training and resourcing;</li> <li>• the consolidation of Synergy’s document management system to eliminate uncontrolled or obsolete regulatory documentation;</li> <li>• a review and improvement of change management processes across the business; and</li> <li>• an analysis of Synergy’s existing communication forums and mechanisms applicable to licensing and compliance activities to ensure prioritisation of communication, tracking and action of improvements.</li> </ul> <p>Through the Spark initiative, the Retail (RBU), Information and Communication (ICT) and Corporate Services (CSBU) business units commenced the implementation of the recommendations in July 2018. Synergy had the objective of reducing overall breach levels during 2018/19. The Compliance Report submitted to the ERA for 2018/19 found no breaches under this obligation and note the remedial actions implemented to be satisfactory.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
<b>12 ELECTRICITY INDUSTRY ACT – LICENCE CONDITIONS AND OBLIGATIONS</b>							
101	Electricity Industry Act, section 13(1)	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.	5	<p>Through enquiry with the RaC Team, and review of the prior ERL 1 Performance Audit, we confirmed that Synergy commissioned an independent auditor (Deloitte Touche Tohmatsu) to provide the prior performance audit as required by the ERA. For the current period, from 1 July 2017 to 30 June 2019, PricewaterhouseCoopers was appointed to conduct the performance audit, which was approved by the ERA.</p> <p>The Regulation and Compliance Operation Manual documents the key steps in conducting a Performance Audit, and an automatic reminder is prompted to the RaC Team regarding the Performance Audit submission due date.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
105	Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	4	<p>Regulation and Compliance - Operation Manual has documented that the RaC Team has a system reminder to prompt the team to contact the ERA to obtain the approximate costs of all three licence fees and complete any variation in the purchase order.</p> <p>Synergy had paid its annual licence fee for 2018 and 2019 as per the due date.</p> <p>Through walkthrough with the RaC Team and review of the ERA Tax invoice and the corresponding payment of the ERA Tax invoice, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
106	Electricity Industry Act, section 31(3)	A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	5	Through walkthrough and enquiries with the RaC Team and review of Emergency Response Procedure, Crisis Management Plan and Risk Management Plan, we determined that Synergy's organisational arrangements, procedures, responsibilities and reporting requirements are outlined to ensure the effective and timely management of all emergencies and unforeseen	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>incidents and interruptions are mitigated to the lowest possible level.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
107	Electricity Industry Act, section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	4	<p>Synergy as a Government Trading Enterprise (GTE) is subject to the Energy Operators (Powers) Act 1979. This act confers significant rights on Synergy to acquire or access lands. Accordingly, Synergy does not rely on Section 41 of the Electricity Industry Act 2004 for the purposes of acquiring or accessing lands.</p> <p>It is noted that the obligation applies to Synergy in the event Synergy takes an interest in land under the Electricity Industry Act 2004, however, Synergy does not acquire lands under this Act but the Act above. Accordingly, the control rating reflects this.</p>	N/A. None noted.	N/P	N/R
108	Electricity Industry Act, section 54(1)	A retail or integrated regional licensee must not supply electricity to small use customers otherwise than under a standard form contract or a non- standard form contract that complies with the Act.	4	<p>Through walkthrough and enquiries with the RaC Team, and review of the Standard Form Contract and Non-Standard Form Contracts for small- use customers (Residential and Business), we confirmed that Synergy supplies electricity to small use customers through contracts, whether standard or non-standard, which comply with the Electricity Industry Act, as prescribed by section 54(1). All Synergy electricity supply contracts are subject to independent legal review to ensure its compliance with the Electricity Industry Act.</p> <p>Based on our walkthroughs and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
109	Electricity Industry Act, section 54(2)	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	4	<p>Through enquiry with the RaC Team, we confirmed that in the event Synergy receives an instruction from the ERA, it must comply with the instruction to review or amend the standard form contract (SFC) within the specified timeframe. RaC is required to liaise with Legal with respect to any SFC reviews or amendments.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, during the audit period, Synergy has not been directed by the ERA to update its SFC, and therefore, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
110	Electricity Industry Act, section 76	If a designation under section 71(1) of the Electricity Industry Act is in force, a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	4	<p>We have reviewed the Regulation and Compliance - Operation Manual of Synergy and have noted that The Electricity Industry Act 2004 (Act) designates Synergy as the Supplier of Last Resort (SOLR) within the South West Interconnected System of Western Australia (SWIS). The requirement for Synergy to submit a SOLR plan to the ERA for approval has been suspended for several years pending enactment of regulations by the State Government to establish the legislative basis to give effect to the SOLR plan.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to Synergy not being requested to carry out the last resort plan during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
111	Electricity Industry Act, section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by, and compliant, with any decision or direction of the electricity ombudsman under the approved scheme.	4	<p>We reviewed the Economic Regulation Authority website, noting that Synergy is an authorised Electricity Licence holder, hence, can supply electricity to small use customers. Further, Synergy is listed as a member of the Energy and Water Ombudsman Western Australia throughout the audit period.</p> <p>Synergy's participation in the Electricity Ombudsman scheme is embedded through every facet of retails operation ranging from participation on the Ombudsman board (representing all electricity retailers), funding requirements, complaints management and promoting existence of the scheme through more than 6 million customer communications a year (principally</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				through billing). Based on our review of the Economic Regulation Authority and Energy and Water Ombudsman Western Australia website, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			

**13 ELECTRICITY LICENCE – LICENCE CONDITIONS AND OBLIGATIONS**

114	Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	4	We have reviewed the Regulation and Compliance - Operation Manual and noted that Synergy does not currently have any contracts with electricity marketing agents acting on its behalf, however, Synergy does provide training to all appropriate employees on the customer service code via Enlighten.	N/A. None noted.	A	N/R
115	Integrated Regional Licence, condition 23.2 Retail Licence, condition 23.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed time frame.	4	In addition, this training also reflects the requirements of the part 2 of the code of conduct should Synergy on a future date engage third party marketers to act on its behalf.  Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances of using marketing agents during the audit period, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R
116	Integrated Regional Licence, condition 6.4.2 Retail Licence, condition 6.4.2	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified.	5	We have reviewed the Regulation and Compliance - Operation Manual and Synergy's Electricity Standard Form Contract (SFC) initially approved by the Economic Regulation Authority in April 2006 and amended from time to time.  In the event Synergy receives an instruction from the ERA that it must comply with, the following should be undertaken: <ul style="list-style-type: none"> <li>The instruction to review or amend the standard form contract is required to be saved in Document Management (DM).</li> <li>A calendar entry should be created within the Empower Regulatory Calendar to track the response timeframe.</li> </ul>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>The response issued to the Authority in accordance with the instruction and timeframe should be saved in DM.</li> </ul> <p>The RaC Team is required to liaise with Legal with respect to any SFC reviews or amendments.</p> <p>Through enquiry with the RaC Team, Synergy has not been directed by the ERA to update its SFC.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.</p>			
117	Integrated Regional Licence, condition 6.4.3 Retail Licence, condition 6.4.3	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	5	<p>We have reviewed the Regulation and Compliance - Operation Manual and Synergy's Electricity Standard Form Contract (SFC) originally approved by the Economic Regulation Authority in April 2006 and amended from time to time. The Economic Regulation Authority requested in early 2011 that Synergy review its electricity and gas SFC in view of the enactment of the Australian Consumer Law. The electricity SFC was approved and took effect on 1 January 2014. This occurred outside of the current audit period.</p> <p>In the event Synergy receives an instruction from the ERA that it must comply with the instruction to review or amend the standard form contract is required to be saved in the Document Management System (DM), a calendar entry created within the Empower Regulatory Calendar to track response timeframe, and the response issued to the Authority in accordance with the instruction and timeframe, and saved in DM. RaC is required to liaise with Legal with respect to any SFC reviews or amendments.</p> <p>We note that the latest amendment to Synergy's SFC occurred in 2013. We obtained supporting documentation for this amendment, however, we note that during the audit period, Synergy has not been directed by the ERA to update its SFC.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
118	Integrated Regional Licence, condition 6.5.1 Retail Licence, condition 6.5.1	A licensee can only amend the standard form contract with the ERA's approval.	4	Through walkthrough and enquiries with the RaC Team and examination of the last electricity standard contract amendment form in 2013, we noted that controls are in place to address this obligation.  All amendments of standard form contract must be authorised by the ERA and the standard form contract was not amended during the audit period.  Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R
119	Distribution Licence, condition 4.3.1 Generation Licence, condition 4.3.1 Integrated Regional Licence, condition 4.3.1 Retail Licence, condition 4.3.1 Transmission Licence, condition 4.3.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	4	We have reviewed Synergy's Annual Reports during the audit period and noted Synergy (including its accounts) is independently audited by the Office of the Auditor General on an annual basis. Based on our review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
120	Distribution Licence, condition 5.2.4 Generation Licence, condition 5.2.4 Integrated Regional Licence, condition 5.2.4 Retail Licence, condition 5.2.4 Transmission Licence, condition 5.2.4	A licensee must comply with any individual performance standards prescribed by the ERA.	4	Through walkthrough and enquiries with the RaC Team and examination of Clause 5.2 of the ERL1, we noted that Synergy is subject to Individual Performance Standards as prescribed by the ERA. If there are new performance standards that Synergy must adhere to, the control register will reflect the new performance standards, allocate an accountable personnel and controls to address the performance standard and the risk rating.  Based on our review of documentation, we can conclude that there are adequate controls in place, however, ERA has not prescribed any individual performance standards for Synergy during the audit period, therefore, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
121	<p>Distribution Licence, condition 5.3.2 Generation Licence, condition 5.3.2</p> <p>Integrated Regional Licence, condition 5.3.2</p> <p>Retail Licence, condition 5.3.2</p> <p>Transmission Licence, condition 5.3.2</p>	<p>A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.</p>	4	<p>Through the review of documentation, we observed that Synergy has commissioned an independent auditor (PricewaterhouseCoopers) to provide a Performance Audit for the period 1 July 2017 to 30 June 2019. The previous Performance Audit was performed by Deloitte Touche Tohmatsu in 2017 with the performance audit report published on the ERA website. Performance audits must be undertaken in accordance with the ERA's audit guidelines.</p> <p>Regulation and Compliance - Operation Manual has documented the key steps in conducting a performance audit and will prompt an automatic reminder to the RaC team reminding the due date for the Performance Audit submission.</p> <p>Based on our review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
123	<p>Distribution Licence, condition 4.4.1 Generation Licence, condition 4.4.1</p> <p>Integrated Regional Licence, condition 4.4.1</p> <p>Retail Licence, condition 4.4.1</p> <p>Transmission Licence, condition 4.4.1</p>	<p>In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.</p>	4	<p>Through walkthrough with the RaC Team, we noted that Synergy currently cannot be placed under external administration, as it is not a Corporations Act Company, rather a wholly owned Government Trading Enterprise.</p> <p>In the event that Synergy's status as a government trading enterprise changes, Synergy advised that it update its organisational control register to reflect the licence requirement.</p> <p>Regulation and Compliance - Operations Guideline reflects that Synergy must notify the ERA if there is a material change in the business circumstance.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
124	Distribution Licence, condition 4.5.1 Generation Licence, condition 4.5.1 Integrated Regional Licence, condition 4.5.1 Retail Licence, condition 4.5.1 Transmission Licence, condition 4.5.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	2	<p>Through examination of Regulation and Compliance - Operations Guideline we determined that:</p> <ul style="list-style-type: none"> <li>Regulation and Compliance - Operations Guideline describes that in the event Synergy receives a direction or request from the ERA that it must comply with, the direction or request is required to be saved in document management system.</li> <li>A calendar entry must be created within the regulatory calendar to track direction or request timeframe. RaC is responsible for the coordination of the actions required, confirming with the ERA that the action was taken as instructed, or providing the information to the ERA, within the required timeframe. The response to the ERA will also be saved in the document management system.</li> </ul> <p>During the audit period Synergy submitted its annual compliance report and annual performance data sheets to the ERA by the required due date and maintained processes to respond to the ERA with any information requested within the timeframes required by the obligation.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the obligation during the audit period.</p>	N/A. None noted.	A	1
125	Distribution Licence, condition 3.8.1 and 3.8.2 Generation Licence, condition 3.8.1 and 3.8.2 Integrated Regional Licence, condition 3.8.1 and 3.8.2 Retail Licence, condition 3.8.1 and 3.8.2 Transmission Licence, condition 3.8.1 and 3.8.2	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	2	<p>Through walkthrough and enquiries with RaC Team and examination of Regulation and Compliance - Operations Guideline we determined that the process to publish a report is as follows:</p> <ul style="list-style-type: none"> <li>A 'Service Now' ticket must be created with PDF and Word version of the record keeping report as time sensitive data for publication. We sighted the screenshot of the Service Now ticket that was generated for the 2017-18 ERL1 publication.</li> <li>The publication (available on Synergy's website) is the responsibility of both RaC and ICT. Synergy maintains a Compliance Register which includes all the deadlines for which information is sent out to ERA.</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>Synergy has not been required by the ERA to publish any information outside of its standard annual performance reporting requirements for the period.</li> <li>Synergy published the 2017/18 and 2018/19 Annual Performance Report for its retail licences within the timeframes specified by the ERA.</li> </ul> <p>Based on our walkthroughs, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the obligation during the audit period.</p>			
126	<p>Distribution Licence, condition 3.7.1</p> <p>Generation Licence, condition 3.7.1</p> <p>Integrated Regional Licence, condition 3.7.1</p> <p>Retail Licence, condition 3.7.1</p> <p>Transmission Licence, condition 3.7.1</p>	All notices must be in writing, unless otherwise specified.	4	<p>Through walkthrough with the RaC Team and review of ERA's notices to Synergy and Synergy's response to the ERA, we determined that Synergy has existing policies and controls to address the obligation.</p> <p>All notices and correspondence between Synergy and ERA have been in writing. A sample of notices have been sampled as part of this review.</p> <p>Based on our walkthroughs and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

**14 CODE OF CONDUCT – LICENCE CONDITIONS AND OBLIGATIONS**

**MARKETING**

129	<p>Code of Conduct, clause 2.1</p> <p>Integrated Regional Licence, condition 6.3.1</p> <p>Retail Licence, condition 6.3.1</p>	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy does not currently have any contracts with electricity marketing agents acting on their behalf, however, Synergy does provide training to all appropriate employees on the customer service code via Enlighten.</p> <p>Additionally, we reviewed the Regulation and Compliance training catalogue to understand the extent of training made available together with the Electricity Marketing Agent Code of Compliance Form and the Code of Compliance Form cover letter which is available in the</p>	N/A. None noted.	A	N/R
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>event Marketing Agents are used.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place to ensure compliance with the licence condition in the event Marketing agents are used, however, during the audit period, Synergy does not currently have any contracts with electricity marketing agents, and therefore, we were unable to test compliance with the licence condition.</p>			
130	<p>Code of Conduct, clause 2.2(1) Integrated Regional Licence, condition 6.3.1</p> <p>Retail Licence, condition 6.3.1</p>	<p>A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1).</p>	2	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that standard form letters are used by agents when liaising with customers. The agent selects the relevant contract within SAP CRM, and the system automatically sends out the contract to the nominated address.</p> <p>In its 2017/18 and 2018/19 Compliance Reports submitted to the ERA, Synergy self-reported 82 breaches where the standard electricity agreement was not made available to the customer within 5 business days when the contract was established over the telephone. The breaches resulted from manual error and failure to follow standard operating procedures.</p> <p>In response to the cause of non-compliance, Synergy introduced the following:</p> <ul style="list-style-type: none"> <li>• implementation of Project Spark initiatives which improved compliance training and resourcing;</li> <li>• a new feedback and coaching form were introduced in the contact centre to assist team leaders in giving more effective coaching and feedback;</li> <li>• the consolidation of Synergy's document management system to eliminate uncontrolled or obsolete regulatory documentation;</li> <li>• a review and improvement of change management processes across the business; and</li> <li>• an analysis of Synergy's existing communication forums and mechanisms applicable to licensing and compliance activities to ensure prioritisation of communication, tracking and action of improvements.</li> </ul>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.			
131	Code of Conduct, clause 2.2(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	Subject to sub clause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in sub clause 2.2(2) no later than on, or with, the customer's first bill.	4	<p>Through the examination of supporting documents (i.e. Standard Form Contract, Synergy's Website, customer service charter, Synergy's template bill and SAP system supporting billing documentation), we have determined that Synergy:</p> <ul style="list-style-type: none"> <li>• Provide and/or make available the information in the standard form contract to the customers;</li> <li>• Provide and make available details on all relevant tariffs, fees, charges, alternative tariffs and service level that may apply to the customer; and</li> <li>• Provide the customer with the Network Operator's 24-hour telephone number to report faults and emergency and offer customer access to multi-lingual services, TTY services and payment extension.</li> </ul> <p>In the 2017/18 Compliance Report submitted to the ERA, Synergy self-reported 1,897 breaches. The breaches resulted from insufficient testing prior to the Synergy website change, and incorrect mapping of terms and conditions was not identified.</p> <p>In response to the cause of the non-compliance Synergy introduced the following initiatives:</p> <ul style="list-style-type: none"> <li>• The system was immediately changed to map to the correct standard form contract terms and conditions.</li> <li>• The implementation of Project Spark initiatives included the review and improvement of change management process across all business units to ensure a robust, transparent and well communicated change process.</li> <li>• In addition, Synergy ensured resources and</li> </ul>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>accountability for regulatory compliance with ERL 1 was appropriately provided and Synergy's business priorities in relation to regulatory compliance has been incorporated into business success measures and KPIs.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. The Compliance Report submitted to the ERA for 2018/19 found no breaches under this obligation and note the remedial actions implemented to be satisfactory.</p>			
132	<p>Code of Conduct, clause 2.3(1)</p> <p>Integrated Regional Licence, condition 6.3.1</p> <p>Retail Licence, condition 6.3.1</p>	<p>A retailer or electricity marketing agent must ensure that non- standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.3(1).</p>	4	<p>Through enquiries with the RaC Team, as well as examination of Synergy's Forms of Agreement for non-standard contracts (Small Use Business, Fixed, Flexi, Time of Use, etc.), Synergy's Customer Charter and Business Terms and Conditions, we determined that non Standard Form Contract customers' verifiable consent is obtained (either by telephone or any other means) and recorded and the customer is given the contract via email and by mail or made available within five (5) business days.</p> <p>Synergy has a process in place to ensure that upon acceptance of a non-Standard Form Contract, customers are sent the contract via email and by mail where requested by the customer.</p> <p>'Australia Post' paid envelopes are kept on site for any non-standard contracts which will be used to ensure the customer receives the contract within 5 business days if they request the contract to be mailed.</p> <p>Synergy's standard procedures evidenced the process agents must follow in relation to non-standard agreements and this includes the requirement for the agent to read a statement confirming the copy of the contract will be provided in 5 business days and asking whether via email is acceptable. We reviewed one sample contract where verbal acceptance was obtained. This contract was emailed to the customer within 5 days of the customer contacting Synergy.</p> <p>Based on our walkthroughs, enquiries and review of documentation, we can conclude that there are adequate</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				controls in place and Synergy has complied with the licence condition, during the audit period.			
133	Code of Conduct, clause 2.3(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.	4	<p>Through enquiries with the RaC Team, as well as examination of Synergy's Forms of Agreement for non-standard contracts (Small Use Business, Fixed, Flexi, Time of Use, etc.), Synergy's Customer Charter and Business Terms and Conditions, we determined that pursuant to clause 2.3(2) of the code of conduct, before entering the contract, customers are provided with:</p> <ul style="list-style-type: none"> <li>• Details of the cooling period during which they can withdraw from the contract, as well as eventual costs incurred in doing so;</li> <li>• A copy of the Customer Charter, in which the relevant information prescribed by clause 2.3(2) is detailed; and</li> <li>• Synergy Business Terms and Conditions, which also further details relevant information as per required by clause 2.3(2) of the Code.</li> </ul> <p>Information is provided to customers via automated customer notifications generated by Salesforce System.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
134	Code of Conduct, clause 2.3(4) Integrated Regional Licence, condition 6.3.1 (Regional Power Corporation) Retail Licence, condition 6.3.1 (Electricity Retail Corporation)	The Electricity Generation and Retail Corporation or Regional Power Corporation, or an electricity marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation, must ensure that the information specified in sub clause 2.3(4) is provided to the customer before arranging a non-standard contract.	4	<p>Through walkthrough and enquiries with the RaC Team, as well as examination of Synergy's Forms of Agreement for non-standard contracts (Small Use Business, Fixed, Flexi, Time of Use, etc.), Synergy's Customer Charter, Business Terms and Conditions, and the Difference between standard and non-standard agreement Flyer, we confirmed that prior to entering a non-standard contract, customers are made aware of the difference between a standard and non-standard agreement, as well as the possibility to opt for a standard contract.</p> <p>Based on our walkthrough, enquiries and review of documentation and sample transaction, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				period.			
135	Code of Conduct, clause 2.3(5) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	Subject to sub clause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.	2	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that the Verifiable Consent Form is an adequate document to capture the customer's consent and confirmation that the relevant information has been provided by Synergy.</p> <p>Additionally, we sample tested five customers and confirmed that:</p> <ul style="list-style-type: none"> <li>• Cooling off period was mentioned;</li> <li>• Information required to be provided to the customer as per the code was made available;</li> <li>• Information has been provided to the customer within the preceding 12 months;</li> <li>• The customer was informed as to how the information can be obtained;</li> <li>• Customer was informed of the right to choose between standard and non-standard contracts; and</li> <li>• Difference between standard and non-standard contracts was communicated to the customer</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
136	Code of Conduct, clause 2.4(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined the following webpages on the Synergy website and noted that concession information is available and accessible by the customers:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.synergy.net.au/Your-home/Manage-account/Rebates-and-concessions?tid=Rebatesandconcessions:help_advice:Rebatesconcession">https://www.synergy.net.au/Your-home/Manage-account/Rebates-and-concessions?tid=Rebatesandconcessions:help_advice:Rebatesconcession</a></li> <li>• <a href="https://www.synergy.net.au/Your-home/Help-and-advice/Concessions?tid=Concessions:help_advice:Concessions">https://www.synergy.net.au/Your-home/Help-and-advice/Concessions?tid=Concessions:help_advice:Concessions</a></li> <li>• <a href="https://www.synergy.net.au/at_home/concession_cards.xhtml">https://www.synergy.net.au/at_home/concession_cards.xhtml</a></li> <li>• <a href="https://www.synergy.net.au/at_home/rebates.xhtml">https://www.synergy.net.au/at_home/rebates.xhtml</a></li> </ul> <p>We also determined that concession eligibility is confirmed with the customer during the move in guided process as follows:</p> <ul style="list-style-type: none"> <li>• Adding a Concession Card</li> <li>• Entitlements and Eligibility for Concessions</li> <li>• Concession Card Declarations</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
137	Code of Conduct, clause 2.4(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined through the following documents and webpages that the customer can contact Synergy during normal business hours for any enquiries, verifications and complaints:</p> <ul style="list-style-type: none"> <li>• Bill redesign Bill Explainers Final</li> <li>• Synergy Customer Charter</li> <li>• <a href="http://www.synergy.net.au/contact_us.xhtml">http://www.synergy.net.au/contact_us.xhtml</a></li> <li>• <a href="http://www.synergy.net.au/about_us/claims_complaints_compliments.xhtml">http://www.synergy.net.au/about_us/claims_complaints_compliments.xhtml</a></li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
138	Code of Conduct, clause 2.5(1) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.5(1).	3	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Sales staff are aware of how to provide the complaints or ombudsman telephone number to customers either by KANA, Google or Synergy. Additionally, it is confirmed that they are aware that their payroll number is their Synergy ID (Marketing Identification Number).</p> <p>As part of its normal business, Synergy has received requests from customers during the audit period to enquire regarding the complaints process. Synergy has directed customers to the available documentation on how to lodge, escalate and if necessary, raise a complaint with the ombudsman.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
139	Code of Conduct, clause 2.5(2) Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	A retailer or electricity marketing agent who meets with a customer face to face must: wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and provide the written information specified in subclause 2.5(2)(b) as soon as practicable following a request by the customer.	4	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that sales staff wear photo ID cards that contain their first name, photo, ID number, and Synergy branding. Should the customer request the staff details, they can provide it through writing.  Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
140	Code of Conduct, clause 2.6	A retailer or electricity marketing agent who visits a person's premises for the purposes of marketing must comply with any clearly visible signs indicating that canvassing is not permitted at the premises, or no advertising is to be left at the premises.	4	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy does not perform direct door to door marketing and any customer visits are pre-arranged appointments, therefore, the customer is aware of this visit. If a customer had visible signs indicating that canvassing is not permitted, staff would not leave marketing material without the express permission from the customer.  Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
141	Code of Conduct, clause 2.9 Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information.	4	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy does not use electricity marketing agents. For any customer complaints, it is recorded in SAP CRM Complaints Module. Once a complaint is recorded, an alert is triggered on the customer's account indicating that a complaint is in progress.  Synergy has not engaged any Electricity Marketing Agents for the audit period and therefore has not reported any breaches by an electricity marketing agent.  Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
142	Code of Conduct, clause 2.10 Integrated Regional Licence, condition 6.3.1 Retail Licence, condition 6.3.1	An electricity marketing agent must keep a record, or other information, required under the Code for at least 2 years after the last time that a customer or person was contacted by, or on behalf of, the electricity marketing agent, or after receipt of the last contact from, or on behalf of, the electricity marketing agent, whichever is later.	4	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy does not use electricity marketing agents. We also confirmed that SAP ISU Configuration does not have an archiving policy in place, which means data is never removed from the system and therefore historic billing information is available in excess of Code of Conduct requirements.  Synergy has not engaged any Electricity Marketing Agents for the audit period and therefore has not reported any breaches by an electricity marketing agent.  Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R
<b>CONNECTION</b>							
143	Code of Conduct, clause 3.1(1)	If a retailer agrees to sell electricity to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor.	4	Through the examination of New Connection Moving In document, we determined that Synergy asked its customers for their consent for Builder's/Electrical Contractors to act on their behalf solely to establish their new connection and for Synergy to disclose information relating to them. We also noted that Transfer of data to Western Power - New Connection Service Order is triggered via SAP CRM and sent automatically to Western Power via the Metering Data HUB (MDH) within prescribed time-frames.  Based on our review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
144	Code of Conduct, clause 3.1(2)	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day if the request is received after 3pm or on a weekend or public holiday.	3	Through walkthrough and enquiries with RaC Team and review of documentation, we determined that Synergy has an automated process in place for transferring new connection to Western Power. When a new request is received, a New Connection Service Order is triggered via SAP CRM and sent automatically to Western Power via the Metering Data Hub (MDH) within prescribed time frames.	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>All non-compliance areas are subject to quality assurance and any issues are recorded in Empower to provide the appropriate feedback and coaching to agents.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 29 breaches. These breaches resulted from human error and failure to follow standard operating procedure resulting in replication errors (where information from SAP CRM does not successfully transfer to SAP ISU to give effect to a customer transaction e.g. connection service notification).</p> <p>In response to the cause of the non-compliance, Synergy introduced and is working to implement the following initiatives:</p> <ul style="list-style-type: none"> <li>• Two change requests are under development to address the replication issues by automating the manual replication correction process. These changes are due for implementation by 30 September 2019.</li> <li>• In addition, facilitated compliance fundamentals training was developed and is being rolled out to all required Information and Communications Technology (ICT) personnel who were identified through a training needs assessment. All scheduled training sessions have now been completed and an additional session has been booked on 25 September 2019 for those who were unable to attend any of the previous sessions.</li> <li>• A compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> <li>• Implementation of Project Spark initiatives which improved compliance training and resourcing; <ul style="list-style-type: none"> <li>➢ a new feedback and coaching form were introduced in the contact centre to assist team leaders in giving more effective coaching and feedback;</li> </ul> </li> </ul>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>➤ the consolidation of Synergy’s document management system to eliminate uncontrolled or obsolete regulatory documentation;</li> <li>➤ a review and improvement of change management processes across the business;</li> <li>➤ an analysis of Synergy’s existing communication forums and mechanisms applicable to licensing and compliance activities to ensure prioritisation of communication, tracking and action of improvements;</li> <li>➤ operational understanding of the B2B processes were improved to ensure compliance with relevant metering code obligations.</li> <li>➤ In addition, education and awareness was provided to those making breach assessments to correctly identify where consent has not been obtained.</li> </ul> <ul style="list-style-type: none"> <li>• In response to the incidents, Synergy staff were given feedback and coaching to improve understanding of the requirements and in some cases, agents were placed on performance improvement plans.</li> <li>• Training was provided to the Application Support team and a review of the standard operating procedure (SOP) was conducted which determined that the document was fit for purpose and did not require amendment. The SOP was distributed to the team for additional awareness.</li> </ul> <p>We have sampled five customer connection requests throughout the audit period in order to test Synergy's compliance with sub clause 3.1(2) of the Code of Conduct. We reviewed the sampled account notes for date and time of the request and obtained evidence of the date at which the request was forwarded to Western Power from Synergy. Our sample testing of new connections (which included the process for entering into a standard form contract) identified no further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.			
<b>BILLING</b>							
145	Code of Conduct, clause 4.1	A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in sub clause 4.1.	2	<p>Through walkthrough and enquiries with the RaC Team and the Electricity Billing team and the review of documentation we determined that:</p> <ul style="list-style-type: none"> <li>An automatic system configuration is in place via SAP ISU which sends bills to customers within the required timeframes. A daily report from business intelligence is available for RBU to generate and review. This report identifies any customers that have not been billed for prioritisation of work. Additionally, Synergy has a dedicated team that manages any unbilled accounts over 90 days. A report is run daily to pick up all unbilled accounts that are above 90 days.</li> <li>All non-compliance areas are subject to quality assurance and any issues are recorded in Empower to provide the appropriate feedback and coaching to agents.</li> </ul> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported the 82,967 breaches predominantly due to Synergy issuing a bill for a period less than 30 days which resulted from the following:</p> <ul style="list-style-type: none"> <li>Agent error and failure to follow standard operating procedure;</li> <li>a technical and batch processing errors;</li> <li>product change errors delaying bills;</li> <li>printing issues;</li> <li>self-read meter data delay or absence and inconsistent meter reading types.</li> </ul> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>the following initiatives:</p> <ul style="list-style-type: none"> <li>• A change request was developed tested and implemented to correct the technical design and ensured the notification for a new or revised meter read was corrected. Exceptions are now generated correctly.</li> <li>• Facilitated compliance fundamentals training was developed and is being rolled out to all required ICT personnel who were identified through a training needs assessment.</li> <li>• This training has been designed to provide ICT personnel with a clear understanding of compliance requirements, Synergy’s obligations, customer impacts of non-compliance and how compliance relates to their role. All scheduled training sessions have now been completed and an additional session has been booked on 25 September 2019 for those who were unable to attend any of the previous sessions.</li> <li>• A compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> <li>• Implementation of further Project Spark initiatives include: <ul style="list-style-type: none"> <li>➤ improved compliance training and resourcing;</li> <li>➤ a new feedback and coaching form introduced in the contact centre to assist team leaders in giving more effective coaching and feedback;</li> <li>➤ the consolidation of Synergy’s document management system to eliminate uncontrolled or obsolete regulatory documentation;</li> <li>➤ a review and improvement of change management processes across the business;</li> </ul> </li> </ul>			



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>➤ an analysis of Synergy’s existing communication forums and mechanisms applicable to licensing and compliance activities to ensure prioritisation of communication, tracking and action of improvements;</li> <li>➤ operational understanding of the B2B processes were improved to ensure compliance with relevant metering code obligations;</li> <li>➤ In addition, education and awareness was provided to those making breach assessments to correctly identify where consent has not been obtained.</li> </ul> <p>Sample testing of customer billing identified no further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.</p>			
154	Code of Conduct, clause 4.4	A retailer must issue a bill to a customer at the customer’s supply address, unless the customer has nominated another address or an electronic address.	2	<p>Through walkthrough and enquiries with the Electricity Billing team and review of the updating the mailing address and the contact details, we determined the following:</p> <ul style="list-style-type: none"> <li>• Manual batch processing occurs whereby overnight batch files are sent across to an external print vendor Fuji Xerox, who import the files into a validated template and issue the bills to the customer's nominated address.</li> <li>• A system generated prompt has been enabled where the pop up will show options for assigning the premises to the billing address or supply address or keeping both if there is a mismatch between the two addresses.</li> </ul> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to ERA, Synergy self-reported 496 breaches</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>where bills were not issued to customer's nominated address. These breaches resulted from:</p> <ul style="list-style-type: none"> <li>attempted automation of a weekly report which identifies customer account errors between SAP CRM and ISU, Synergy arrangements with its bill printing contractor requiring improvement and refinement.</li> <li>manual user error and failure to follow standard operating process.</li> </ul> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement the following initiatives:</p> <ul style="list-style-type: none"> <li>A batch review was undertaken by the Application Support team which provided visibility of all critical batch jobs and sequence of the end to end batch process, with the process now having been documented to allow for efficient identification and remediation of batch issues to prevent impact to Synergy's customers.</li> <li>The automation of the weekly report was cancelled due to technical issues and therefore reverted to the manual creation. This process is due to be reviewed again in 2019/20 to determine if automation can be achieved. No further recurrences have been reported since this process was reverted to manual creation.</li> <li>Synergy redesigned processes to ensure daily exceptions were captured, and its email environment was reconfigured to ensure all emails from its external printing contractor were appropriately identified and managed.</li> <li>As part of Project Spark Synergy; <ul style="list-style-type: none"> <li>reviewed and improved change management processes across all business units;</li> <li>improved operational understanding of build pack processes to ensure compliance with the Metering Code;</li> <li>updated all processes within its knowledge management system;</li> </ul> </li> </ul>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>➤ meets weekly and monthly to identify compliance issues and trends and has clarified assessment criteria;</li> <li>➤ provided new tools and training to staff who undertake breach assessments to improve staff knowledge and competency.</li> </ul> <p>Sample testing of customer billing identified no further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
155	Code of Conduct, clause 4.5(1)	A retailer must include the minimum prescribed information in sub clause 4.5(1) on a customer's bill, unless the customer agrees otherwise.	2	<p>Through walkthrough and enquiries with the Electricity Billing Team and review of the updating the mailing address and the contact details, we determined the following:</p> <ul style="list-style-type: none"> <li>• Manual batch processing occurs where overnight batch files are sent across to an external print vendor Fuji Xerox, who import the files into a validated template and issue the bills to the customer's nominated address.</li> <li>• All areas are subject to quality assurance and any issues are recorded in Empower to provide the appropriate feedback and coaching to agents.</li> </ul> <p>In its 2017/18 and 2018/19 Compliance Reports submitted to ERA, Synergy self-reported 11,802 breaches where:</p> <ul style="list-style-type: none"> <li>• customer's bill did not have the correct consumption displayed, as the 'off peak' line item was either missing or incorrect on the bill;</li> <li>• customers who had been approved for REBS did not have the export value displayed on their bills and hence were not paid a credit for the electricity exported;</li> </ul>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• customer who has been approved for the renewable energy feed in tariff (FIT), did not have the FIT credits applied/or displayed on their bill; and</li> <li>• account period on the bill is not correct.</li> </ul> <p>These breaches resulted from:</p> <ul style="list-style-type: none"> <li>• a price change during the billing period which was resulted in a system error;</li> <li>• a system change request which was implemented by the Application Support team to resolve an existing system issue (creation of billing exceptions);</li> <li>• system mapping errors for the rate category of the tariff' an error in the credit card transaction fee design in 'My Account';</li> <li>• third party provider payment system file delays;</li> <li>• system design errors; and</li> <li>• error in customer bill redesign project which omitted the official national interpreter symbol.</li> </ul> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement the following initiatives:</p> <ul style="list-style-type: none"> <li>• an automatic concessions reactivation process was implemented;</li> <li>• three change requests were implemented to address system errors related to supply periods, FIT expiry dates and mapping of the tariffs to ensure correct bill display information;</li> <li>• internal systems were reconfigured to reflect changes to the time of use billing on accumulation services to ensure correct REBS credits are provided;</li> </ul>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• as part of Project Spark, Synergy reviewed and improved change management processes across all business units including the following;                             <ul style="list-style-type: none"> <li>➤ improved compliance training and resourcing;</li> <li>➤ a new feedback and coaching form were introduced in the contact centre to assist team leaders in giving more effective coaching and feedback;</li> <li>➤ the consolidation of Synergy's document management system to eliminate uncontrolled or obsolete regulatory documentation;</li> <li>➤ a compliance assessment tool is currently being piloted and is due for implementation in September 2019 which will formalise the process in which compliance related risk is assessed;</li> <li>➤ facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment.</li> </ul> </li> </ul> <p>Sample testing of customer billing during the audit period did not identify any further exceptions. We sampled three customer bills covering three types of bills, i.e. flat rate bill, estimated bill and per hour solar panel bills and noted that the prescribed information as per the code were present in the sample population.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
156	Code of Conduct, clause 4.5(3)	If a retailer identifies and wishes to bill a customer for a historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with, or on the customer's next bill.	2	<p>In its 2018/19 Compliance Report submitted to ERA, Synergy self-reported 21,796 breaches. These resulted from a change request which had incorrect mapping which caused the incorrect address to appear on customer debt transfer letters, manual user error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement the following initiatives:</p> <ul style="list-style-type: none"> <li>• A change request was implemented to correct the mapping for the debt transfer letter;</li> <li>• a range of new compliance initiatives were implemented as part of Project Spark including development of facilitated compliance fundamentals training which is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>• the establishment of a Compliance Review Board to ensure system changes are reviewed with a compliance perspective;</li> <li>• a compliance assessment tool is being piloted and is due for implementation in September 2019;</li> <li>• system testing has been enhanced with the implementation of a new compliance test library, with a specific test scenario created for this obligation;</li> <li>• a new feedback and coaching form were introduced into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated; and</li> <li>• Compliance issues and trends are discussed at weekly and monthly internal meetings and new tools and training was provided to staff who undertake breach assessments to improve staff knowledge and competency.</li> </ul> <p>Through walkthrough with the Electricity Billing Team and enquiries with the RaC Team, we determined that Synergy has an automated process in place in order to</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>generate a debt transfer letter to notify the customer of the amount of the historical debt and its basis prior to the customer's next bill. In order to verify Synergy's compliance with clause 4.5 of the Code of Conduct, we sampled five (5) instances of historical debt transfers throughout the audit period. To ensure that the amount and basis of the historical debt was disclosed to the customer for each sample, we tested:</p> <ul style="list-style-type: none"> <li>• The notes on the related account to ensure the historical debt was communicated to the customer before, with, or on the next bill;</li> <li>• The bill issued to ensure the amount of the historical debt transfer was detailed; and</li> <li>• The template of the Transfer Debt Letter, to ensure the basis for historical debt was a compulsory field.</li> </ul> <p>Sampling of debt transfers found no further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
157	Code of Conduct, clause 4.6	<p>Subject to clauses 4.3 and 4.8, a retailer must base a customer's bill on the following:</p> <ul style="list-style-type: none"> <li>· the distributor's or metering agent's reading of the meter at the customer's supply address;</li> <li>· the customer's reading of the meter in the circumstances specified in sub clause 4.6(1)(b); or</li> <li>· if the connection point is a Type 7 connection point, the procedure is set out in the metrology procedure or Metering Code, or as set out in any applicable law.</li> </ul>	2	<p>Through walkthrough and enquiries with the Electricity Billing Team and review of the updating the mailing address and the contact details, we determined the following:</p> <ul style="list-style-type: none"> <li>• Manual batch processing occurs where overnight batch files are sent across to an external print vendor Fuji Xerox, who import the files into a validated template and issue the bills to the customer's nominated address.</li> <li>• A system generated prompt has been enabled where a system pop up will show options for assigning the premises to the billing address or supply address or keeping both if there is a mismatch between the two addresses.</li> </ul>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>In its 2017/18 and 2018/19 Compliance Report submitted to ERA, Synergy self-reported 164 breaches where bills issued were not based on the customer's consumption and nominated supply address. These resulted from agent error and failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>• development of facilitated compliance fundamentals training which is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>• the establishment of a Compliance Review Board to ensure system changes are reviewed with a compliance perspective;</li> <li>• a compliance assessment tool is being piloted and is due for implementation in September 2019;</li> <li>• system testing has been enhanced with the implementation of a new compliance test library, with a specific test scenario created for this obligation;</li> <li>• a new feedback and coaching form were introduced into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated; and</li> <li>• Compliance issues and trends are discussed at weekly and monthly internal meetings and new tools and training was provided to staff who undertake breach assessments to improve staff knowledge and competency.</li> </ul> <p>We sample tested five (5) instances of customer bills raised during the audit period to confirm that the requirements as per obligation 154 and 157 have been met. Sample testing did not identify further non-compliance.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were</p>			



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.			
158	Code of Conduct, clause 4.7	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the Unbilled standard operating procedure (SOP), we determined that Synergy allows its customer to be a self-reader. A customer being a self-reader allows Synergy to ensure that meter reading data is obtained as early as possible. We also noted that a guideline is available to determine the valid meter reading method to be used depending on the industry and device read type. This guideline is made available to have a proper schedule of meter reading:</p> <ul style="list-style-type: none"> <li>• MV1 - Itron i.e. read by a meter reader monthly</li> <li>• MV2 - Itron i.e. read by a meter reader bi-monthly</li> <li>• CV1C (for SNM industry) - Non-mandatory self-reader i.e. read by the customer monthly</li> <li>• CV1C (for SNNM industry) - Mandatory self-reader i.e. read by the customer monthly</li> <li>• CV2C (for SNM industry) - Non-mandatory self-reader i.e. read by the customer bi-monthly</li> <li>• CV2C (for SNNM industry) - Mandatory self-reader i.e. read by the customer bi-monthly</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
159	Code of Conduct, clause 4.8(1)	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the Bill Review Self Reader Estimate and Bill Review Estimated Read (Not Self Read), we determined that Synergy issues estimated bills to its customers. The reason for the estimation is also communicated to affected customers.</p> <p>We also noted the SAP ISU's default configuration is to bill customers based on estimated or actual meter readings supplied by Western Power.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
160	Code of Conduct, clause 4.8(2)	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under sub clause 4.8(2).	2	<p>Through discussion with the RaC Team and Electricity Billing Team and inspection of Synergy's estimated bill template, we determined that:</p> <ul style="list-style-type: none"> <li>SAP system functionality automatically states on the bill that it is estimated when Synergy receives estimated energy data from Western Power.</li> <li>Any changes made to the bill is reviewed by the Synergy Marketing Governance Board prior to changes to the bill occurring.</li> <li>The bill template for estimates notifies the customer what assistance is available to query an estimated bill e.g. meter reading.</li> </ul> <p>Estimated bill contains the following:</p> <ul style="list-style-type: none"> <li>On page 1, a reference that the bill is an estimate. On the first page, underneath the graph bar, states the bill has been estimated and provides the reason for such estimation.</li> <li>On page 2, the process by which a customer can: <ul style="list-style-type: none"> <li>Request information about the basis and reason for the estimation;</li> <li>Submit an enquiry or contact Synergy's call centre; and</li> </ul> </li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>➤ Request a meter reading.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
161	Code of Conduct, clause 4.8(3)	On request, a retailer must inform a customer of the basis and the reason for the estimation.	4	<p>Through the examination of the Bill Review - Estimated Read (Not Self Read) document, we determined that Synergy undertakes a bill review if requested by a customer. Upon request by the customer, Synergy will check the reason for the estimate bill and advise the customer of the reason for the estimate.</p> <p>Based on our transaction walkthrough, enquiries, review of documentation and sample testing we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
162	Code of Conduct, clause 4.9	In accordance with clause 4.19, if a retailer gives a customer an estimated bill and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading.	4	<p>Through examination of the Rebill Letter document, we determined that Synergy adjusts their customer's account based on revised meter information from Western Power. Synergy will send the customer a letter enclosing the adjusted bill and informing the customer that the credit amount will be carried to their next bill.</p> <p>Based on our transaction walkthrough, enquiries and review of the documentation we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
163	Code of Conduct, clause 4.10	If a customer satisfies the requirements specified in subclause 4.10, a retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading.	5	<p>Through examination of the Bill Review - Estimated Read (Not Self Read) and Rebill Letter documents, we determined that Synergy provides estimated billing to its customers. When the actual read is provided, a rebill will be sent if the new read is 200 or more units higher or lower. We also noted that an Automatic Rebill Process in SAP ISU is in place to automatically rebill customers.</p> <p>In the event a customer satisfies the requirement of clause 4.10 of the code of conduct, Synergy will raise a service request to Western Power to obtain a special meter read. Western Power in accordance with the Metering Code is obliged to read the meter within prescribed timeframes. Synergy's standard practice is to suspend collection activity for 3 weeks to enable Western Power to undertake a special meter read. The process to request and receives a meter read is fully automated.</p> <p>Rebill letters are also being sent to client enclosing the adjusted bill.</p> <p>Based on our walkthrough, enquiries and review of the documentation we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
164	Code of Conduct, clause 4.11(1)	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	4	<p>Through the examination of the Customer Requests Meter Test document, we determined that when a customer requests a meter test, Synergy will obtain the customer's consent to the meter being tested and paying the meter test fee before the request is sent to Western Power. Western Power will conduct the meter test upon receipt of request from Synergy.</p> <p>In the event a customer requests a meter test, Synergy will raise a service request to Western Power to obtain a meter test. Western Power in accordance with the model service level agreement undertakes a meter test within the agreement specified time frames. The process to request and receives a meter read is fully automated.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				with the licence condition, during the audit period.			
165	Code of Conduct, clause 4.11(2)	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	4	<p>Through the examination of the Customer Requests Meter Test and Meter Investigation Outcome documents, we determined that when a customer requests a meter test, Synergy will obtain the customer's consent to the meter being tested and paying the meter test fee before the request is sent to Western Power. The fee is not charged until the result of the meter investigation is known, no fee is raised when a meter is found to be defective.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
166	Code of Conduct, clause 4.12(1)	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility, a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	2	<p>Through enquiries with Electricity Billing Services Subject Matter Expert and examination of Synergy's documentation including Confirm product and tariff, product/tariff eligibility conditions and Meter Reconfiguration Training Guide, we determined for those instances during the audit period where a customer had applied to receive an alternate tariff, Synergy's processes provided for:</p> <ul style="list-style-type: none"> <li>• When a customer requests to change tariffs via the website, a task is created in CRM which will automatically switch the customer's product once all eligibility criteria has been met;</li> <li>• If the customer service agent (CSA) identifies the customer no longer meets the eligibility criteria, the CSA is to perform a product change;</li> <li>• Where applicable, initiating a request for a meter reconfiguration to be performed by Western Power;</li> <li>• Performing tariff changes within 10 business days of receiving a customer request; and</li> <li>• Details of the tariff change to be included on the next customer invoice.</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 75 breaches where change to an alternative tariff was not completed within 10 business days. These breaches resulted from system configuration errors, agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>• development of facilitated compliance fundamentals training which is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>• the establishment of a Compliance Review Board to ensure system changes are reviewed with a compliance perspective; a compliance assessment tool is being piloted and is due for implementation in September 2019;</li> <li>• system testing has been enhanced with the implementation of a new compliance test library, with a specific test scenario created for this obligation;</li> <li>• a new feedback and coaching form were introduced into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings and new tools and training was provided to staff who undertake breach assessments to improve staff knowledge and competency;</li> <li>• In addition, the system configuration errors were resolved.</li> </ul> <p>Our sample testing of changes to retail tariffs did not identify any instances of further exceptions.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.			
167	Code of Conduct, clause 4.13	If a customer's electricity use changes, and the customer is no longer eligible to continue to receive an existing more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	2	<p>Through walkthrough with the Electricity Billing Team, enquiries with the RaC Team, and review of the Automatic Migration Letter, we determined that Synergy has a process in place in order to ensure contestable customers are made aware of any changes in their eligibility regarding beneficial tariffs.</p> <p>We sampled five instances of tariff change during the audit period in order to verify Synergy's compliance with sub clause 4.13 of the Code of Conduct. In order to test whether Synergy provided customers notice of a tariff change before it was implemented, we examined the letters sent before the tariff change, and compared the tariff at which the customer was billed on the last bill before the change and the first bill after the change. No exceptions were noted.</p> <p>Based on our enquiries, walkthrough, document review, and sample testing, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
168	Code of Conduct, clause 4.14(1)	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	3	Through enquiries with the RaC Team, walkthrough with the Electricity Billing Team, and inspection of Synergy's Automatic Final Bill Generation Process, we determined that when a move out is processed for a customer, a Service Notification (SN) to Western Power is triggered, requesting a final meter reading. Once this has been received, SAP ISU will automatically bill the customer for consumption up until the move out date specified by the customer. We consider that following the steps of this process demonstrates Synergy's use of reasonable endeavours to arrange for a final bill to be delivered in response to a customer's request.	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our enquiries, walkthrough, and document review, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
169	Code of Conduct, clause 4.14(2)	Subject to sub clause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.	4	<p>Through examination of Transferring Credits Between Account document, we determined that Synergy has an automated credit transfer facility in place so that the system automatically completes a credit transfer, based on certain criteria, from an inactive account to an active account that the customer holds with Synergy. There are some occasions where the system will not perform the automatic transfer. These are managed through the manual task process on a customer's request or through other Credit Management functions.</p> <p>We inspected Synergy's template for a final bill where the customer is in credit. The final bill template stated that the customer should contact Synergy to transfer a credit or to request for a refund.</p> <p>Based on our review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
170	Code of Conduct, clause 4.14(3)	If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset the debt owed to the retailer by giving the customer written notice. If any amount remains after the set off, the retailer must ask the customer for instructions to transfer the remaining amount in accordance with sub clause 4.14(2).	4	<p>Through examination of the Transferring Debts to Active Accounts document, we determined that if a customer has an outstanding debt on a closed account, it will be transferred to an active account for the same customer. The customer is sent a debt transfer letter to let them know about the transfer and the details of the debt.</p> <p>We inspected Synergy's template for a final bill where the customer is in credit. The final bill template stated that the customer should contact Synergy to transfer a credit or to request for a refund.</p> <p>Based on our review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
171	Code of Conduct, clause 4.15	<p>A retailer must review a customer's bill on request by the customer, subject to the customer paying:</p> <ul style="list-style-type: none"> <li>· that portion of the bill under review that the customer and a retailer agree is not in dispute; or</li> <li>· an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute) and</li> <li>· any future bills that are properly due.</li> </ul>	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the High Accounts - Residential Customers - Landing Page document, we determined that when a customer requests a bill review, Synergy will perform the bill review based on read type (Actual Read, Self-Reader Estimated, and Estimated Read Not Self Read). The bill review is subject to the customer paying any future bills which are issued.</p> <p>Synergy's processes and contractual terms appropriately provide for Synergy's obligations to perform the review types available to the customer.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
172	Code of Conduct, clause 4.16(1)(a)	<p>If a retailer has reviewed a customer's bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount.</p> <p>The retailer must advise the customer that the customer may request for a meter test in accordance with the applicable law; and also, the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</p>	2	<p>Through enquiries with the Electricity Billing Team and RaC Team, walkthrough of the Meter Data Verification (MDV) process, and inspection of Synergy's Complaints Management Policy, we determined that in the case of a customer disputing their bill amount, Synergy advises them of their internal complaint management process, any external complaint management process (if applicable), and the option to organise for Western Power to conduct a meter test in accordance with the applicable law. Since the MDV process is automated, we conducted an end-to-end walkthrough of one sample transaction with one of Synergy's RaC officers. No exceptions were noted.</p> <p>Based on our enquiries, document and system control review, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
173	Code of Conduct, clause 4.16(1)(b)	<p>If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.</p>	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Rebill Letter and Customer Care Guide, we determined that a customer's bill is being adjusted for any overcharges or undercharges. Synergy</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>also has an Automatic Rebill Process in SAP to automatically rebill customers in accordance with the obligations. Synergy will send the customer a letter enclosing the adjusted bill.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
174	Code of Conduct, clause 4.16(2)	A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	4	<p>Through examination of Synergy’s “Rebill letters” and “Rebill invoice wording letter” and Customer Care Guide, we determined, for those instances during the audit period where Synergy had reviewed a customer’s bill and an adjustment was required, Synergy’s processes provided for:</p> <ul style="list-style-type: none"> <li>• Issuing a Standard Rebill Letter advising the customer that their account has been adjusted based on revised meter information from Western Power;</li> <li>• Enclosing an updated invoice advising of the update from the previous invoice. The letter outlines: <ul style="list-style-type: none"> <li>➢ If the enclosed invoice is higher than the previous invoice and the customer would like more time to pay, the customer can contact Synergy to discuss a payment arrangement.</li> <li>➢ If the balance of the invoice is in credit, Synergy carries forward this credit amount to the next invoice unless the customer contacts Synergy within 20 business days to arrange a refund.</li> </ul> </li> <li>• Informing the customer as soon as practicable, or in the event the matter has not been resolved, providing an update within 20 business days. It was confirmed with Synergy’s Compliance Analyst that there were no instances during the audit period where Synergy did not provide feedback of the outcome of a bill review within 20 business days.</li> </ul> <p>Based on our walkthrough, enquiries and review of the</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
175	Code of Conduct, clause 4.16(3)	If a retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Bill Review Actual Reads, Bill Review Self Reader Estimated and Bill Review Estimated Read (Not Self Read) documents, we noted that Synergy follows a process in performing a bill review. One of the steps in this process is to place a note on the customer's account outlining that the bill is under review. Also, if Synergy requested Western Power to verify the meter reading against their records, the customer will also be advised.</p> <p>Due to the automated processes stipulated above as a result of an MDV or check read, Synergy would notify the customer of the outcome within 20 business days.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
176	Code of Conduct, clause 4.17(2)	If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified.8	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the Bills Not Received or Missing Bill, Vacant premise and Backdated Move In and Standard Electricity Agreement documents, we noted that controls are in place to address this obligation:</p> <p>The Standard Electricity Agreement stated in the terms and conditions that if the undercharge resulted from an error, defect or default for which the retailer or the network operator is responsible:</p> <ol style="list-style-type: none"> <li>a. Synergy can only require the customer to make a correct payment for amounts undercharged in the 12 months prior to the date that the customer was advised that they have been undercharged.</li> </ol>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>b. If the customer is a residential customer, the retailer will offer the option to pay the correct payment by instalments.</p> <p>c. If the customer consumes more than 160 MWh of electricity per annum, then Synergy can recover the amount of any undercharge subject to and in accordance with applicable laws, including the Energy Operators (Powers) Act 1979 (WA).</p> <p>SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising customers to contact Synergy if their invoice is higher than their previous invoice and they require more time to pay.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 22 breaches where undercharges in excess of 12 months were recovered. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>• introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy’s knowledge management system were updated;</li> <li>• Compliance issues and trends are discussed at weekly and monthly internal meetings and new tools and training was provided to staff who undertake breach assessments to improve staff knowledge and competency.</li> </ul> <p>Synergy’s annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>Our sample testing did not identify any instances of further exceptions.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.			
176A.	Code of Conduct, clause 4.17(3)	A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met.	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of Synergy's Business Terms and Conditions document, we confirmed under clause 8.4 that if the customer did not pay their bill, Synergy may charge the customer a fee for each overdue account notice Synergy sends to the customer and/or charge the customer interest on the amount the customer have not paid.</p> <p>There were no instances of interest being charged for undercharge amount or require the customer to pay late payment fees. This was confirmed by the RaC Team.</p> <p>Based on our review of documentation, we can conclude that there are adequate controls in place, however, due to no instances during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
177	Code of Conduct, clause 4.18(2)	<p>If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must:</p> <ul style="list-style-type: none"> <li>· use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default; and</li> <li>· subject to sub clauses 4.18(6) and 4.18(7), ask the customer for instructions for the credit or repayment of the amount.</li> </ul>	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of Synergy's Business Terms and Conditions and Rebill Letters documents, we confirmed under clause 9.2(b) of Synergy's Business Terms and Conditions that if the customer was overcharged for any reason (including where the meter has been found to be defective):</p> <ul style="list-style-type: none"> <li>• Synergy will credit the amount to the customer's account, or the customer have the option of having the amount repaid to them.</li> <li>• Synergy will also send a letter to their customer outlining that if their balance is in credit, Synergy will carry the credit amount forward to the next</li> </ul>	N/A. None noted.	A	<b>1</b>

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>bill or if the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter.</p> <ul style="list-style-type: none"> <li>If the overcharge is &gt;\$100, the customer is informed within 10 business days and in the event the overcharge is &lt;\$100, the amount is credited to the customer's account and is reflected in the immediate billing cycle.</li> </ul> <p>Synergy's internal Customer Care Guide also provides for a process to inform the customer within 10 business days of identifying the error.</p> <p>There have been no instances reported during the current audit period, whereby Synergy overcharged a customer but failed to credit the account or repay the customer the amount of the overcharge.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
178	Code of Conduct, clause 4.18(3)	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the following documents, we noted that Synergy complied with the obligation as a result of the following:</p> <ul style="list-style-type: none"> <li>Synergy offers customers multiple methods of refunds (credit card, Electronic, BPay refunds, cheque) to make it more convenient for the customer to pay their electricity account. The following documents shows the process of refunding based on what the refund type the customer requested: <ul style="list-style-type: none"> <li>Cheque Rends - refund process via cheque</li> <li>Electronic (EFT) Refund Process - refund process via EFT</li> <li>Credit Card Refund - refund process via credit card</li> </ul> </li> <li>Automatic Rebill Process - SAP ISU is configured</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising customers to contact Synergy if their invoice is lower than their previous invoice and they can therefore request a refund if their account is in credit.</p> <ul style="list-style-type: none"> <li>• Synergy's internal Customer Care Guide provides for a process to credit the account or refund the customer within 12 business days upon receipt of customer's instructions.</li> </ul> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
179	Code of Conduct, clause 4.18(4)	If instructions regarding repayment of an overcharged bill are not received within 5 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to a customer's account.	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Billing Services Business Rules and Rebill Letter documents, we noted that Synergy complied with the obligation as a result of the following:</p> <ul style="list-style-type: none"> <li>• Automatic Credit Transfer configuration - SAP ISU is configured to automate credit transfers in the following scenarios where customer instructions are not being received within 5 business days: <ul style="list-style-type: none"> <li>➢ Transfer any debit or credit balances from an inactive contract account to an active or inactive contract account</li> <li>➢ Transfer any debit or credit balances from an active contract account to another active or new contract account</li> </ul> </li> </ul> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
180	Code of Conduct, clause 4.18(6)	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6).	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Rebill Letter document, we confirmed compliance by observing that, if a customer has a credit balance, a letter will be sent to the customer informing that the balance will be carried forward to the next bill and if the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter. The letter is automatically system generated.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
181	Code of Conduct, clause 4.18(7)	A retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer, provided that the customer is not a residential customer experiencing payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Rebill Letters document, we noted that Synergy sent a letter to customers who were overcharged. In this letter, the customer is informed that:</p> <ul style="list-style-type: none"> <li>• If their balance is in credit, Synergy carries the credit amount forward to the next bill.</li> <li>• If the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter.</li> </ul> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
182	Code of Conduct, clause 4.19(1)	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with the requirements specified in sub clause 4.19(1).	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the following documents we determined that Synergy has various policies relating to refunds in order to comply with the obligation. The following documents evidenced that Synergy offers customers multiple methods of refunds (credit card, Electronic, BPay refunds, cheque) to make it more convenient for the customer:</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• Rebill letter will be sent to customers who have not received their credit to which they were entitled. In this letter, the customer will be informed that:                             <ul style="list-style-type: none"> <li>➤ If their balance is in credit, Synergy will carry the credit amount forward to the next bill.</li> <li>➤ If the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter.</li> </ul> </li> <li>• Several types of rebill letters are issued depending on the modifications made (i.e. revised meter information, rebate adjustment or adjustments to Net Feed-in Tariff credits). These instances neither pertain to adjustments arising from any act or omission of the customer.</li> <li>• Automatic Rebill Process - SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising customers to contact Synergy if their invoice is higher than their previous invoice and they require more time to pay.</li> </ul> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
183	Code of Conduct, clause 4.19(2)	<p>If the meter is read under either clause 4.6 or clause 4.3(2)(d), and the amount of the adjustment is an amount owing to the customer, the retailer must:</p> <ul style="list-style-type: none"> <li>· use its best endeavours to inform the customer within 10 business days; and</li> <li>· subject to sub clauses 4.19(5) and 4.19(7), ask the customer for instructions about the repayment of the amount.</li> </ul>	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Rebill Letters document, we noted that if the meter read results to an adjustment, Synergy has an automated process to immediately inform customers of the adjustment owing. Synergy automatically generates and sends a letter to the customers which include the following:</p> <ul style="list-style-type: none"> <li>• If their balance is in credit, Synergy will carry the credit amount forward to the next bill.</li> <li>• If the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter.</li> </ul> <p>Based on our walkthrough, review of the documentation and automated process, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
184	Code of Conduct, clause 4.19(3)	<p>If a retailer receives instructions under sub clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.</p>	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Refunds are part of the batch process and runs daily. When customers nominate their preferred refund method, the Daily Batch Process ensures the funds are transferred within prescribed time frames. A resource from the ICT Application Support Team monitors the daily batch process to ensure jobs are completed within agreed business thresholds. If the batch numbers are outside the agreed thresholds, the nominated person from the business will investigate and determine if the incident management process needs to be initiated.</li> <li>• Synergy offers customers multiple methods of refunds (credit card, Electronic, BPay refunds, cheque) to make it more convenient for the customer to pay their bill. The following</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>documents show the process of refunding based on what the refund type the customer requested:</p> <ul style="list-style-type: none"> <li>➤ Cheque Rends - refund process via cheque</li> <li>➤ Electronic (EFT) Refund Process - refund process via EFT</li> <li>➤ Credit Card Refund - refund process via credit card</li> </ul> <ul style="list-style-type: none"> <li>• SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising customers to contact Synergy if their invoice is lower than their previous invoice and they can therefore request a refund if their account is in credit.</li> </ul> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported (six) 6 breaches where customers requesting a refund after an adjusted bill did not have the refund completed within the required timeframe. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching; and</li> <li>• all processes within Synergy's knowledge management system were updated and compliance issues and trends are discussed at weekly and monthly internal meetings.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.			
185	Code of Conduct, clause 4.19(4)	If a retailer does not receive instructions under sub clause 4.19(2), within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Rebill Letter document, we noted that if the customer's balance is in credit, Synergy will carry the credit amount forward to the next bill, unless the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter. This means that as a default, the credit balance will be carried to the customer's next bill unless customer wants a full refund.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
186	Code of Conduct, clause 4.19(7)	A retailer may, after notifying the customer in writing, use an amount of an adjustment to set off that customer's debt owed to the retailer, provided that the customer is not a residential customer in payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with that amount in accordance with sub clause 4.19(2) or, if the amount is less than \$100, subclause 4.19(5).	5	<p>Through walkthrough and enquiries with the Electricity Billing Team and RaC Team and examination of the Rebill Letters document, we noted that Synergy follows a similar process as credit refunds in the event there is an adjustment amount in a customer's bill that would be set off against a debt.</p> <p>Accordingly, the customer will be notified:</p> <ul style="list-style-type: none"> <li>• If their balance is in credit, Synergy will obtain customer consent prior to using the amount of the adjustment against any debt owed.</li> <li>• After the outstanding debt has been settled and the customer would like a full refund, the customer may contact Synergy from the phone number listed in the letter.</li> <li>• If the customer is in financial hardship or payment difficulties, collection activities will not proceed, and the account will be flagged.</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our system walkthrough of debt offset, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
<b>PAYMENT</b>							
187	Code of Conduct, clause 5.1	The due date on a bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of a Sample Bill, the BPEM Case Category IV01 and BIO1 SOP documents, we noted that when an invoice is created, the due date is 12 business days from the date the bill document is released, and the invoice posted. We also note that SAP ISU is automatically configured to provide the bill with a due date of at least 12 business days from the date of dispatch.</p> <p>We reviewed a sample of two customer bills and noted that for both bills, due date is over 12 days from the dispatch date.</p> <p>We reviewed five sample customer bills as part of the audit to test the operational effectiveness of the above process and confirmed that Synergy had at least 12 business days between the dispatch date and due date.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
188	Code of Conduct, clause 5.2	Unless otherwise agreed with a customer, a retailer must offer the customer at least the payment methods prescribed in clause 5.2.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the bill redesign bill explainers, standard approval process, and publishing and process documents, we noted that any communications where Synergy asks the customers to make a payment, customers are provided with payment options or directed to the payment option page on the website. Synergy invoices also contain a payment section which provides customers with information on the type of payment methods available.</p> <p>We also checked Synergy's public website (<a href="https://www.synergy.net.au/at_home/payment_opti">https://www.synergy.net.au/at_home/payment_opti</a>)</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>ons.xhtml) and noted that customers may choose to pay either by credit card or a debit card subject to a merchant service fee. A fee-free alternative is also made available by signing up to Direct Debit and nominating bank transfer as the customer's payment method.</p> <p>We reviewed five sample customer bills as part of the audit to test the operational effectiveness of the above process and confirmed that Synergy has included direct debit, credit/debit card, mail, BPay, postal pay, telephone and Centrepay options to make payments as per clause 5.2.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
189	Code of Conduct, clause 5.3	Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.	2	<p>Through enquiries and walkthrough with the RaC Team, and examination of Synergy's CRM Direct Debit Interaction Note and My Account Direct Debit Self Service functionality controls, we determined that Synergy has adequate controls regarding the set-up of direct facilities with customers.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 10 breaches where direct debit arrangements were established without the customer's verifiable consent. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching; and</li> <li>• all processes within Synergy's knowledge management system were updated and compliance issues and trends are discussed at weekly and monthly internal meetings.</li> </ul> <p>Additionally, we have sampled five direct debit setups throughout the audit period, in order to determine</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>whether Synergy had obtained the necessary requirements from the customer in accordance with sub clause 5.3 of the Code of Conduct. For each request, we verified that:</p> <ul style="list-style-type: none"> <li>The customer's verifiable consent as defined by the code was obtained.</li> <li>The date of commencement of the direct debit facility was agreed with the customer.</li> <li>The frequency of the direct debit facility was agreed with the customer.</li> </ul> <p>Our sample testing did not identify any instances of further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.</p>			
190	Code of Conduct, clause 5.4	Upon request, a retailer must accept payment in advance from a customer. This will not require a retailer to credit any interest to the amounts paid in advance. Subject to clause 6.9, and unless otherwise agreed with a customer, the minimum amount for an advance payment that a retailer will accept is \$20.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Synergy's public website (<a href="https://www.synergy.net.au/Your-home/Manage-account/Bills-and-payments">https://www.synergy.net.au/Your-home/Manage-account/Bills-and-payments</a>):</p> <ul style="list-style-type: none"> <li>We noted that Synergy's public website has the option to create or access their account. This allows the customer to pay bills in advance by utilising the payment number on the customer's invoice. Customers can select the amount they wish to pay and the payment method (Credit/Debit Card).</li> <li>If the customer was to pay more than their bill amount, this would be credited towards the customer's next bill. The customer's account in the website (MyAccount) also allows them to set up a direct debit and nominate the start date, frequency and amount (\$20 minimum).</li> </ul> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
191	Code of Conduct, clause 5.5	If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Updating the Mailing Address, Customer Wants Their Address Updated to an International Mailing Address, Back of house/Customer Service Tower Training plans, Customer Support Training plans, and Probe training plans documents, we noted that, if the customer was unable to pay due to a change of address, or illness, the customer may contact Synergy to change their mailing address whether local or international mailing address.</p> <p>In those instances, during the audit period where customers were unable to utilise the payment methods offered, Synergy's processes allowed for the following:</p> <ul style="list-style-type: none"> <li>• Debt transfer between accounts with different names to be requested by the (i) account holder or (ii) authorised contact;</li> <li>• Verifiable consent to be obtained by the customer taking responsibility for the debt; and</li> <li>• An interaction notes to be placed on the account from which the debt originated to record its redirection.</li> </ul> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
192	Code of Conduct, clause 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified in sub clause 5.6(1).	4	Through walkthrough and enquiries with the Electricity Billing Team and examination of Late Payment Charge (LPC), Manually Updating the Account Class, Administration for Complaints Tasks, Financial Hardship Policy, Front of house training plans, Probe training plans, Customer Support Training plans, Customer Processing Tower Training plans, Customer Service Tower Training plans documents, we noted that Synergy's system utilises a	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>function where a customer's account will not be charged a late payment fee in the following circumstance:</p> <ul style="list-style-type: none"> <li>Late Payment Fee Account Lock - the system automatically places a lock on the customer account when an active Complaint, Concession or Payment Arrangement, including payment extension is present.</li> <li>Financial Hardship (FH) Account Class - Until the FH Account Class is cleared, the customer will not be charged a Late Payment Fee, even after the dunning lock expires. When the entire debt is cleared, the account class is reinstated to Residential (RESI) which reinstates Late Payment Fee conditions.</li> </ul> <p>When Synergy assessed that a customer is experiencing financial hardship the account is flagged with "FH" in the account class and a dunning lock is applied to the customer's account. Changing of a customer's account class is outlined in the Manually Updating the Account Class procedure.</p> <p>Our sample testing did not identify any instances of exceptions. Accordingly, there were no instances of the retailer charging a residential customer late payment fees as per circumstances in clause 5.6(1).</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
193	Code of Conduct, clause 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in sub clause 5.6(1) (c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the Miscellaneous Credits Guidelines document, we noted that a customer can request a refund of the fee charged to their account on the customer's next bill or Synergy becomes aware of the complaint other than upon customer's notification.</p> <p>We also noted that SAP CRM allows agents to manually process a refund onto customers' accounts, this information replicates to SAP ISU and is reflected on the customer's next bill. Included in these refunds are situations where a customer is charged a late payment</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>fee in error.</p> <p>There were no instances during the audit period where Synergy charged late payment fees as per the licencing condition.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test for compliance with the licence condition.</p>			
194	Code of Conduct, clause 5.6(3)	A retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team we noted that Synergy's system (SAP ISU) is automatically configured to raise Late Payment Fees when they meet certain criteria. SAP Configuration is setup to be in line with the obligation requirements.</p> <p>Accordingly, the SAP configuration ensures the following:</p> <ul style="list-style-type: none"> <li>Customer is charged late payment fees only when the relevant criteria are met;</li> </ul>	N/A. None noted.	A	1
195	Code of Conduct, clause 5.6(4)	A retailer must not charge a residential customer more than 2 late payment fees in relation to the same bill or more than 12 late payment fees in a year.	4	<ul style="list-style-type: none"> <li>The customer is not charged late payment fees for the same bill within 5 business days; and</li> <li>Customer is not charged late payment fees for the same bill more than twice or 12 late payment fees in a year.</li> </ul> <p>There were no instances during the audit period where Synergy charged late payment fees as per the licencing condition.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
196	Code of Conduct, clause 5.6(5)	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.	2	Through walkthroughs and enquiries with the RaC Team, as well as examination of live calls by the Financial Hardship Specialist Team, we determined that Synergy has well-established processes and adequate controls regarding the identification and	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>treatment of customers experiencing financial hardship or payment difficulties.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Report submitted to the ERA, Synergy self-reported 66 breaches, where late payment fees on the last bill were not waived prior to a customer being assessed as being in financial hardship. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>• Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>In order to test the operational effectiveness of the above process where Synergy complies with the retrospective waiver of late payment fees for customers assessed as experiencing financial hardship, as per clause 5.6 of the Code of Conduct, we have sampled five customers whose classification in the system was updated from "residential" to "financial hardship" throughout the audit period. We then scrutinised the account notes and checked for the removal of additional fees on the customer's previous bill and noted no exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.			
197	Code of Conduct, clause 5.7(1)	A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in sub clause 5.7(1).	2	<p>Through walkthrough and enquiries with the Electricity Billing Team, as well as examination of the Automatic Final Bill Generation process, we determined that Synergy demonstrates the use of reasonable endeavours to arrange for a final bill to be delivered in response to a customer's request.</p> <p>In its 2017/18 and 2018/19 Compliance Reports submitted to the ERA, Synergy self-reported 278 breaches where a customer was charged for consumption beyond the maximum move out date. These breaches resulted from agent error, a failure to follow standard operating procedures and system replication failures when setting up new and updating existing customer accounts.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives implemented as part of Project Spark including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching and provided additional training when required;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; Facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>early stages of the change management process; and</p> <ul style="list-style-type: none"> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>In addition, two change requests are being implemented to address the replication issues by automating the manual replication correction process.</p> <p>We sampled five final bills throughout the audit period and tested operational effectiveness of the above process where Synergy did not require a customer, who has vacated a supply address, to pay for electricity consumed at that supply address in the circumstances specified in sub clause 5.7(1) of the Code of Conduct. As such, we obtained evidence (account notes, SAP screenshots, final bills confirming that no customer was billed for consumption occurring after their specified vacating date, and that no customer was billed for more than five days from the date they gave their vacation notice. No further exceptions were found.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
198	Code of Conduct, clause 5.7(2)	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.	4	<p>Through walkthrough and enquiries with the RaC Team and examination of the Move Out Guided Process Landing Page document, we noted that:</p> <p>in instances during the audit period where a customer was evicted or was required to vacate a supply address, Synergy's processes provided for the customer to not be required to pay for electricity consumed at the premises (including from the date the customer gave</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>notice to Synergy) if the customer was able to demonstrate to Synergy that they were evicted from or otherwise required to vacate the premises.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
199	Code of Conduct, clause 5.7(4)	Notwithstanding subclauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in sub clause 5.7(4).	4	<p>Through walkthrough and enquiries with RaC Team and examination of Move Out Guided Process Landing Page and Forced Move Out documents, we noted that when a move out is processed for a customer, a Service Notification (SN) to Western Power will be triggered requesting a final reading. Once this has been received, SAP ISU will automatically bill the customer for consumption only up until the move out date specified by the customer.</p> <p>We also noted that SAP CRM is configured to ensure that only a single contract is active for a premise at any point in time. This ensures the consumption is only charged to the customer who holds the active contract.</p> <p>When a customer opens an account at a supply address where an existing account is still open, it is assumed that the previous customer did not close their account, so their account is automatically finalised when the new account is opened.</p> <p>In Synergy's 2017/18 Compliance Report, existing customers were charged for consumption after a new contract was agreed to with a new customer for the supply and Synergy self-reported two (2) breaches. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
200	Code of Conduct, clause 5.8(1)	<p>A retailer must not commence proceedings to recover a debt –</p> <p>a) from a residential customer who has informed the retailer in accordance with clause 6.1(1) that they are experiencing payment difficulties or financial hardship, unless and until the retailer has complied with all the requirements of clause 6.1 and (if applicable) clause 6.3; and b) while a residential customer continues to make payments under an alternative arrangement.</p>	4	<p>Through walkthrough and enquiries with the RaC Team and examination of the Collection Strategy and CRM Financial Hardship Questionnaire documents, we determined that Synergy has put in place procedures to ensure compliance with this obligation.</p> <p>We undertook live and recorded call testing as part of the overall financial hardship and payment difficulty assessment and we noted that when a customer is experiencing financial hardship or payment difficulty, the customer's account will be tagged as a Financial Hardship (FH) Account Class. Until the FH Account Class is cleared, the customer will not be charged a late payment fee and will be excluded from collection activities.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
201	Code of Conduct, clause 5.8(2)	A retailer must not recover or attempt to recover a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.	2	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of the Standard Electricity Contract it was determined that Synergy only holds the account holder liable for the collection of the outstanding debt. SAP ISU is configured to automate debt transfers so that they only occur between Business Accounts under a single Business Partner where there is only one active contract. This ensures automatic debt transfers are only completed for the same customer.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Report submitted to the ERA, Synergy self-reported five (5) breaches where Synergy incorrectly attempted to recover a debt owed by a customer. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to</li> </ul>	N/A. None noted.	B	3



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</p> <p>We reviewed one sample transaction of manual debt transfer of a customer as part of the review to test the operational effectiveness of the above process and confirmed that Synergy obtained the other customer's verifiable consent to the transfer of the debt in compliance with the obligation. Additionally, we noted that the majority of the debt transfers (approximately) follow through an automated batch process. Any requests which are not able to directly link to the business partner will be addressed through the manual process. The self-reported non compliances were through the manual process.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
201A.	Code of Conduct, clause 5.8(3)	A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt, providing the retailer obtains the other customer's verifiable consent to the transfer.	5	<p>Through walkthrough and enquiries with the RaC Team and examination of debt transfer between accounts with different names document, we noted that customers can request for debt listed in another person's name to be transferred to their own account. The transfer can be requested by either the account holder or an authorised contact. Verifiable consent must be obtained from the customer (account holder or authorised representative) taking responsibility for the debt.</p> <p>We reviewed one sample transaction of debt transfer of a customer as part of the review to test the operational effectiveness of the above process and confirmed that Synergy obtained the other customer's verifiable consent to the transfer of the debt.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				adequate controls in place and Synergy has complied with the licence condition, during the audit period.			

***PAYMENT DIFFICULTIES and FINANCIAL HARDSHIP***

202	Code of Conduct, clause 6.1(1)	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.	2	<p>Through enquiries with the Customer Support SME and examination of Synergy's documents, we determined, in those instances during the audit period where Synergy was advised of a residential customer experiencing payment problems, Synergy's processes provided for:</p> <ul style="list-style-type: none"> <li>Customers are to be assessed for payment difficulties or financial hardship immediately. If such an approach is not possible because of the volume of calls, the Financial Hardship task is automatically converted to an outbound call assigned to a customer service agent with a priority assigned to ensure the call is made within 5 business days.</li> <li>Consideration to be given to information provided by the customer, the customer's nominated representative or other information held by Synergy.</li> <li>A customer's call to be escalated to Customer Support when the customer experiencing payment difficulties does not meet the payment requirements defined in the Guidelines.</li> <li>Upon a customer's request, details of the outcome of the assessment to be provided to the customer.</li> </ul> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 76 breaches where customers were not assessed by Synergy for payment difficulty or financial hardship within five business days or were not referred to a relevant consumer representative to make the</p>	N/A. None noted.	B	2
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>assessment within five business days. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy’s knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>• a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy’s procedures. Our independent live and recorded calls sample testing of the assessment under ‘payment difficulties and financial hardship’ identified no further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				breaches were identified and note the remedial actions implemented/proposed to be satisfactory.			
203	Code of Conduct, clause 6.1(3)	When undertaking an assessment under sub clause 6.1(1) (a), a retailer must give reasonable consideration to the information prescribed in sub clause 6.1(3) (a), or advice prescribed in sub clause 6.1(3) (b), unless a retailer adopts an assessment from a relevant consumer representative.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we determined that Synergy performs the assessment through the SAP CRM FH Tool questionnaire. This is completed immediately and saved for all Promise to Pay (P2P) requests outside standard guidelines. The agents receive training in soft skills to be able to identify triggers from the conversation with the customer and/or financial counsellor and subsequently perform the assessment in the system during the call.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of 5 live calls and 20 pre-recorded call interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
204	Code of Conduct, clause 6.1(4)	Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under sub clause 6.1(1).	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we determined that Synergy has processes in place to advise residential customers about their assessment outcome upon request.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
205	Code of Conduct, clause 6.2(1)	If a residential customer is referred to a relevant consumer representative under sub clause 6.1(1) (b), a retailer must grant a temporary suspension of actions for that customer.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that if a customer is referred or has made an appointment with a relevant consumer representative or financial counsellor, the customer service agent will put a dunning lock to the customer's account in SAP CRM for 3 weeks (15 business days) to suspend any actions temporarily.</p> <p>When the RBU Agent applies a dunning lock via SAP CRM, this information will replicate into the SAP ISU and automatically suspend disconnection and collection activities on the customer's account.</p> <p>We sighted evidence of financial hardship assessments (that included temporary suspension of actions), provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
206	Code of Conduct, clause 6.2(2)	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.	2	Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that if a customer is referred to or has made an appointment with a relevant consumer representative or financial counsellor, the customer service agent will put a dunning lock to the customer's account in SAP CRM for 3 weeks (15 business days) to	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>suspend any actions temporarily.</p> <p>When the RBU Agent applies a dunning lock via SAP CRM, this information will replicate into the SAP ISU and automatically suspend disconnection and collection activities on the customer's account.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 and Compliance Reports submitted to the ERA, Synergy self-reported 50 breaches where customers experiencing payment problems were not granted a temporary suspension of actions (dunning locks) for 15 business days. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>We sighted evidence of financial hardship assessments (including temporary suspension of actions), provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of payment difficulties and financial hardship through live calls as stated above identified no further exceptions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
207	Code of Conduct, clause 6.2(3)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that if a customer is referred or has made an appointment with a relevant consumer representative or financial counsellor, the customer service agent will put a dunning lock on the customer's account in SAP CRM for 3 weeks (15 business days) to suspend any actions temporarily.</p> <p>When the RBU Agent applies a dunning lock via SAP CRM, this information will replicate into the SAP ISU and automatically suspend disconnection and collection activities on the customer's account.</p> <p>We sighted evidence of financial hardship assessments (including temporary suspension of actions), provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of payment difficulties and financial hardship through live calls as stated above identified no further exceptions.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				complied with the licence condition, during the audit period.			
208	Code of Conduct, clause 6.2(4)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that if for any reason the customer representative organisation (CRO) is unable to meet with the customer and provide an assessment, Synergy will consider a request by the customer or the CRO for additional time to undertake the assessment.</p> <p>Customers are given 15 business days to obtain the appointment if the customer has been referred to a Financial Counsellor for assessment and any action for disconnection or debt recovery to be suspended during this time.</p> <p>If the customer informs that the assessment is beyond the first 15 days and additional time is required, a further 15-day period is allowed. During this time, Synergy CSA's are required to provide reasonable consideration to the request made by the customer to obtain additional time to assess the capability to pay.</p> <p>We sighted evidence of financial hardship assessments (including customers who requested additional time to assess capacity to pay), provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
209	Code of Conduct, clause 6.3(1)(a)	If a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1), and advise the residential customer that	2	Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that for those customers who were assessed	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		additional assistance may be available if the prescribed circumstances apply.		<p>as experiencing payment difficulties when communicating with a Customer Support Agent, Synergy will offer assistance and alternative payment arrangements per sub clause 6.4. (1) in the Code of Conduct.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
210	Code of Conduct, clause 6.3(1)(b)	If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures including KANA (Synergy's Knowledge Management System) decision tree used in determining if a customer is in financial hardship or payment difficulty and observation of live calls managed by call centre agents in Joondalup, we identified that for those customers who were assessed as experiencing payment difficulties when communicating with a Customer Support agent, Synergy will offer alternative payment arrangements per sub clause 6.4. (1)b and assistance in accordance with clauses 6.6 to 6.9 of the Code of Conduct.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 13 breaches where Customers assessed as experiencing financial hardship were not offered alternative payment arrangements. These breaches resulted from agent error and a failure to follow standard operating procedures.</p>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy’s knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>• a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy’s procedures. Our independent sample testing of interactions with customers did not identify further non-compliances.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
211	Code of Conduct, clause 6.4(1)(a)	If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer additional time to pay a bill.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that for those customers who were assessed as experiencing financial hardship and payment difficulties when communicating with a Customer Support agent, Synergy will offer assistance and alternative payment arrangements per sub clause 6.4. (1) in the Code of Conduct.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
212	Code of Conduct, clause 6.4(1)(b)	If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that for those customers who were assessed as experiencing payment difficulties when communicating with a customer support agent, Synergy will offer assistance and alternative payment arrangements per sub clause 6.4. (1) in the Code of Conduct.</p> <p>In the 2017/18 Compliance Report submitted to the ERA, Synergy self-reported three (3) breaches where instalment plan arrangement was agreed with the customer but not confirmed by establishing the plan on the account. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy’s knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy’s procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
213	Code of Conduct, clause 6.4(2)	When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with sub clause 6.4(2).	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy’s Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we evidenced that before offering or amending an instalment plan with the customer, call centre agents perform a calculation of how much they can offer based on the customer’s capacity to pay, current situation, debt and historical consumption registered in the CRM.</p> <p>SAP ISU P2P Batch - When an agent enters payment arrangement details into SAP CRM, this is transferred into SAP ISU which generates the correspondence into a batch file sent to the external vendor (Fuji) daily through the WebMethods electronic portal.</p>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 169 breaches where information about the customer's capacity to pay and consumption history were not adequately considered to ensure that the instalment plan was fair and reasonable. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>• a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>customers did not identify further non-compliances.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
214	Code of Conduct, clause 6.4(3)	If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in sub clause 6.4(3)(a) within 5 business days and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that when an agent enters payment arrangement details into CRM immediately when a customer accepts an instalment plan offered, this information is transferred into ISU which generates the correspondence into a batch file sent to the external vendor (Fuji) on a daily basis through the WebMethods electronic portal.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Report submitted to the ERA, Synergy self-reported 11,522 breaches, where customers were not given the agreed instalment plan information in writing, or given an updated notice outlining the changes within five business days. These breaches resulted from agent error and a failure to follow standard operating procedures and a non-related letter suppression error which inadvertently resulted in promise to pay letters incorrectly being suppressed.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> </ul>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• all processes within Synergy’s knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>• a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul> <p>In addition, a monitored daily batch report was introduced to ensure tasks are completed within agreed business thresholds.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy’s procedures. Our independent sample testing of interactions with customers did not identify further non-compliances.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
215	Code of Conduct, clause 6.6(1)	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer	2	Through walkthrough and enquiries with the Customer Support Team, examination of Synergy’s Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		representative, for a reduction of the customer's fees, charges or debt.		<p>evidenced that Synergy have in place the Debt Waiver Guidelines which is used by the call centre/customer service agents to assess when considering a request for reduction of customer's fees, charges or debts.</p> <p>We sighted evidence of financial hardship assessments (including customers who requested reduction of fees, charges or debt), provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
216	Code of Conduct, clause 6.6(2)	In giving reasonable consideration under sub clause 6.6(1), a retailer should refer to the hardship procedures referred to in sub clause 6.10(3).	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we evidenced that Synergy have hardship procedures in place per sub clause 6.10 (3) that are referred to in the interactions with the customers that are considered under sub clause 6.6. (1) of the Code of Conduct.</p> <p>We sighted evidence of financial hardship assessments (including customers who requested reduction of fees, charges or debt), provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
217	Code of Conduct, clause 6.7	If it is reasonably demonstrated to a retailer that a customer experiencing financial	2	Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		hardship is unable to meet the customer's obligations under a payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan.		<p>Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we evidenced that Synergy has processes in place which provide the customer the opportunity of obtaining an instalment plan or even revising a plan before Synergy request for any payment from the customer. It was also noted that there were instances where Synergy offered alternative payment arrangements to customers after providing for reasonable consideration to the situation of the customer. Furthermore, different guidance and procedures are in place depending on each customer situation.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
218	Code of Conduct, clause 6.8	A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we identified that for those customers who were assessed as experiencing payment difficulties and financial hardship when communicating with a Customer Support agent, Synergy will offer the information specified in subclause 6.8. (1) in the Code of Conduct.</p> <p>In its 2018/19 and 2017/18 and Compliance Report submitted to the ERA, Synergy self-reported 62 breaches where Financial hardship customers were not advised of the availability of any financial assistance and grant schemes. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy’s knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>• a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul> <p>In addition, a monitored daily batch report was introduced to ensure tasks are completed within agreed business thresholds.</p> <p>Synergy’s annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy’s procedures. Our independent sample testing of interactions with customers did not identify further non-compliances.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				implemented/proposed to be satisfactory.			
219	Code of Conduct, clause 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives, as referred to in sub clause 5.4(3).	2	<p>Through walkthrough and enquiries with the Customer Support Team, examination of Synergy's Financial Hardship procedures and observation of live calls managed by call centre agents in Joondalup, we evidenced that Synergy has determined the minimum payment in arrears amount in conjunction with West Australian Council of Social Services (WACOSS) and other relevant consumer representatives.</p> <p>We sighted evidence of financial hardship assessments, provision of alternate payment plans, and waivers being applied to customers experiencing payment difficulties, in accordance with Synergy's procedures. Our independent sample testing of interactions with customers did not identify any non-compliances.</p> <p>Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
220	Code of Conduct, clause 6.10(1)	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer.	4	<p>Through walkthrough and enquiries with Compliance and Risk Coordinator and examination of the Payment Difficulties and Financial Hardship Policy, we noted that the following controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Synergy has developed a financial hardship policy and procedure document that can assist customers experiencing financial hardship and payment difficulties.</li> <li>• Synergy's Financial Hardship Policy and Procedures were developed in consultation with WACOSS, the Energy and Water Ombudsman and with Financial Counsellors, who formally review Synergy's payment difficulties and financial hardship policy in accordance with the Code of Conduct.</li> <li>• The financial hardship policy complies with the requirements in subclause 6.10(2) and 6.10(3).</li> <li>• The policy is available at Synergy's public website for the customers to access (<a href="https://www.synergy.net.au/Your-home/Help-and-advice/Bills/Struggling-to-pay-your-bill-Resi">https://www.synergy.net.au/Your-home/Help-and-advice/Bills/Struggling-to-pay-your-bill-Resi</a>).</li> <li>• Synergy staff are provided with adequate training to attend to customers facing financial hardship and payment difficulties.</li> </ul>	N/A. None noted.	A	1
221	Code of Conduct, clause 6.10(2)	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).	4	Synergy's financial hardship procedures include appropriate guidance to adequately assess residential customers who are experiencing financial hardship, to assist them to reduce consumption and to offer alternative payment plans to avoid staff disconnection.	N/A. None noted.	A	1
222	Code of Conduct, clause 6.10(3)	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3).	4	Based on our walkthrough, enquiries, testing and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
223	Code of Conduct, clause 6.10(4)	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's	4	Through walkthrough and enquiries with Compliance and Risk Coordinator and examination of the Payment Difficulties and Financial Hardship Policy, we noted	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		hardship policy, including by post, at no charge.		<p>that the policy is available at Synergy's public website for the customers to access (<a href="https://www.synergy.net.au/Your-home/Help-and-advice/Bills/Struggling-to-pay-your-bill-Resi">https://www.synergy.net.au/Your-home/Help-and-advice/Bills/Struggling-to-pay-your-bill-Resi</a>).</p> <p>In the event customers requested a copy of the financial hardship policy during the audit period, it was obtained via the following:</p> <ul style="list-style-type: none"> <li>• Synergy's website;</li> <li>• Provided electronically through the customer service agents; or</li> <li>• Post.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
225	Code of Conduct, clause 6.10(6)	If directed by the ERA, a retailer must review its hardship policy and hardship procedures in consultation with relevant consumer representatives and submit the results of that review to the ERA within 5 business days after it is completed.	4	<p>Through enquiries with the Regulation and Compliance Officer and examination of Synergy's Financial Hardship Policy and the ERA website, we determined during the audit period the ERA had not directed Synergy to review its Policy and that the Policy had not been reviewed.</p> <p>In the event Synergy receives a direction from the ERA to review the financial hardship policy and procedure, which it must comply with the instruction to review or amend, a calendar entry will be created within the Empower Regulatory Calendar. This is to track response timeframe, and the response issued to the Authority in accordance with the instruction and timeframe. This is then saved in the document management system.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period we were unable to test for compliance during the audit period.</p>	N/A. None noted.	A	N/R
226	Code of Conduct, clause 6.10(7)	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	4	Through walkthrough and enquiries with Regulation and Compliance Officer and examination of the Payment Difficulties and Financial Hardship Policy, we	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>noted that the policy complies with the ERA's Financial Hardship Policy Guidelines. The following controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Synergy's Financial Hardship Policy and Procedures were developed in consultation with WACOSS, the Energy and Water Ombudsman and with Financial Counsellors, who formally review Synergy's payment difficulties and financial hardship policy in accordance with the Code of Conduct.</li> <li>• The financial hardship policy complies with the requirements in subclause 6.10(2) and 6.10(3).</li> <li>• Synergy staff are provided with adequate training to attend to customers facing financial hardship and payment difficulties.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
227	Code of Conduct, clause 6.10(8)	If a retailer makes a material amendment to its hardship policy, the retailer must consult with relevant consumer representatives and submit a copy of the retailer's amended hardship policy to the ERA within 5 business days of the amendment.	4	<p>Through discussion with the Regulation and Compliance Officer and examination of Synergy's Financial Hardship Policy. We determined during the audit period, the retailer has not made any material amendments to the hardship policy.</p> <p>In the event Synergy receives a direction from the ERA to review the financial hardship policy and procedure, which it must comply with the instruction to review or amend. A calendar entry will be created within the Empower Regulatory Calendar to track response timeframe, and the response issued to the Authority in accordance with the instruction and timeframe. This is then saved in the document management system.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test for compliance during the audit period.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
228	Code of Conduct, clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	4	<p>Through walkthrough and enquiries with RaC Team and examination of Business SME Standard P2P Guidelines and Business SME Final P2P Guidelines documents, we noted that when a business customer is experiencing payment difficulties, Synergy may offer alternative payment arrangements as outlined in Business SME P2P Guidelines.</p> <p>In those instances, during the audit period where a business customer had requested alternative payment arrangements, Synergy's processes provided for:</p> <ul style="list-style-type: none"> <li>• Full consideration to be given to the circumstances of small use business customers who are experiencing payment difficulties.</li> <li>• Where those customers are assessed as genuinely experiencing payment difficulties, alternative payment arrangements are to be offered.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

***DISCONNECTION and INTERRUPTION***

229	Code of Conduct, clause 7.1(1)	Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in sub clause 7.1(1)(c).	2	<p>Through walkthrough with the Electricity Billing Team, enquiries with the RaC Team, and review of the Probe Disconnection Process, as well as the Reminder Notice and the Disconnection Warning Letter sent to the customer, we have determined that Synergy has appropriate controls in place to address compliance requirements in regard to small use customer disconnections. We confirmed that Synergy's disconnection process is mostly automated in order to remain compliant to specified timeframes, as follows:</p> <ul style="list-style-type: none"> <li>• A Reminder Notice is automatically generated and sent when the customer has an overdue balance at business day 15 after the invoice due date.</li> <li>• A Disconnection Warning Letter is automatically generated and sent when a customer has an</li> </ul>	N/A. None noted.	B	2
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>overdue balance at day at least 20 business days after the invoice due date.</p> <ul style="list-style-type: none"> <li>Synergy uses its best endeavours throughout the disconnection process to make a point of contact with the customer (via sending multiple SMS, leaving messages, and attempting a final call before submitting the disconnection request to Western Power).</li> </ul> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 42 breaches where disconnections for non-payment were arranged (service notification issued) after a customer had agreed an instalment plan and bills and collection notices were not issued to the address nominated by the customers who were then wrongfully disconnected for non-payment. These breaches resulted from agent error and a failure to follow standard operating procedures and replication errors due to data mismatch.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel</li> </ul>			



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</p> <p>In addition, there are two change requests under development to address the replication issues by automating the manual replication correction process.</p> <p>Sample testing of disconnections performed during the audit period for failure to pay a bill indicated that Synergy had not acted outside of the limitations outlined in clauses 7.1 and 7.2 of the Code. We reviewed the content of the Reminder notice and Disconnection Warning Letter and confirmed that they provide the required details as set out in sub clause 7.1(1) of the Code of Conduct. Sample testing did not identify further non-compliance.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
230	Code of Conduct, clause 7.2(1)	A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in sub clause 7.2(1).	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Disconnection process document and SAP system functionality, we noted that the disconnection process provides for:</p> <ul style="list-style-type: none"> <li>• Synergy may not disconnect the customer on a day no sooner than 5 business days after the date of dispatch of the disconnection warning.</li> <li>• Synergy must not arrange for disconnection or disconnect a customer's supply address – where the customer has made a complaint, directly related to the reason for the proposed disconnection, to Synergy, distributor, electricity ombudsman or another external dispute resolution body and the complaint remains unresolved.</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>• Synergy must not arrange for disconnection of a Life Support customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment.</li> <li>• Customers are not disconnected if assessed on financial hardship and are on instalment plan.</li> <li>• Customers are not disconnected if the customer has applied for a concession, but it has not yet been processed.</li> <li>• Synergy may not disconnect if the supply address does not relate to the bill unless it relates to the customer's previous supply address.</li> </ul> <p>In its 2017/18 Compliance Report, Synergy self-reported two (2) breaches where Customers were disconnected for non-payment despite having paid the bill. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment; and</li> <li>• a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel</li> </ul>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</p> <p>We reviewed the content of the Reminder notice and Disconnection Warning Letter. Sample testing of disconnections performed during the audit period for failure to pay a bill indicated that Synergy had not acted outside of the limitations outlined in clauses 7.1 and 7.2(1) (including subclauses (a) – (f)) of the Code.</p> <p>Sample testing did not identify further non-compliance.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
232	Code of Conduct, clause 7.4(1)	Unless the conditions specified in sub clause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Disconnection, we determined that, it is not Synergy's practice to disconnect customers for denial of access to a meter and therefore, Synergy did not arrange for a disconnection of a customer's supply address for denying access to the meter.</p> <p>Based on walkthrough, enquiries and review of documentation, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	N/P	N/R
234	Code of Conduct, clause 7.6	Subject to sub clause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.	2	<p>Through walkthrough with the Electricity Billing Team, enquiries with the RaC Team, and review of the Probe Disconnection Process, we have determined that Synergy has appropriate controls in place to address compliance requirements in regard to disconnections. Synergy does not proceed with the disconnection request if an account is flagged with an unresolved complaint (may it be raised directly from the customer or from any relevant third party pursuant to the code).</p>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>In the 2017/18 Compliance Report submitted to the ERA, Synergy self-reported one (1) breach. This breach resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliance, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• a review of and update customer soft skills training and call training for all Synergy collection agents;</li> <li>• all processes within Synergy’s knowledge management system were updated, specifically those relating to credit management processes and disconnection;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>• Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents;</li> <li>• facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>• Synergy collection agents’ scripts have been updated to confirm whether the reason for call has been appropriately addressed;</li> <li>• system access to Synergy’s knowledge management system, training portal and governance and risk system has been authorised for remote access;</li> <li>• creation of a case study from incident learnings for training purposes;</li> <li>• review of the call transfer process;</li> </ul>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>implementation of a process for collections agents to record customer complaints;</li> <li>ICAM root cause analysis; and</li> <li>Upgrade SAP complaints system module.</li> </ul> <p>As part of this audit, we tested the system control to determine the operational effectiveness of the above process and confirmed that Synergy prevents an account with an open complaint to be disconnected and noted no exceptions. Sample testing did not identify further non-compliance.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
235	Code of Conduct, clause 7.7(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with sub clause 7.7(1).9	2	Through walkthrough and enquiries with Complaints and Life Support Team Leader and the examination of the Life Support Policy, Life Support Standard Operation Procedure and Synergy's website on life support information and system walkthrough, we determined that Synergy has a process in place to facilitate life support customers.	N/A. None noted.	A	1
236	Code of Conduct, clause 7.7(2)	<p>A retailer must undertake the actions specified in subclauses 7.7(2) (e)-(g), if a customer registered with a retailer under sub clause 7.7(1) notifies the retailer:</p> <ul style="list-style-type: none"> <li>that the person requiring life support equipment is changing supply address;</li> <li>that the customer, but not the people requiring life support equipment, is changing supply address;</li> <li>of a change in contact details; or</li> </ul>	2	<p>Synergy has a dedicated life support team who is responsible for actioning all registrations. According to the request received, life support registration is made available to the customers either through Synergy website or sent on request. Customers are advised regarding completing the form along with the medical practitioner's confirmation within six (6) weeks, 10 weeks, 12 weeks and 14 weeks. Synergy evaluates the life support customers on an annual basis (a confirmation is obtained) and every three years (a medical certificate is required) to ensure the life support customers are still eligible to be registered under this program.</p> <p>When the life support information is entered into the SAP system an automatic notification is sent across to Western Power. This allows Synergy to flag the</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		· that the address no longer requires registration as life support equipment address.		<p>customer as a life support customer which prevents the customer from being disconnected. In addition to the automatic notification that is sent to Western Power a spreadsheet is also maintained by the Complaints and Life Support Team which includes all new and life support changes which are emailed to the Western Power on a daily basis at 3.00pm for requests received on the same day and for requests after 3.00pm to be reported on the next business day. This is an additional life support notification control should the system generated notification fail.</p> <p>We sample tested five (5) instances of new and changed life support request and we confirmed that the requirements as per obligation 235 and 236 have been met.</p> <p>Based on walkthrough, enquiries, review of documentation and testing of samples, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
240	Code of Conduct, clause 7.7(6)	A retailer must contact the customer to ascertain whether life support equipment is required or to request recertification in the timeframe, manner and circumstances specified in sub clause 7.7(6).	4	<p>Through walkthrough and enquiries with Complaints and Life Support Team Leader and examination of the Life Support standard operating procedure, we observed that Synergy must, no earlier than 3 months before the 12 month and 36 month anniversary of the date a medical practitioner confirmed a person residing at the customer's supply address requires life support, contact the customer to:</p> <ul style="list-style-type: none"> <li>ascertain whether the person continues to require life support equipment;</li> <li>if the customer has not provided re-certification from a medical practitioner within the last 3 years, request that the customer provide that recertification; and</li> <li>advise the customer of the consequences of not returning the form within six weeks or returning an incomplete form to Synergy as part of its 12 monthly life support confirmation process, which requires medical recertification every three years.</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>SAP has enabled an automated reminder process to obtain the completed life support renewal document from the customer.</p> <p>We reviewed one sample transaction for a customer who requested for life support as part of the review to test the operational effectiveness of the above process. We confirmed that Synergy obtained confirmation during the first and second year from the customer and an additional medical certification during the third year from a medical practitioner.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
241	Code of Conduct, clause 7.7(7)	A retailer or distributor must remove the customers' details from the life support equipment register in the circumstances and timeframes specified in sub clause 7.7(7).	4	<p>Through walkthrough and enquiries with Complaints and Life Support Team Leader and examination of MDH Operational Process SOP, MDH Monitoring Flow Chart, MDH Functions List documents, we noted that controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Synergy's life support standard operating procedure includes an instruction to contact the customer regarding life support.</li> <li>• Synergy contacts its customer at least three times over a period of three months. At least one of the three contact attempts must be by registered mail if the customer/ premises are confirmed life support.</li> <li>• If Synergy does not receive the requested information from the customer after all these steps have been taken, Synergy can remove the customer from its life support equipment register and must notify Western Power accordingly.</li> </ul> <p>Based on the confirmations received from the customer, Western Power or customer having not responded to Synergy as per sub clause 7.7(7), Synergy will unflag the customer in SAP removing the customer from use of life support equipment. These changes will be communicated to Western Power daily as part</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>automated SAP configuration and once via manual email.</p> <p>We reviewed one sample transaction for a customer who was deregistered from life support that no longer required the facility as part of the review to test the operational effectiveness of the above process. We confirmed that Synergy deregistered the customer from the SAP system and communicated the status to Western Power as part of the daily communication of life support details.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			

**RECONNECTION**

242	Code of Conduct, clause 8.1(1)	A retailer must arrange to reconnect a customer's supply address if the customer remedies their breach, makes a request for reconnection and pays the retailer's reasonable charges (if any) for reconnection, or accepts an offer of an instalment plan for the retailer's reasonable charges.	4	<p>Through walkthrough and enquiries with Credit Support Officer and examination of Reconnection Process, create a Service Notification (SN), Residential P2P Disconnection or Pending, and Move in Guided Process Landing Page documents, we noted that controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Payment received triggers Western Power notification - when a customer makes a payment greater than 90% of the debt due and the amount is recorded on an account, the system will generate a service notification to Western Power via the meter data hub (MDH). In this case, Synergy will arrange to reconnect the customer's supply address.</li> <li>• Payment arrangement triggers Western Power notification - SAP CRM is designed to generate a Reconnection service notification to Western Power via MDH for a customer who agrees to enter into a payment arrangement. In this case, Synergy will arrange to reconnect the customer's</li> </ul>	N/A. None noted.	B	3
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>supply address.</p> <ul style="list-style-type: none"> <li>Transfer of data to Western Power - SN - Reconnection Service Order is triggered via SAP CRM and sent automatically to Western Power via the MDH within prescribed time-frames.</li> </ul> <p>In its 2018/19 and 2017/18 and Compliance Reports submitted to the ERA, Synergy self-reported 96 breaches. These breaches resulted from a change request which inadvertently resulted in the disconnected premises alert mistakenly being removed, agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings;</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> <li>facilitated compliance fundamentals training was developed and is being rolled out to all required personnel who were identified through a training needs assessment;</li> <li>a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</li> </ul> <p>In addition, a change request is due for implementation which will reintroduce the disconnected premises alert and will also enhance this</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>alert to provide agents with a proposed disconnection date. This change request (CR5185) went live on the 10th October 2019.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>Our walk through of the reconnection process and sample testing of reconnection requests did not identify any further instances of noncompliance with the obligation to forward service reconnection requests to Western Power by the required timeframe.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
243	Code of Conduct, clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in sub clause 8.1(2).	2	<p>Through walkthrough and enquiries with Credit Support Officer and examination of Reconnection process, create a Service Notification (SN), Residential P2P Disconnection or Pending, and Move In Guided Process Landing Page documents, we noted that controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Payment Received triggers Western Power notification - when a customer makes a payment and the amount is recorded on account, the system will generate a service notification to Western Power via MDH. In this case, Synergy will arrange to reconnect the customer's supply address.</li> <li>• Payment Arrangement triggers Western Power notification - SAP CRM is designed to generate a reconnection service notification to Western Power via MDH for a customer who enters into a payment arrangement. In this case, Synergy will arrange to reconnect the customer's supply address.</li> <li>• Transfer of data to Western Power - SN - Reconnection Service Order is triggered via SAP</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>CRM and sent automatically to Western Power via MDH within prescribed time-frames.</p> <p>In its 2018/19 and 2017/2018 and Compliance Reports submitted to the ERA, Synergy self-reported a total of 63 breaches where reconnection service notifications were not sent to Western Power by midnight the same day if the customer called before 3pm, or by 3pm the following business day if the customer called after 3pm. These breaches resulted from agent error, a failure to follow standard operating procedures and a distributor system error and backlog.</p> <p>In response to the causes of the non-compliance, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>Our walk through of the reconnection process and sample testing of reconnection requests did not identify any further instances of non-compliance with the obligation to forward service reconnection requests to Western Power by the required timeframe.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
243A.	Code of Conduct, clause 8.1(3)	If a retailer does not forward the request for reconnection to the relevant distributor within the timeframes in sub clause 8.1(2), the retailer will not be in breach of this clause (8.1) if the retailer causes the customer's supply address to be reconnected by the distributor within the timeframes in sub clause 8.2(2) as if the distributor had received the request for reconnection from the retailer in accordance with sub clause 8.1(2).	4	<p>Through walkthrough and enquiries with RaC Team and examination of Urgent reconnection process for EST/Team Leaders, Urgent reconnection - agent process, and Urgent reconnection- Customer support agents' documents, we noted that Synergy has a process in place to communicate any connections/ reconnections to Western Power on a daily basis in compliance with the obligation.</p> <p>Our walk through of the reconnection process and sample testing of reconnection requests did not identify any instances of non-compliance with the obligation to forward service reconnection requests to Western Power by the required timeframe.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, we did not identify any events and we were unable to test compliance with the licence condition during the audit period.</p>	N/A. None noted.	A	N/R

**PRE-PAYMENT METERS**

245	Code of Conduct, clause 9.1(2)	A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.	4	<p>Through walkthrough and enquiries with RaC Team, and examination of Prepayment Meters - Ninga Mia guideline (frequently asked question), and agreement with Horizon Power we noted that Synergy supplies electricity via pre-payment meters (PPMs) only to customers living in Ninga Mia, Kalgoorlie. No location outside Ninga Mia community may have prepayment meters installed within the SWIS unless Synergy agrees, and the approval of the Minister is obtained. Currently there are approximately 14 residential properties in Ninga Mia with PPMs.</p> <p>Synergy did not offer a small use customer a PPM outside of the geographic locations declared by the Minister for Energy during the audit period.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude Synergy has adequate controls in place and has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
246	Code of Conduct, clause 9.2(1)	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.	4	<p>Through walkthrough and enquiries with RaC Team and examination of Prepayment Meters - Ninga Mia, Prepayment meters BAU processes, Ninga Mia Application Form documents, we noted that Synergy operates a PPM only to customers living in Ninga Mia and who have requested to install PPMs. Their request to install PPMs served as their verifiable consent.</p> <p>Synergy had no new pre-payment meter services provided during the audit period beyond Ninga Mia.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
247	Code of Conduct, clause 9.2(2)	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address.	4	<p>Through walkthrough and enquiries with RaC Team and examination of Prepayment Meters - Ninga Mia, Prepayment meters BAU processes, Ninga Mia Application Form documents, we noted that Synergy operates a PPM only to customers living in Ninga Mia. In setting up account for PPMs, Synergy provides a Residential Account Establishment Form specifically made for PPMs for Ninga Mia residents.</p> <p>Synergy had no new pre-payment meter services provided during the audit period beyond Ninga Mia.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
249	Code of Conduct, clause 9.3(1)	If a residential customer requests information on the use of a prepayment meter, a retailer must advise the information specified in sub clause 9.3(1) at no charge, and in clear, simple and concise language.	4	<p>Through walkthrough and enquiries with RaC Team and examination of Prepayment Meters - Ninga Mia, Prepayment meters BAU processes, Ninga Mia Application Form documents, we noted that controls are in place to address this obligation:</p> <p>Synergy operates a pre-payment meter only to customers living in Ninga Mia. During the setting up accounts for prepayment meters, Synergy provides a Residential Account Establishment Form. The 'Important Information to Note' section of this form</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>includes information regarding the use of pre-payment meters in a simple and concise language including whom to contract for further requests. The customer service agents will handle any requests of information pertaining to PPMs' and will direct the customer as per the request.</p> <p>Synergy did not receive a request for information on the use of a prepayment meter (requiring the information specific in sub clause 9.3(1) to be provided) during the audit period.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>			
250	Code of Conduct, clause 9.3(2)	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give, or make available to, that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge.	4	<p>Through walkthrough and enquiries with RaC Team and examination of Prepayment meters BAU processes and Life Support SOP documents, we noted Synergy provides a copy of information regarding the PPM in which the customer entered within the prescribed timeline, including their account details, at no charge.</p> <p>No new customers entered a prepayment meter service during the audit period.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
251	Code of Conduct, clause 9.3(3)	<p>A retailer must ensure that the following information is shown on, or directly adjacent to, a residential customer's prepayment meter:</p> <ul style="list-style-type: none"> <li>the positive or negative financial balance of the prepayment meter within one dollar (\$1) of the actual balance;</li> <li>whether the pre-payment meter is operating on normal credit or emergency credit;</li> </ul>	4	<p>Through walkthrough and enquiries with the Customer Service Team and examination of Letter of Agreement document, we noted that Horizon Power manages this obligation on behalf of Synergy as its agent. (As Synergy has limited experience in managing PPMs in regional communities it has contracted with Horizon Power to provide a range of PPM retail services on Synergy's behalf as its agent.) The letter of agreement stated that the information to be supplied to customers are in accordance to the requirement of the obligation.</p> <p>Horizon Power prepayment meters contained the</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		<ul style="list-style-type: none"> <li>• a telephone number for enquiries; and</li> <li>• the distributor's 24-hour telephone number for faults and emergencies.</li> </ul>		<p>information required under the obligation.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude Synergy has adequate controls in place and has complied with the licence condition, during the audit period.</p>			
252	Code of Conduct, clause 9.3(4)	Upon request and at no charge, a retailer must give a prepayment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous 2 years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Prepayment meters BAU processes document, we noted that Synergy provides the customer, only on request, a copy of their consumption statement (not a bill), for the previous two years.</p> <p>Synergy did not receive any such request during the audit period.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
253	Code of Conduct, clause 9.3(5)	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause (2)(r), a retailer must use reasonable endeavours to notify a prepayment meter customer in writing or by electronic means within 10 business days of the change.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Letter of Agreement document, we noted that Horizon Power is the one managing this obligation on behalf of Synergy as its agent. In the event recharge facilities change, Synergy will notify the customers based on the information received from Horizon Power within the prescribe timeframe.</p> <p>There were no instances where Synergy was expected to attend to the criteria of the obligation during the audit period.</p> <p>Based on our walkthrough, enquiries and review of the documentation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	A	N/R
254	Code of Conduct, clause 9.4(1)	If a prepayment meter customer notifies a retailer that it wants to replace or switch a	4	Through walkthrough and enquiries with RaC Team and examination of Prepayment meters BAU processes and Ninga Mia - Frequently Asked Questions documents, we noted that once the customer requests	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		<p>prepayment meter to a standard meter, the retailer must</p> <ul style="list-style-type: none"> <li>send the information referred to in clauses 2.3 and 2.4 to the customer; and</li> <li>arrange with the relevant distributor to remove or render non-operational the pre-payment meter and replace or switch the pre-payment meter to a standard meter within 1 business day of the request.</li> </ul>		<p>to be changed from a prepayment meter to an accumulation meter, the Customer Service Team will send a Meter Exchange SN to Western Power to revert the meter). Included in the service notification is a statement that meter exchange for standard meter is required within 1 business day.</p> <p>Synergy did not receive a request from the customer requesting a switch from a prepayment meter to a standard meter during the audit period.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period we were unable to test for compliance during the audit period.</p>			
255	Code of Conduct, clause 9.4(2)	A retailer must not charge for reversion to a standard meter if a prepayment customer is a residential customer and that customer, or their nominated representative, requests reversion of a prepayment meter within 3 months of its installation or the date the customer agreed to enter into the prepayment contract, whichever is later.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Prepayment meters BAU processes and Ninga Mia - Frequently Asked Questions documents, we noted that once the customer requests to be changed from a prepayment meter to an accumulation meter, the Customer Service Team will send a Meter Exchange SN to Western Power to revert the meter. The customer will not be charged if the customer requests reversion within 3 months of its installation or the date the customer agreed to enter into the prepayment contract, whichever is later.</p> <p>There were no instances of installation, nor reversion of a pre-payment meter within 3 months of its installation, during the audit period.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
257	Code of Conduct, clause 9.5(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support	2	Through walkthrough and enquiries with Complaints and Life Support Team Leader and the examination of the Life Support Policy, Life Support Standard Operation Procedure and Synergy's website on life	N/A. None noted.	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in subclauses 9.5(1) (a)-(c).		<p>support information and system walkthrough, we determined that Synergy has a process in place to facilitate life support customers reverting to a standard (non-PPM) meter.</p> <p>However, we noted that there were no prepayment meter customers on Life Support Equipment nor has Synergy received any request during the audit period for a customer to be registered as life support.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period we were unable to test compliance with the licence condition.</p>			
259	Code of Conduct, clause 9.6	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team, examination of Ninga Mia - Frequently Asked Questions document, we noted that one of the frequently asked questions regarding PPMs is how does the emergency credit function work? The document answered this question as follows:</p> <p>“Emergency credit will only kick-in if the customer runs out of credit between the hours of 2pm and 9am and can only be used once during this time. The value of the emergency credit equals \$20. Emergency credit is effectively borrowed funds which needs to be repaid once the customer tops-up next.”</p> <p>We also noted that Horizon Power handles the disconnection reports for customers with PPMs as Synergy’s agent. Synergy receives these reports monthly, including the list of customers with PPMs.</p> <p>Based on our walkthrough, enquiries and observation, we can conclude that Synergy has adequate controls in place and complied with the licence condition during the audit period.</p>	N/A. None noted.	A	1
260	Code of Conduct, clause 9.7(a), (b) and (d)	<p>A retailer must ensure that:</p> <ul style="list-style-type: none"> <li>at least 1 recharge facility is located as close as practicable to a prepayment meter, and in any case no further than 40 kilometres away;</li> </ul>	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Letter of Agreement document, we noted that Horizon Power is the one managing this obligation on Synergy’s behalf as its agent and is held responsible to ensure the requirements of the obligation are met. Based on the</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		<ul style="list-style-type: none"> <li>· a prepayment meter customer can access a recharge facility at least 3 hours per day, 5 days a week; and</li> <li>· the minimum amount to be credited by a recharge facility does not exceed \$20 per increment.</li> </ul>		<p>agreement and frequently asked questions document we noted the following:</p> <ul style="list-style-type: none"> <li>• The recharge facility is located 15 km from where the prepayment meters are located (Parkeston).</li> <li>• Eagle Petroleum offers 24-hour fuel, via OPT (Outside Point of Sale Terminal).</li> <li>• Synergy's processes outline that recharge cards are available in \$10 or \$20 increments.</li> </ul> <p>Based on our walkthrough, enquiries and observation, we can conclude that Synergy has adequate controls in place and has complied with the licence condition during the audit period.</p>			
261	Code of Conduct, clause 9.8	If a prepayment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the prepayment meter customer receives the benefit of the concession.	4	<p>Through walkthrough and enquiries with the Electricity Billing Team and examination of Ninga Mia Frequently Asked Questions and Ninga Mia Application Form documents, we noted that a Residential Account Establishment Form will be filled out by the customer to give their consent in disclosing related information regarding their eligibility to a valid concession card. The bank details of the customer are included in this form and eligible customers will receive the rebate directly into their bank account on a six-monthly basis in June and December. Bank details must be provided to receive the payments.</p> <p>The concessions requirement for customers is managed by Horizon Power on Synergy's behalf as its agent. If a customer is eligible for a concession, this will be recorded against the applicable prepaid metering account and the applicable rebate will be given.</p> <p>There have been no instances of such requests received by Synergy during the audit period. Synergy has administrative arrangements with Horizon Power to check with Ninga Mia residents regarding concessions eligibility and advise Synergy if concessions need to be applied.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
262	Code of Conduct, clause 9.9(1)	If requested by a prepayment meter customer, a retailer must make immediate arrangements to check the metering data; test the pre-payment meter; and/or arrange for a test of the metering installation at the connection point.	4	Through walkthrough and enquiries with the Customer Service Team and examination of Letter of Agreement document, we noted that Horizon Power is responsible for managing this obligation on Synergy's behalf as its agent and is held responsible to ensure the requirements of the obligation are met.	N/A. None noted.	A	N/R
264	Code of Conduct, clause 9.9(4)	If a prepayment meter is found to be inaccurate or not operating correctly, a retailer must: immediately arrange for the repair or replacement of the prepayment meter; correct any overcharging or undercharging; and refund any charges payable by a customer for testing the pre-payment meter.	4	There have been no instances of such requests pertaining to the obligations received by Synergy during the audit period.  Based on our walkthrough, enquiries and observation, we can conclude that Synergy has adequate controls in place, however due to no events in the audit period, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R
265	Code of Conduct, clause 9.10(1)	Subject to a prepayment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the prepayment customer can retrieve all remaining credit at the time that customer vacates the supply address.	4	Through walkthrough and enquiries with the Customer Service Team and the examination of the policy on 'credit on meter for customer leaving', we observed that Synergy has a process in place should a customer leave the property. A customer is entitled to have a meter reading and be credited for the remaining amount on the meter. Horizon Power will issue a refund with the customer, via cheque or direct deposit, depending on the customer request.  Synergy established customer accounts in 2018 as per details provided from Horizon Power notification. Synergy have not received advice from the customers advising they have vacated the premises during the audit period.  Based on our walkthrough, enquiries and observation, we can conclude that Synergy has adequate controls in place, however due to no events in the audit period, we were unable to test compliance with the licence condition.	N/A. None noted.	A	N/R
266	Code of Conduct, clause 9.10(2)	If a prepayment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor,	5	Through walkthrough and enquiries with the Customer Service Team and examination of Ninga Mia Frequently Asked Questions and Pre Payment Meters - BAU processes documents, we noted that if a	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		the retailer must use its best endeavours to inform and reimburse the prepayment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified.		<p>prepayment meter customer has been overcharged as a result of an act or omission on the part of Synergy or Western Power, Synergy will inform the PPM customer accordingly within 10 business days starting when Synergy became aware of the error and seek reimbursement instructions from the customer.</p> <p>Should the customer not provide reimbursement instructions within 20 business days, reimbursement can be offered in the form of PPM credit rounded up to the nearest \$10 or a cheque.</p> <p>There have been no any instances of a prepayment meter customers being overcharged during the audit period.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>			
267	Code of Conduct, clause 9.10(3)	The retailer must pay the amount in accordance with the prepayment meter customer's instructions within 12 business days of receiving the instructions.	4		N/A. None noted.	A	N/R
268	Code of Conduct, clause 9.10(4)	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	5	<p>Through walkthrough and enquiries with the Customer Service Team and examination of Letter of Agreement document, we noted that Horizon Power is responsible for managing this obligation on Synergy's behalf as its agent and is held responsible to ensure the requirements of the obligation are met.</p> <p>There have been no instances of such requests received by Synergy during the audit period.</p>	N/A. None noted.	A	N/R
269	Code of Conduct, clause 9.10(6)	If a retailer proposes to recover an amount undercharged to a prepayment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in subclause 9.10(6).	4	Based on our walkthrough, enquiries and observation, we can conclude that Synergy has adequate controls in place and has complied with the licence condition during the audit period.	N/A. None noted.	A	N/R
270	Code of Conduct, clause 9.11(1)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a	4	Through walkthrough and enquiries with the Customer Service Team and examination of Ninga Mia Frequently Asked Questions document, we noted that	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		waiver of any fee to replace or switch a prepayment meter to a standard meter.		<p>one of the frequently asked questions regarding PPMs is about financial hardship. When a prepayment meter (PPM) customer is experiencing financial hardship or facing payment difficulties, Synergy will offer to change the customer's PPM to a revenue (accumulation) meter. If the customer agrees, Synergy will send a service notification to Western Power with the wording "Please exchange prepaid meter with revenue meter and Synergy will also waive the fee".</p> <p>Synergy has only 15 customers under prepayment meters. We noted that there were no instances of such requests made by prepayment meter customers.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>			
271	Code of Conduct, clauses 9.11(2)	If a retailer is informed by a prepayment meter customer that the customer is experiencing payment difficulties or financial hardship, or the retailer identifies the customer as having been disconnected in the manner specified in subclause 9.11(2) (b), the retailer must, subject to sub clause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2) (d)-(g).	5	<p>Through walkthrough and enquiries with the Customer Service Team and examination of Ninga Mia Frequently Asked Questions document, we noted that one of the frequently asked questions regarding PPMs is about financial hardship. When a PPM customer is experiencing financial hardship or facing payment difficulties, in addition to waiving the fee when customers change their PPM to a revenue meter, the customers are notified of the options that are available to them via a letter that is sent out. Synergy will advise the customer to contact a financial counsellor at <a href="http://www.financialcounsellors.org">www.financialcounsellors.org</a>.</p> <p>Once a year, all Ninga Mia customers will receive an information pack with a letter confirming the services available to them in regard to financial hardship, councillors available, etc. If a customer moves into a premise during the year, they will receive this material once Synergy has been advised that they have moved into the property.</p> <p>The prepayment meters have an embedded functionality that records disconnection events. A report is periodically generated allowing Synergy to be informed of any disconnections and to contact the customer as soon as practically possible.</p> <p>Synergy has only 15 customers under prepayment</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>meters. We noted that there were no instances where customers notified Synergy of any financial hardship or payment difficulties.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>			

**INFORMATION and COMMUNICATION**

272	Code of Conduct, clause 10.1(1)	A retailer must give notice of any variations in its tariffs, fees and charges, to each of its customers affected by the variation no later than the next bill in the customer's billing cycle.	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation, we determined that any changes to tariffs are communicated with all customer groups accordingly using specific messaging to their group, including the bill, media, publications and tailored customer communications.</p> <p>We noted as part of the review that there were instances of variation in tariff during the audit period. (Regulated tariffs are reset on 1 July each year). Accordingly, we performed an end-to-end system walkthrough of one sampled tariff change to test the operational effectiveness of this process and confirmed that Synergy notified that customer before changes in tariff were affected.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
273	Code of Conduct, clause 10.1(2)	Upon request and at no charge, a retailer must give or make available to a customer reasonable information on its tariffs, fees and charges, including any alternative tariffs that may be available to that customer.	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation, we determined that agents can issue BR07 via SAP CRM upon the customer's request and at no charge to the customer. This will automatically issue the Tariff Brochure to the customer's nominated address. (BR07 is the prices and fees brochure.) This information is also available on the website:</p> <p><a href="https://www.synergy.net.au/at_home/prices.xhtml">https://www.synergy.net.au/at_home/prices.xhtml</a></p>	N/A. None noted.	A	1
274	Code of Conduct, clause 10.1(3)	A retailer must give or make available to a customer the information requested on tariffs, fees and charges within 8 business	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation, we determined that agents can issue BR07 via SAP CRM upon the customer's request and at no charge to the customer. This will automatically issue the Tariff Brochure to the customer's nominated address. (BR07 is the prices and fees brochure.) This information is also available on the website:</p> <p><a href="https://www.synergy.net.au/at_home/prices.xhtml">https://www.synergy.net.au/at_home/prices.xhtml</a></p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		days of the date of receipt and, if requested, provide the information in writing.		<p>As part of general customer interactions, Synergy has received enquiries from customers on tariffs during the audit period. In order to address the requests of the customers, Synergy's processes facilitated customer service agents to:</p> <ul style="list-style-type: none"> <li>Refer customers to Synergy's website upon request (therefore within the eight business days) for additional information on pricing and tariffs; and</li> <li>Provide such information in hardcopy upon request and at no charge.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
275	Code of Conduct, clause 10.2(1)	On request, a retailer must provide a non-contestable customer with their billing data.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy provides billing data to a non-contestable customer upon request. A customer's historical billing data and complaints related data are stored in SAP for more than two years and provided on request at no charge to the non-contestable customer.</p> <p>We reviewed one sample transaction of billing data request as part of the review to test the operational effectiveness of the above process and confirmed that Synergy provided the customer with the billing information within two days of request by way of electronic mail and post.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
276	Code of Conduct, clause 10.2(2)	If a non-contestable customer requests billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with a retailer, the retailer must provide the data at no charge.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy provides billing data to a non-contestable customer upon request at no cost.</p> <p>As part of business as usual, Synergy received requests from non-contestable customers for all billing data.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>Synergy's business processes ensured:</p> <ul style="list-style-type: none"> <li>Billing data to be provided to non-contestable customers upon request within 10 business days of the request.</li> <li>A customer's historical billing data to be stored in SAP for more than two years and be provided on request at no charge to the non-contestable customer.</li> <li>Customers to be directed and encouraged to use the 'My Account' on Synergy's website 'My Account' portal, which allows the customer to view billing data such as usage history.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
277	Code of Conduct, clause 10.2(3)	A retailer must give the requested billing data under sub clause 10.2(1) within 10 business days of the receipt of the request, or on payment of the retailer's reasonable charge for providing this data.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation (billing process documents), we determined that Synergy provides billing data to a customer within 10 business days of the receipt of the request, or upon payment of the retailer's reasonable charge for providing this data.</p> <p>We reviewed one sample transaction of billing data request as part of the review to test the operational effectiveness of the above process and confirmed that Synergy provided the customer with the billing information within two days of request by way of electronic mail and post.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
278	Code of Conduct, clause 10.2(4)	A retailer must keep a non-contestable customer's billing data for 7 years.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that that SAP ISU does not have an archiving policy in place, which means data is never removed from the systems and therefore historic</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>billing information is available.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
279	Code of Conduct, clause 10.3	Upon request and at no charge, a retailer must provide a residential customer with information on the types of concessions available to the residential customer and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that information about concessions is readily available and accessible by the customers in the website through the links provided below. The customers are directed to Synergy website on request of the information.</p> <ul style="list-style-type: none"> <li>• <a href="https://www.synergy.net.au/at_home/concessions_and_rebates.xhtml">https://www.synergy.net.au/at_home/concessions_and_rebates.xhtml</a></li> <li>• <a href="https://www.synergy.net.au/docs/Concession_and_Rebates_Terms_and_Conditions.pdf">https://www.synergy.net.au/docs/Concession_and_Rebates_Terms_and_Conditions.pdf</a></li> <li>• <a href="https://www.synergy.net.au/at_home/rebates.xhtml">https://www.synergy.net.au/at_home/rebates.xhtml</a></li> <li>• <a href="https://www.synergy.net.au/Your-home/Manage-your-account/Rebates-and-concessions">https://www.synergy.net.au/Your-home/Manage-your-account/Rebates-and-concessions</a></li> <li>• <a href="https://www.synergy.net.au/docs/Financial_Hardship_Policy_MSF.pdf">https://www.synergy.net.au/docs/Financial_Hardship_Policy_MSF.pdf</a></li> </ul> <p>In the event the customer requests for concession information, a copy of Synergy's customer service charter (that contains concession information) is provided.</p> <p>In the 2017/2018 Compliance Report submitted to the ERA, Synergy self-reported breaches in 21 instances. This breach resulted from a failure to suppress the concession terms and conditions brochure during a project to update templates resulting in the covering letter being sent without the terms and conditions containing the requested information, agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has focused up upskilling technical staff with</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>compliance training by implementing facilitated compliance fundamentals training which was developed and is being rolled out to all required personnel who were identified through a training needs assessment.</p> <p>Synergy is also working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy’s knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>• Synergy’s document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>In addition, a monitoring report was developed to identify customer letter numbers sent to Synergy’s outside printing contractor whereby daily variations are flagged and investigated.</p> <p>Additionally, we reviewed the internal guidelines and procedures and noted that there are adequate guidelines to identify if customers are eligible for concession. These include Adding Concession Cards, Eligibility for Concessions, Entitlements and Eligibility for Concessions and Third-Party Concessions.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
280	Code of Conduct, clause 10.3A	At least once a year, a retailer must provide a customer with written details of the retailer’s and distributor’s obligations to make	4	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy provides customers (at	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		<p>payments to the customer under Part 14 of this Code and under any other legislation in Western Australia, including the amount of the payment and the eligibility criteria for the payment.</p>		<p>least once a year) with written details of Synergy and Western Power's obligation to make service standard payments as per the relevant legislation. Each year a bill inserts containing the information about service standard payments is included in one bill cycle.</p> <p>Additionally, we noted the below controls are in place to ensure the requirements of the obligations are met:</p> <ul style="list-style-type: none"> <li>• RaC reviews the content provided by RBU marketing for the bill insert each year.</li> <li>• RaC provides the content to Western Power for review. Once Western Power has signed off on the content, Marketing and Communications will ensure the content is published with one bill cycle per reporting year (January/February is the cycle).</li> <li>• There is an event in the regulatory calendar that will automatically prompt RaC to ensure that this process begins in September, to ensure there is enough time for drafting, approval and testing.</li> </ul> <p>We reviewed a sample of bill inserts for residential and business and noted that information for the service standard payments are included for both Synergy and Western Power.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
281	Code of Conduct, clause 10.4	<p>Upon request and at no charge, a retailer must give, or make available to a customer general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.</p>	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we reviewed the Synergy website and noted that information regarding energy efficiency advice is available to the public and readily available to the customers.</p> <ul style="list-style-type: none"> <li>• <a href="https://www.synergy.net.au/at_home/energy_saving_tips.xhtml">https://www.synergy.net.au/at_home/energy_saving_tips.xhtml</a></li> <li>• <a href="https://www.synergy.net.au/Your-home/Save-energy/Energy-saving-tips">https://www.synergy.net.au/Your-home/Save-energy/Energy-saving-tips</a></li> </ul> <p>We also reviewed the Customer Charter Brochure</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>provided to customers and noted that it contains energy efficiency information as well.</p> <p>As part of its general operations, Synergy's customers have enquired on cost effective and efficient ways to utilise electricity during the audit period. The customer service agents have been enabled to provide:</p> <ul style="list-style-type: none"> <li>• General information on cost effective and efficient ways to utilise electricity and the typical running costs of major domestic appliances to be given to the customer; and</li> <li>• Directions to the customer regarding Synergy's website and the Customer Charter.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
282	Code of Conduct, clause 10.5	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that queries about electricity distribution is referred to the Western Power.</p> <p>We also reviewed the Synergy website and confirmed that information about the faults and emergencies are published on the website. The contact us page also contains a link to the Western Power website.</p> <p>It was also noted that the customer charter includes the following information about the electric distributor:</p> <ul style="list-style-type: none"> <li>• Western Power call responsibility;</li> <li>• Synergy and Western power; and</li> <li>• Western Power contacts.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
290	Code of Conduct, clause 10.9	To the extent practicable, a retailer and distributor must ensure that any written	5	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation,	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, concise language and in a format that is easy to understand.		<p>we determined that based on the documentation provided including customer service charter, webpages, and notices, written information is expressed in clear, simple and concise language during the audit period.</p> <p>All collaterals are circulated and approved by relevant SMEs (Subject Matter Experts) and business areas including Legal, Regulatory and Audit. In addition, Synergy's internal/external legal approve all collaterals.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
291	Code of Conduct, clause 10.10(1)	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation we observed that:</p> <ul style="list-style-type: none"> <li>The Code of Conduct is published and readily available in the Synergy website.</li> <li>Based on our review of the Reception Procedures, the Code of Conduct should be made available for inspection at the front counter.</li> </ul> <p>There have been no requests during the review period to obtain a copy of the Code of Conduct. Customer preference is to access the code electronically.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place.</p> <p>For obligation 291, since there were no instances of such request, we could not test compliance with the licence condition during the audit period.</p> <p>For obligation 292, Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	N/R
292	Code of Conduct, clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.	4	<p>There have been no requests during the review period to obtain a copy of the Code of Conduct. Customer preference is to access the code electronically.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place.</p> <p>For obligation 291, since there were no instances of such request, we could not test compliance with the licence condition during the audit period.</p> <p>For obligation 292, Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
294	Code of Conduct, clause 10.11(1)	Upon request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation, we reviewed the Standard Bill and noted that it includes TTY and TIS National number</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		(including independent multi-lingual and TTY services, and large print copies).		<p>and symbol that is accessible for customers with special information needs.</p> <p>We also reviewed the Synergy Disability Access and Inclusion Plan and noted that adequate information is made available to customers with special information needs.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
295	Code of Conduct, clause 10.11(2)	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2) (a) on its bills and bill-related information, reminder notices and disconnection warnings.	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation, we reviewed the standard bill, reminder notices and disconnection warning letters and noted that these include TTY and TIS National number and symbol that are accessible for customers with special information needs.</p> <p>In the 2017/2018 Compliance Report submitted to the ERA Synergy self-reported:</p> <p>The symbol displayed on the new bill format was not the official national interpreter symbol. This breach was attributed to Synergy's designer using an alternate symbol which was not reviewed against the Code of Conduct requirements on the redesigned bill.</p> <p>In response to the cause of the non-compliance, Synergy focused on refining its change management processes - a compliance assessment tool is currently being piloted and is due for implementation no later than 30 September 2019. This tool is designed to formalise the process in which ICT personnel assess compliance related risk by having them complete several compliance assessments in the early stages of the change management process.</p> <p>In addition, a monitored daily batch report was introduced to ensure tasks are completed within agreed business thresholds.</p> <p>Synergy has taken appropriate actions to address the non-compliances where breaches were identified and note this has now been corrected and non-compliances were not noted during the audit and the 2018/19</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>compliance report.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented to be satisfactory.</p>			
297	Code of Conduct, clause 10.12(2)	On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we reviewed the Synergy website and noted that metering information is available on the following webpages:</p> <p><a href="https://www.synergy.net.au/at_home/your_electricity_meter.xhtml">https://www.synergy.net.au/at_home/your_electricity_meter.xhtml</a>.</p> <p>It was also noted that there is a metering specific FAQ on Synergy's website which directs customers to Western Power's website for meter related enquiries.</p> <p><a href="https://www.synergy.net.au/faq.xhtml">https://www.synergy.net.au/faq.xhtml</a></p> <p>CSAs were trained in the different types of meters available and applicable to the customer.</p> <p>In instances during the audit period where a customer had requested information in relation to meters, CSA presented the information to the customer about different types of meters from Synergy's website.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

**COMPLAINTS and DISPUTE RESOLUTION**

298	Code of Conduct, clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation we determined that Synergy has existing policies and procedures for handling complaints and resolving</p>	N/A. None noted.	A	1
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		for handling complaints and resolving disputes.		<p>disputes. At their public website, there are also guidelines for complaints and disputes that customers can access.</p> <p>RBU Quality Risk &amp; Compliance, RBU Retail Marketing, RBU Retail Sales are responsible for the development and maintenance of the Complaints Policy which is aligned with the requirements of the obligation.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
299	Code of Conduct, clause 12.1(2)	The complaints handling process under sub clause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation we determined that the complaints and dispute resolution process contained in the Complaints Resolution policy is available to all the customers in the public website.</p> <p><a href="https://www.synergy.net.au/about_us/claims_complaints_compliments.xhtml">https://www.synergy.net.au/about_us/claims_complaints_compliments.xhtml</a></p> <p>RBU Quality Risk &amp; Compliance, RBU Retail Marketing, RBU Retail Sales are responsible for the development and maintenance of the Complaints Policy which is aligned with the requirements of the obligation.</p> <p>We also noted that the complaints process within this Policy comply with the code. The complaints policy addresses the following:</p> <ul style="list-style-type: none"> <li>• How customers can use the complaints handling process and how Synergy will handle any complaint, including response times and methods;</li> <li>• The customer's right to obtain information about the outcome of the complaint;</li> <li>• The customer's right to have a complaint considered by a senior employee within Synergy if they are not satisfied with the manner in which the complaint is being handled;</li> <li>• The customer's right to escalate their complaints</li> </ul>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>to the Energy and Water Ombudsman, including provision of contact details;</p> <ul style="list-style-type: none"> <li>Reporting instances of non-compliance within the Empower incident management system and training/coaching to individuals (as required); and</li> <li>Submission of reports to the ERA and the Energy and Water Ombudsman upon request.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
300	Code of Conduct, clause 12.1(3)	A retailer or distributor must advise the customer in accordance with sub clause 12.1(3).	4	<p>Through discussion with the Customer Support SME, Complaints Officer and Life Support Officer, and examination of Synergy's complaints management policies and procedures, we determined Synergy has developed and implemented its Customer Complaint Guidelines which are designed to handle complaints and resolve disputes in accordance with the requirements of the obligation. The guidelines were maintained during the audit period.</p> <p>In the 2018/19 Compliance Report submitted to the ERA, Synergy self-reported one (1) breach. This breach was a result of agent error and a failure to follow standard operating procedures, and lack of clarity of complaints procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>documents.</p> <p>In addition, a SAP complaints module was introduced to ensure appropriate identification management and reporting of complaints and increased soft skills training for agents to identify complaints appropriately.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>A SAP complaints module was also introduced on 2 November 2018 which changed the way complaints identification, management and business intelligence (BI) reporting is managed within Synergy.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
301	Code of Conduct, clause 12.1(4)	On receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation we determined that the Complaints Resolution Policy specifies the required response times for customer complaints.</p> <p>In the 2018/19 Compliance Report submitted to the ERA, Synergy self-reported two (2) breaches. These breaches were a result of agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>weekly and monthly internal meetings; and</p> <ul style="list-style-type: none"> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>In addition, a SAP complaints module was introduced to ensure appropriate identification management and reporting of complaints and increased soft skills training for agents to identify complaints appropriately.</p> <p>Our walk through of the complaints management process and sample testing did not identify any further instances of noncompliance with the obligation.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
302	Code of Conduct, clause 12.2	A retailer must comply with any guidelines developed by the ERA to distinguish customer queries from complaints.	2	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation we determined that that the Complaints Management Policy includes definitions of a Customer Complaint and a Customer Query. This allows Synergy to clearly distinguish between the two, consistent with the requirements of sub clause 12.2 of the Code of Conduct.</p> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>In its 2018/19 and 2017/18 Compliance Reports submitted to the ERA, Synergy self-reported 55 breaches where complaints were recorded as queries instead of complaints. These breaches were a result of agent error and a failure to follow standard operating procedures.</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>In addition, a SAP complaints module was introduced to ensure appropriate identification management and reporting of complaints and increased soft skills training for agents to identify complaints appropriately.</p> <p>All agents completed specific training to learn to differentiate a complaint from an enquiry.</p> <p>Our walk through of the complaints management process and sample testing did not identify any further instances of noncompliance with the obligation. Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
303	Code of Conduct, clause 12.3	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.	4	Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation we determined that the Complaints Resolution Policy is readily available to the customers and to the public through the Synergy website at no cost to the customer. The link for the complaints handling policy is provided in the link below:	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p><a href="https://www.synergy.net.au/about_us/claims_complaints_compliments.xhtml">https://www.synergy.net.au/about_us/claims_complaints_compliments.xhtml</a></p> <p>Synergy received requests from customers seeking assistance through the complaints handling process. In these instances, the CSAs direct them to Synergy's public website. The link to the policy is provided above.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
304	Code of Conduct, clause 12.4	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be appropriate to deal with the complaint (if known).	4	<p>Through walkthrough and enquiries with Synergy's RaC Team and examination of supporting documentation we determined that Synergy has procedures and guidelines in place for when a customer calls regarding matters that are Western Power's responsibility. In instances where such requests were received:</p> <ul style="list-style-type: none"> <li>• CSA advised the customer of the entity that Synergy reasonably considers to be the appropriate entity to address the complaint (if known).</li> <li>• The matter was referred to the appropriate entity.</li> <li>• The customer was made aware of the reason for the referral and to be offered the other entity's contact details.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

**REPORTING**

305	Code of Conduct, clause 13.1	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	4	Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation we determined that Synergy has prepared the regulatory reports as per the obligation for the audit period 1/7/2017 to 30/6/2019. The regulatory reports have been published on Synergy's public website under	N/A. None noted.	A	1
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>the following link:  <a href="https://www.synergy.net.au/About-us/News-and-announcements/Regulatory-Reports">https://www.synergy.net.au/About-us/News-and-announcements/Regulatory-Reports</a></p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
306	Code of Conduct, clause 13.2	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	4	<p>Through examination of Regulation and Compliance - Operations Guideline and the walkthrough with the Regulatory and Compliance Manager we determined that:</p> <ul style="list-style-type: none"> <li>Regulation and Compliance - Operations Guideline describes that in the event Synergy receives a direction or request from the ERA that it must comply with, the direction or request is required to be saved in the document management system.</li> <li>A calendar entry must be created within the regulatory calendar to track direction or request timeframe.</li> <li>RaC is responsible for the coordination of the actions required, confirming with the ERA that the action was taken as instructed, or providing the information to the ERA, within the required timeframe. The response to the ERA will also be saved in the document management system.</li> </ul>	N/A. None noted.	A	1
307	Code of Conduct, clause 13.3	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if: <ul style="list-style-type: none"> <li>copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and</li> <li>a copy is posted on the retailer or distributor's website.</li> </ul>	4	<p>Therefore, Synergy has established adequate processes that ensure:</p> <ul style="list-style-type: none"> <li>The performance report as required by the ERA is submitted on the due date.</li> <li>All information required by the ERA are contained in the report.</li> <li>The deadline of the submission to the ERA together with the publication is monitored.</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>The reports are available on the public website and can be obtained at no cost.</li> </ul> <p>The performance report datasheet was submitted to the ERA within the specified timeframes for 2016/17 and 2017/18.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			

**SERVICE STANDARD PAYMENTS**

308	Code of Conduct, clause 14.1(1)	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8.	4	<p>Through discussion with Electricity Credit Team and review of Synergy's Service Standard Payment (SSP) Procedures, we determined, for those instances during the audit period where Synergy was required to make a service standard compensation payment to a customer, Synergy's processes provided for the controls adequately.</p> <p>We reviewed a sample instance under clause 14.1, 14.2 and 14.3 as part of this audit to test the operational effectiveness of this process and confirmed that synergy has paid compensation to the customer as per the requirements of the obligation.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
310	Code of Conduct, clause 14.2(1)	Subject to clause 14.6, a retailer must pay the specified compensation to a customer if: it fails to comply with any of the procedures specified in Part 6 or Part 7 prior to arranging for disconnection or disconnecting the customer for failure to pay a bill; or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7 for failure to pay a bill.	4		N/A. None noted.	A	1
312	Code of Conduct, clause 14.3(1)	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer did not acknowledge or respond to a complaint within the timeframes prescribed in sub clause 12.1(4).	4		N/A. None noted.	A	1
315	Code of Conduct, clause 14.7(1)	A retailer that is required to make a compensation payment for failing to satisfy a	4		N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		service standard under clauses 14.1, 14.2 or 14.3 must do so in the manner specified in sub clause 14.7(1).					

**15 ELECTRICITY INDUSTRY METERING CODE – LICENCE CONDITIONS AND OBLIGATIONS**

324	Electricity Industry Metering Code, clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flow or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.	4	<p>Through enquiries and observations with the Manager Network Regulation and Compliance, we noted that:</p> <ul style="list-style-type: none"> <li>A Service Notification is triggered via SAP CRM and sent automatically to WP via the Metering Data HUB (MDH) within prescribed time-frames.</li> <li>Synergy generally becomes aware via "estimated reading for reversed energy reads" from Western Power. It is highly unlikely that Synergy would become aware prior to Western Power becoming aware.</li> <li>Western Power through its meter reading activities automatically becomes aware of any occurrence of bi-directional electricity flows, and that no instances occurred to allow Synergy to be made aware of such an occurrence before Western Power during the audit period.</li> </ul> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
339	Electricity Industry Metering Code, clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	4	<p>Through enquiries and observations and the Damaged or Faulty Meters Procedure, we noted that Synergy should notify Western Power of any customer reporting a potential outage or malfunction of a metering installation.</p> <p>Under the Model Service Level Agreement, it is at the discretion of Western Power if the meter is repaired or replaced. If replaced Western Power will advise Synergy via Standing Data and SAP CRM will be updated. We note that no such instances occurred during the audit period.</p>	N/A. None noted.	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>Meter Investigations service requests are submitted via SAP CRM and sent automatically to Western Power via the Metering Data HUB (MDH) within prescribed time-frames. Customers are notified using letter advising the results of the meter investigation once this information has been received from Western Power.</p> <p>For verification purposes, we examined an actual customer request being sent to Western Power. We also note that Western Power is automatically aware of any outages, and that it is their responsibility to conduct meter investigation and to establish whether a meter is faulty. As such, we confirmed that no instances occurred to allow Synergy to be made aware of such an occurrence before Western Power during the audit period.</p> <p>Based on walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>			
354	Electricity Industry Metering Code, clause 3.18(1)	The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.	4	<p>Through enquiries and observations with the Manager Network Regulation and Compliance, we noted that when a contestable customer is moved from a regulated to a non-regulated contract, from a metering code perspective, it is Western Power's responsibility under clause 3.16(1) to ensure the related meter is upgraded to be compliant with the prescribed wholesale market metering installation requirement (if need be) under obligation 3.16(1).</p> <p>Synergy supports this activity by raising the relevant service request in accordance with the Communications Rules:</p> <ul style="list-style-type: none"> <li>• A Service Notification to be issued to Western Power in instances where Synergy is notified of any meter outage or malfunction.</li> <li>• Service Notifications to be issued to Western Power on a daily basis.</li> <li>• Western Power to decide at its own discretion if the meter is to be repaired or replaced. In case of replacement, Western Power is required to advise Synergy of the details of the new meter,</li> </ul>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>enabling Synergy to update its records.</p> <ul style="list-style-type: none"> <li>Western Power to be responsible for ensuring the meters comply with the prescribed wholesale market metering installation requirements.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period we were unable to test compliance with the licence condition.</p>			
372	Electricity Industry Metering Code, clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	5	<p>Through walkthrough with the Applications Support Team, and enquiries with the Manager Network Regulation and Compliance, as well as examination of Synergy's MDH Monitoring Process, that Synergy has adequate controls in place notify to Western Power of potential errors in Standing Data. We also note that the registry is the database within MBS, which stores standing data in accordance with the scope. It is the source of truth in accordance with clause 4.4(2) of the Metering Code.</p> <p>A meter read BPEM generates when revised data is received from Western Power and fails to update as data does not match or when data is inaccurate for a period. These BPEMs are reviewed &amp; actioned by RBU. Therefore, there were no instances where Synergy knowingly permits the registry to be materially inaccurate.</p> <p>Since MBS resides under the control of Western Power, Synergy can only advise Western Power. Western Power is required to deal with these notifications in accordance with clause 4.6 of the Metering Code.</p> <p>Based on our walkthrough, enquiries and review of the documentation, Synergy has adequate controls to notify Western Power of Standing Data issues during the audit period and has complied with the licence condition.</p>	N/A. None noted.	A	1
373	Electricity Industry Metering Code, clause 4.5(2)	Subject to sub clause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or inaccuracy in, an item of standing data in the registry,	4	<p>Through walkthrough with the Applications Support Team, and enquiries with the Manager Network Regulation and Compliance, as well as examination of Synergy's MDH Monitoring Process, that Synergy has</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.		<p>adequate controls in place to notify Western Power.</p> <p>We also note that the registry is the database within Western Power's meter billing system (MBS), which stores standing data in accordance with the Metering Code. It is the source of truth in accordance with section 4.4 (2) of the Metering Code. Since MBS resides under the control of Western Power, Synergy can only advise Western Power of suspected inaccuracies, but only Western Power can amend the registry in accordance with clause 4.6.</p> <p>In the 2017/2018 Compliance Report submitted to the ERA, Synergy self-reported 20 breaches in relation to CDNs not sent to Western Power within one business day of Synergy becoming aware of a change in customer details.</p> <p>In response to the causes of the CDN non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>• the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>• all processes within Synergy's knowledge management system were updated;</li> <li>• compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>• Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
388	Electricity Industry Metering Code, clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network	4	Western Power has not made a request to Synergy for assistance under clause 5.4(1) during the audit period.	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		operator to comply with the network operator's obligation under sub clause 5.4(1).		<p>Through walkthrough with the RaC Team, enquiries with Manager Network Regulation and Compliance, and review of the Long Term Estimated Reads and Updating Meter Access processes, we determined that Synergy pro-actively provides Western Power with reasonable assistance in organising meter readings as per sub clause 5.4(1).</p> <p>Synergy ensures that SAP ISU automatically inserts a bill message to customers when they are being billed at the 5th estimate readings recorded in SAP (12 months) to prompt contact to arrange access to the meter or obtain a reading.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, we were unable to test compliance with the licence condition.</p>			
402	Electricity Industry Metering Code, clause 5.17(1)	A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	4	<p>Through walkthrough with the Electricity Billing Team, enquiries with the Manager Network Regulation and Compliance, review of the Automated Billing Process, and examination of actual bills throughout the audit, we confirmed that Synergy's billing process is automated and SAP ISU only bills customers on estimated or actual meter readings supplied by Western Power through MDH which is displayed on the customer's bill, and that the relevant standing data and energy data (as detailed in clause 4.5 of the Code of Conduct for Small Use Customers) is also provided on the bill.</p> <p>In the 2017/18 and 2018/19 Compliance Reports submitted to ERA, Synergy self-reported 159 breaches. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>We reviewed sample bills as part of this audit to test the operational effectiveness of this process and confirmed that synergy has included the requirements specified in the obligation.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
405	Electricity Industry Metering Code, clause 5.18	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	4	<p>Through walkthrough and enquiries and examination of supporting documentation, we determined that Synergy has controls in place to provide Western Power with information regarding a change in the energisation status of a metering point where the event occurs. Synergy advises that during the audit period, this occurred very infrequently with the common scenario being a situation where a customer advises Synergy their premises are de-energised but standing data within SAP indicates the premises are still energised. In this instance, Synergy would notify Western Power of the discrepancy.</p> <p>Compliance with clause 5.18 of the Metering Code was a key area that Synergy focused on in relation to its Project SPARK initiative specifically in relation to customer data notifications to Western Power. Through the Spark initiative, the Retail (RBU), Information and Communication (ICT) and Corporate Services (CSBU) business units commenced the implementation of the recommendations in July 2018. Synergy had the objective of reducing overall breach levels during 2018/19. In relation to clause 5.18, this</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>specifically included improving compliance training in relation to B2B transactions and the management of standing data under Project SPARK.</p> <p>There were no instances during the audit period where Synergy did not communicate to Western Power of any change of energisation status or metering point when information became available in compliance with clause 5.18(2) of the metering code.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place for Synergy to notify Western Power in the event Synergy becomes aware of a change in energisation status and has therefore complied with the licence condition, during the audit period.</p>			
406	Electricity Industry Metering Code, clause 5.19(1)	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator.	5	<p>Through walkthrough and enquiries with the Manager Network Regulation and Compliance and examination of supporting documentation, we determined that Synergy assists Western Power in collecting information from customer to assist in meeting its obligations described in the Code and provides it to Western Power.</p> <p>During the audit period Synergy received one request from Western Power regarding to provide a customer's email addresses. As part of this audit we have reviewed the letter received from Western Power together with Synergy's response and confirmed that Synergy sends e-mail addresses weekly or monthly to Western Power in accordance with the obligation.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
407	Electricity Industry Metering Code, clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	5	Through walkthrough with the Application Support Team, enquiries with Synergy RaC Team and examination of CDN and Batch Monitoring process, we determined that Synergy collects and maintains a record of the prescribed information in relation to the site and customer of each connection point with which the user is associated. This includes customer premises	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>information and any additional interactions with customers.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
408	Electricity Industry Metering Code, clause 5.19(3)	Subject to subclauses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change.	2	<p>Through walkthrough and enquiries with Synergy Applications Support Team and examination of supporting documentation, we determined that Synergy notifies Western Power of any updates made to customer attributes (name, contact details, street or postal address) as part of an automated process.</p> <p>When the Synergy Call Centre receives a request for a change in attribute, it is updated in the customer account via SAP CRM. This automatically creates a Customer Details Notification (CDN). The changes received by Synergy during business hours are processed and added on to a list and is processed daily as part of a batch process. The CDN batch file is submitted to Western Power via MDH.</p> <p>In the 2018/19 and 2017/18 Compliance Report submitted to ERA, Synergy self-reported 13,500 instances, where Synergy did not send the correct CDN to Western Power within the regulated timeframe of one business day.</p> <p>Synergy attributed the non-compliances as a result of the following:</p> <ul style="list-style-type: none"> <li>• a major incident where some transactions containing errors were holding up the entire batch due to the existing system configuration;</li> <li>• replication failures when setting up new, and updating existing customer accounts;</li> <li>• lack of adequate monitoring of the daily batch report with no tolerances identified for each item on the report; and</li> <li>• a lack of documented standard operating procedure which covers the creation, distribution and action of this report in addition to manual</li> </ul>	N/A. None noted.	B	3

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>error and a failure to follow standard operating procedure.</p> <p>In response to these causes of non-compliance, a SAP batch review was undertaken by the Application Support team which provided visibility of all critical batch jobs and sequence of the end to end batch process.</p> <p>This process has now been documented and allows for:</p> <ul style="list-style-type: none"> <li>• efficient identification and remediation of batch issues to prevent impact to Synergy's customers;</li> <li>• improved feedback and coaching methods were determined;</li> <li>• two change requests have been implemented to address the replication issues by automating the manual replication correction process;</li> <li>• further compliance initiatives under projects spark such as improved compliance training, establishment of an internal compliance review board, the implementation of a compliance assessment tool and the new compliance test library wherein a specific test scenario has been created for this obligation; and</li> <li>• The daily batch report was enhanced in response to the incident to ensure each line item has a tolerance and responsible colleague who is best placed to identify exceptions. The distribution list has also been updated to include all responsible personnel.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			
410	Electricity Industry Metering Code, clause 5.19(6)	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute	5	Based on walkthrough and enquiries with the Manager Network Regulation and Compliance and examination of supporting documentation, we determined that	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
		described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.		<p>Synergy's system allows Western Power to be notified of any changes to customer attributes except in relation to Standing Data provided by Western Power.</p> <p>It was confirmed through discussion with Synergy's Manager Network Regulation and Compliance that during the audit period there were no instances where Synergy did not comply with the obligation.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
416	Electricity Industry Metering Code, clause 5.21(5)	A Code participant must not request a test or audit under sub clause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user, or the Code participant is the IMO.	4	<p>Through enquiries with the Manager Network Regulation and Compliance and examination of Automatic System Configuration - CRM, we confirmed that Synergy's SAP CRM system does not allow any meter verification process to be created in relation to a connection point where synergy is not the Financially Responsible Metering Point (FRMP).</p>	N/A. None noted.	A	1
417	Electricity Industry Metering Code, clause 5.21(6)	A Code participant must not make a request under sub clause 5.21(1) that is inconsistent with any access arrangement or agreement.	4	<p>Throughout the audit period, Synergy appropriately utilised the Metering Service Centre web portal for requesting tests or audits.</p> <p>The Metering Code Model Service Level Agreement with Western Power provides clear instructions on how Synergy can request a test or audit. In order to comply with Clause 5.21 of the code, the web portal is configured to stop Synergy from submitting request for tests or audits for meters in relation to connection points that are not associated with the customer and Standing Data allocated to Synergy.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition during the audit period.</p>	N/A. None noted.	A	1
435	Electricity Industry Metering Code, clause 5.27	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	<p>Through walkthrough and enquiries with the Manager Network Regulation and Compliance and examination of supporting documentation, we determined that:</p> <p>For those instances where Synergy is required to provide Western Power with customer attribute information, Synergy's processes have the capacity to</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>provide information to be submitted to Western Power (as a CDN) within two business days of the request being made by Western Power. However, during the audit period, Synergy received no such requests from Western Power.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events during the audit period we were unable to test compliance with the licence condition.</p>			
448	Electricity Industry Metering Code, clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy complies with the rules, procedures, agreements and criteria prescribed in clause 6.1(2).</p> <p>During the audit period it was confirmed that there have been no instances where Synergy was not compliant with the documents under clause 6.1(2).</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition during the audit period.</p>	N/A. None noted.	A	1
451	Electricity Industry Metering Code, clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	5	<p>Through enquiries with Synergy RaC Team and the Manager Network Regulation and Compliance, and examination of the ETAC, we determined that:</p> <ul style="list-style-type: none"> <li>• Synergy is able to receive a notice by post, facsimile and electronic communication. It has a well-defined business as usual process for escalating any outstanding issues.</li> <li>• Synergy's Authorised Officer Listing is documented in ETAC agreement which contains a list of Authorised Officers who advise Western Power of any changes. Synergy's contact details are made available on its website or on any publicly available information.</li> </ul> <p>The Manager Network Regulation and Compliance confirmed that:</p> <p>Contact information of Synergy has not changed during</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>the audit period.</p> <ul style="list-style-type: none"> <li>There were no requests from the network operator to notify Synergy's contact details.</li> </ul> <p>Based on our walkthrough and enquiries we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p> <p>For obligations 453 &amp; 454:</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events during the audit period we were unable to test compliance with the licence conditions.</p>			
453	Electricity Industry Metering Code, clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	4	Please refer obligation 451 above.	N/A. None noted.	A	N/R
454	Electricity Industry Metering Code, clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under sub clause 7.2(4) at least 3 business days before the change takes effect.	4	Please refer obligation 451 above.	N/A. None noted.	A	N/R
455	Electricity Industry Metering Code, clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed, or another purpose contemplated by the Code.	4	<p>Through walkthrough and enquiries with Synergy's the Manager Network Regulation and Compliance, we determined that Synergy has the following procedures in place to ensure they are compliant to the confidentiality requirement:</p> <ul style="list-style-type: none"> <li>All confidential information is stored within Synergy's DM system. The accessibility of the DM system is restricted to limited individuals.</li> <li>All Synergy's employees are expected to sign a confidentiality agreement during induction.</li> <li>Training and information are provided to staff regarding the expectation of confidentiality.</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<p>Specific Metering Code training is also available to staff.</p> <p>Disclosure of confidential information (including standing data or energy data) did not occur during the audit period.</p> <p>Based on our walkthrough and enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition during the audit period.</p>			
456	Electricity Industry Metering Code, clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	4	<p>Through walkthrough and enquiries with the Manager Network Regulation and Compliance and examination of supporting documentation, we determined that Synergy only discloses information that is required to be disclosed by the Code.</p> <ul style="list-style-type: none"> <li>• If Synergy is expected to disclose any confidential information, it is undertaken in accordance with the requirements of the Australian Energy Market Operator (AEMO).</li> <li>• Staff of Synergy are expected to sign a confidentiality agreement as part of their contracts.</li> <li>• Information regarding metering data is disclosed only to Western Power and AEMO. These two parties in their own capacity have access to this information.</li> </ul> <p>Based on our walkthrough and enquiries we can conclude that there are adequate controls in place and Synergy has complied with the licence condition during the audit period.</p>	N/A. None noted.	A	1
457	Electricity Industry Metering Code, clause 8.1(1)	If any dispute arises between any Code participants, then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	5	<p>We reviewed the document 'WP Relationship Governance model' which contains Synergy's framework to manage WP. The WP Relationship Governance model' has considered the clauses 8.1 (1-4) and 8.3(2) of the Electricity Industry Metering Code and the process set up to handle disputes meets the requirements of the Code.</p> <p>We confirmed with the Manager Network Regulation and Compliance that Synergy has not been involved in</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				disputes concerning Electricity Industry metering Code clause 8.1 during the audit period.  Based on our walkthrough and enquiries, we can conclude that there are adequate controls in place, however, due to no events during the audit period we were unable to test compliance with the licence condition.			
458	Electricity Industry Metering Code, clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	Please refer obligation 457 above.	N/A. None noted.	A	N/R
459	Electricity Industry Metering Code, clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	Please refer obligation 457 above.	N/A. None noted.	A	N/R
460	Electricity Industry Metering Code, clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	Please refer obligation 457 above.	N/A. None noted.	A	N/R
461	Electricity Industry Metering Code, clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	5	Please refer obligation 457 above.	N/A. None noted.	A	N/R

**17 ELECTRICITY LICENCES - LICENSEE SPECIFIC CONDITIONS AND OBLIGATIONS**

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
486	Electricity Industry (Licence Conditions) Regulations, regulation 8	The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.	4	<p>Through walkthrough and enquiries with Regulation and Compliance Officer and examination of supporting documentation we determined that a proposal was originally submitted to the coordinator in 2005 and has been approved as per the requirements of the obligation.</p> <p>Synergy has made various requests to the Coordinator of Energy for amendments to the contract. Documentation showing these requests and the Coordinator's response have been reviewed as part of this audit. As per the regulation the Coordinator can direct Synergy to make amendments to the contract, however, no such directions have been received by Synergy to submit amendments to the REBS contract during the audit period.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, as the contract was provided to the Coordinator in 2005 and no further directions have been received from the Coordinator during the audit period, we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R
487	Electricity Industry (Licence Conditions) Regulations, regulation 8	The licensee must comply with a direction by the Coordinator to submit an amendment to the renewable source electricity contract by the time specified.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of Risk and Compliance Manual and Synergy's website, we determined the following:</p> <ul style="list-style-type: none"> <li>The coordinator did not issue any directions to submit amendments, nor approved changes to the REBS contract during the audit period.</li> <li>Synergy's processes provide for Synergy to purchase renewable source of electricity from a customer under an approved renewable source electricity.</li> <li>Information pertaining to REBS has been made accessible to customers through the customer service agents and Synergy's public website.</li> </ul> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place, however, due to no events during the audit period we were unable to test compliance with the licence condition.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
488	Electricity Industry (Licence Conditions) Regulations, regulation 6	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract.	4	Please refer obligation 487 above.	N/A. None noted.	A	N/R
489	Electricity Industry (Licence Conditions) Regulations, regulation 7	The licensee must submit to the Coordinator a written report detailing the amount of renewable source electricity purchased by the licensee and the cost of purchasing that renewable source electricity as soon as practicable at the end of each financial year.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that the Regulatory and Compliance Team is responsible for reporting annually to the Coordinator the value of energy purchased through the REBS.</p> <p>RaC is responsible for reporting annually to the Coordinator of Energy the value of energy purchased through the REBS. The value of energy purchased through the REBS will be determined through Retail Business Unit's (RBU's) business intelligence (BI) reporting system.</p> <p>To ensure that Synergy meets this obligation, there are events in the Empower regulatory calendar which will automatically prompt Regulatory and Compliance team to prepare and submit a written report as specified above.</p> <p>As part of this audit we have reviewed the annual REBS return submitted by Synergy for 2016/17, 2017/18 and 2018/19 to the Coordinator in compliance with regulation 7.</p> <p>Based on our walkthrough, enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
496	Electricity Industry (Customer Contracts) Regulations, regulation 40	Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.	4	<p>Through walkthrough and enquiries with Synergy RaC Team and examination of supporting documentation, we determined that Synergy offers electricity through a standard form contract to a customer who requests it. Standard form contracts are offered and set up via move in guided process.</p> <p>Synergy adheres to the following processes regarding offering standard for contracts:</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit Priority	Observation	Recommendation	Control rating	Compliance rating
				<ul style="list-style-type: none"> <li>informing all contestable customers of the option of a standard form contract before entering into a non-standard form contract; and</li> <li>informing the customer through its customer service agents or website publications, of the differences between a standard form contract and non-standard form contract.</li> </ul> <p>In the 2018/19 Compliance Reports submitted to the ERA, Synergy self-reported two (2) breaches where Eligible customers were not offered electricity supply on the standard electricity agreement. These breaches resulted from agent error and a failure to follow standard operating procedures.</p> <p>In response to the causes of the non-compliances, Synergy has introduced and is working to implement a range of new compliance initiatives including:</p> <ul style="list-style-type: none"> <li>the introduction of a new feedback and coaching form into the contact centre to assist in providing more effective feedback and coaching;</li> <li>all processes within Synergy's knowledge management system were updated;</li> <li>compliance issues and trends are discussed at weekly and monthly internal meetings; and</li> <li>Synergy's document management systems have been consolidated to eliminate duplication and uncontrolled or obsolete regulatory compliance documents.</li> </ul> <p>Synergy's annual compliance reporting function stems largely from incidents identified through its day-to-day operations and its internal QA process.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances where breaches were identified and note the remedial actions implemented/proposed to be satisfactory.</p>			





# 5 Previous audit non-compliances and recommendations

Licence Obligation Reference no. and Legislative obligation	Rating	Details of the issue (taken from the ERL1 Performance Audit Report – January 2018)	Auditors recommendation or action	Date resolved	Further action required
<b>A. Resolved during the audit period</b>					
<b>Obligations 131, 135, 145, 189 and 201A</b> <i>Code of Conduct clauses 2.2(2), 2.3(5), 4.1, 5.3 and 5.9</i>	<b>B2</b>	<b>Details:</b> Declarations (relating to provision of information and consent)  Synergy’s quality assurance (QA) evaluations of declarations made between 1 July 2016 and 30 June 2017, reported that for 509 (7.15%) of the 7,118 evaluations performed for residential customers, the declaration was not performed to the required standard and with an appropriate response from the customer. Synergy had not distinguished those declarations required under its regulatory compliance obligations	(a) Management has in the past investigated the option to automate declarations into the call centre process. Introduction of a fully automated declaration process within the current customer relationship management system will require significant capital investment and is not considered feasible under current system design due to the volume and complexity of declarations. Synergy conducted a review to consolidate and simplify customer declarations to improve the customer experience and reduce the likelihood of agent error.  (b) Management initiated a review of the annual refresher training content for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively.  (c) Synergy periodically reported to senior management (including regulatory) the QA performance. This was included within the retail compliance snapshot report which is circulated quarterly.  (d) Synergy currently had 41 declarations that are required to be communicated to customers. Retail Business Unit (RBU) has completed a review of all 41 declarations with the view to consolidate and reduce the number of declarations. As the automated declarations were not implemented, a review of management declarations on KPI’s were performed.	(a) April 2018 (b) January 2018 (c) January 2018 (d) April 2018	No further action required.
<b>Obligation 100</b> <i>Electricity Industry (Customer Contracts) Regulation 38</i>  <b>Obligations 130, 131, 135, 144, 154,</b>	<b>B2 and B3*</b>  (154, 202, 229, 230,	<b>Details:</b> Customer Service Agent (CSA) performance  During the audit period, Synergy self-reported non compliances relating to 40 obligations, with the cause of the non-compliance attributed to manual user error and/or failure to follow standard operating procedure, where	(a) Management undertook further root cause analysis on high volume regulatory incidents (clauses 4.4, 4.5(1), 4.17(2), 5.6(5), 6.1(1), and 6.8 of the code of conduct and clauses 4.5, 5.17, 5.18 and 5.19 of the metering code) due to agent failure to follow standard operating procedure and where feasible automate tasks to reduce risk of agent error.  (b) Reviewed standard operating procedures for compliance adequacy.	(a) April 2018 (b) December 2017 (c) Business as usual activity	No further action required.

Previous audit non-compliances and recommendations

Licence Obligation Reference no. and Legislative obligation	Rating	Details of the issue (taken from the ERL1 Performance Audit Report – January 2018)	Auditors recommendation or action	Date resolved	Further action required
<p><b>155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 4.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 4.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p><b>Obligation 496</b></p> <p><i>Electricity Industry (Customer Contracts) regulation 40</i></p>	243*	'feedback and coaching' was a primary prescribed action plan.	<p>(c) Management undertook a review of the QA assessment criteria in FY2016/2017 and the current QA assessment criteria has higher weighting on following procedure.</p> <p>(d) Management established an internal QA target to monitor QA compliance through monthly reporting of variation from mean.</p> <p>(e) Reporting of QA compliance performance has been included within the monthly operations dashboard that is circulated to senior management.</p> <p>(f) Management initiated a review of the annual refresher training material for statutory declarations to ensure evaluators are trained to raise non-compliance observations effectively.</p>	<p>(d) December 2017</p> <p>(e) December 2017</p> <p>(f) January 2018.</p>	
<p><b>Obligation 100</b></p> <p><i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p><b>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 5.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 5.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 5.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p><b>Obligation 496</b></p>	<p><b>B2 and B3*</b></p> <p>(154, 202, 229, 230, 243*)</p>	<p><b>Details:</b> QA - Calibration process</p> <p>Synergy and designated Stellar personnel perform a monthly QA on customer service calls from which the majority of non-compliances are detected and self-reported. As part of the QA process, Synergy hosts monthly calibration meetings with Stellar staff to compare QA assessment marks for a sample of CSAs, with any significant discrepancies further assessed.</p>	<p>(a) A formalised calibration process has been implemented.</p> <p>(b) Invited a member from the compliance team to attend calibration sessions and provide feedback on key queries.</p> <p>(c) Detail Compliance and Risk conducted a review of all compliance training in FY2017/18 including reviewer specific training.</p> <p>(d) Regular reporting to senior management (including regulatory) on calibration action item progress was carried out. This was included within the retail monthly operations report.</p> <p>(e) Management undertook further root cause analysis on high volume regulatory incidents.</p>	<p>(a) September 2017</p> <p>(b) November 2017</p> <p>(c) April 2018</p> <p>(d) January 2018</p> <p>(e) April 2018.</p>	No further action required.

Previous audit non-compliances and recommendations

Licence Obligation Reference no. and Legislative obligation	Rating	Details of the issue (taken from the ERL1 Performance Audit Report – January 2018)	Auditors recommendation or action	Date resolved	Further action required
<i>Electricity Industry (Customer Contracts) regulation 40</i>					
<p><b>Obligation 100</b></p> <p><i>Electricity Industry (Customer Contracts) Regulation 38</i></p> <p><b>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b></p> <p><i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 4.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 4.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i></p> <p><b>Obligations 373, 402, 405 and 408</b></p> <p><i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i></p> <p><b>Obligation 496</b></p> <p><i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p><b>B2 and B3*</b></p> <p>(154, 202, 229, 230, 243*)</p>	<p><b>Details:</b> Call centre regulatory performance reporting</p> <p>Synergy’s OSA contains Critical Service Levels and Key Measurement, which set out KPIs for Stellar to report on Type 1 and Type 2 regulatory breaches. Stellar provides the Retail Business Unit (RBU) Management Committee with monthly status reports, which provide an overview of: Call centre operational performance, Training activities, Action items from previous months.</p>	<p>(a) Type 1 and type 2 regulatory breaches are already included in the monthly performance reports within Synergy. The reporting captures all regulatory breaches recorded in the compliance reporting system Empower including breaches reported by the residential and business call centres.</p> <p>(b) Synergy has enhanced Empower (incident management system) capability to improve reporting of incident root causes for material incidents.</p> <p>(c) Management worked towards establishing a contract variation with the vendor.</p> <p>(d) Escalation to senior management is an established practice with review of contractual compliance KPI’s at the monthly and quarterly business review meetings held between Synergy and call centre management.</p> <p>(e) Management established an internal QA target to monitor QA compliance through monthly reporting of variation from mean.</p> <p>(f) Management has undertaken further root cause analysis on high volume regulatory incidents.</p>	<p>(a) Business as usual activity</p> <p>(b) March 2018</p> <p>(c) January 2018</p> <p>(d) December 2017</p> <p>(e) December 2017</p> <p>(f) April 2018.</p>	<p>No further action required.</p>
<p><b>Obligations 144, 155, 160, 176, 177, 229, 230, 243 and 295</b></p> <p><i>Code of Conduct clauses 3.1(2), 4.5(1), 4.8(2), 4.17(2), 4.18(2), 7.1(1), 7.2(1), 8.1(1), 8.1(3) and 10.11(2)</i></p> <p><b>Obligation 408</b></p> <p><i>Electricity Industry Metering Code clause 5.19(3)</i></p>	<p><b>B2 and B3*</b></p> <p>(229, 230, 243*)</p>	<p><b>Details:</b> Process/system change control</p> <p>During the audit period, Synergy self-reported non compliances relating to 10 obligations, citing system set-up as a primary cause of the non-compliance. At the time of this audit, Synergy had not established a formal change management process, which required the compliance team to be consulted as part of any system change. For example, for obligations 160 (design of the bill template) and 229 (relating to a disconnection error, which was undetected in the test environment), the lack of consultation</p>	<p>The change management framework was approved by retail leadership on 18 October 2017. The impact assessment template covered the requirements for sign-off by the regulation and compliance personnel prior to process and system changes.</p>	<p>December 2017</p>	<p>No further action required.</p>

Previous audit non-compliances and recommendations

Licence Obligation Reference no. and Legislative obligation	Rating	Details of the issue (taken from the ERL1 Performance Audit Report – January 2018)	Auditors recommendation or action	Date resolved	Further action required
		as part of a change management process was identified as the primary factor causing the system error and resulting non-compliance.			
<p><b>Obligation 145</b></p> <p><i>Code of Conduct clause 4.1</i></p> <p><i>A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.</i></p>	<b>B2</b>	<p><b>Details:</b> Billing process</p> <p>During the audit period, Synergy reported:</p> <ul style="list-style-type: none"> <li>• In the 2016/17 financial year, 3,082 instances where it failed to issue a bill within the required three-month timeframe (representing 0.06% of total bills issued)</li> <li>• In the 2015/16 financial year, 5,852 instances where it failed to issue a bill within the required three-month timeframe (representing 0.09% of total bills issued)</li> </ul>	<p>(a) Immediate action was taken to incorporate unbilled account items nearing the 90-day timeframe into daily work review and Synergy’s procedures.</p> <p>(b) Reviewed the billing procedures to ensure consistency with compliance obligations.</p> <p>(c) As part of the 2016/17 outsourcing project customer account note templates for billing were standardised.</p>	<p>(a) Business as usual activity</p> <p>(b) February 2018</p> <p>(c) Business as usual activity.</p>	No further action required.
<p><b>Obligation 155</b></p> <p><i>Code of Conduct clause 4.5(1)</i></p> <p><i>A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer’s bill, unless the customer agrees otherwise.</i></p> <p><b>Obligations 295</b></p> <p><i>Code of Conduct clause 10.11(2)</i></p> <p><i>For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.</i></p>	<b>B2</b>	<p><b>Details:</b> National Interpreter Symbol in bill templates</p> <p>The Code of Conduct requires that billing templates and billing support documents contain the National Interpreter Symbol. In November 2016 Synergy’s bill templates were amended, whereby the official National Interpreter Symbol was replaced with an alternative (but non-official) interpreter symbol.</p>	Synergy included the correct national interpreter symbol on its billing templates.	October 2017	No further action required.
<p><b>Obligation 302</b></p> <p><i>Code of Conduct clause 12.2</i></p> <p><i>A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.</i></p>	<b>B2</b>	<p><b>Details:</b> Identification of Complaints</p> <p>The ERA’s Customer Complaints Guidelines (December 2016 edition) require the recording of a complaint in the event where the action of the licensee is the source of the customer contact, the customer expresses dissatisfaction at any point and the</p>	A full review of the current standard operating procedures for complaint handling was combined with a review of the training material for soft skills for agents.	31 January 2018	No further action required.

Previous audit non-compliances and recommendations

Licence Obligation Reference no. and Legislative obligation	Rating	Details of the issue (taken from the ERL1 Performance Audit Report – January 2018)	Auditors recommendation or action	Date resolved	Further action required
		customer expects a resolution (either explicitly or implicitly)			
<b>B. Unresolved during the current audit period</b>					
<p><b>Obligation 100</b>  <i>Electricity Industry (Customer Contracts) Regulation 38</i>  <b>Obligations 130, 131, 135, 144, 154, 155, 156, 157, 166, 169, 172, 176, 184, 189, 192, 196, 197, 199, 201, 202, 206, 210, 212, 213, 214, 218, 229, 230, 243, 279, 294, 301, 302 and 310</b>  <i>Code of Conduct clauses 2.2(1), 2.2(2), 2.3(5), 3.1(2), 4.4, 4.5(1), 4.5(3), 4.6(1), 4.12(1), 4.14(2), 4.16(1)(a), 4.17(2), 4.19(3), 5.3, 5.6(1), 5.6(5), 5.7(1), 5.7(4), 4.8(2), 6.1(1), 6.2(2), 6.3(1)(b), 6.4(1)(b), 4.4(2), 6.4(3), 6.8, 7.1(1), 7.2(1), 8.1(2), 10.3, 10.11(1), 12.1(4), 12.2, 14.2(1)</i>  <b>Obligations 373, 402, 405 and 408</b>  <i>Electricity Industry Metering Code clauses 4.5(2), 5.17(1), 5.18 and 5.19(3)</i>  <b>Obligation 496</b>  <i>Electricity Industry (Customer Contracts) regulation 40</i></p>	<p><b>B2 and B3*</b>                      (154, 202, 229, 230, 243*)</p>	<p><b>Details: QA - Calibration process</b>                      Synergy and designated Stellar personnel perform a monthly QA on customer service calls from which the majority of non-compliances are detected and self-reported. As part of the QA process, Synergy hosts monthly calibration meetings with Stellar staff to compare QA assessment marks for a sample of CSAs, with any significant discrepancies further assessed.</p>	<p>Review the regulatory training requirements for QA reviewers with focus on higher customer impact areas (e.g. financial hardship).                      A two-year plan has been developed to cover the high-risk areas of compliance. This has been rolled out to both agents and reviewers/QA to ensure a greater understanding of the regulatory obligations that have a high customer impact.                      The metering code module has been developed and rolled out.</p>	<p>Ongoing</p>	<p>The implementation of agreed management action is ongoing as a business as usual activity.</p>

# Appendix A – Root cause Analysis

## Background

In response to Synergy’s 2017 ERL 1 performance audit, the ERA requested that Synergy undertake root-cause analysis of high-volume retail licence breaches. This included non-compliances that materially affected customers over the period covered by the 2015 and 2017 audits.

Synergy responded to the ERA’s request by forming a team consisting of internal personnel and an external consultant to undertake root-cause analysis. The team was to extend Synergy’s Incident Cause Analysis Method (ICAM) investigation methodology to include the ERL 1 breaches identified by the ERA. Synergy engaged an independent consultant to assist the ICAM team to undertake the root cause investigations and make independent recommendations to address the root-cause findings.

Upon completion of the investigations, the independent consultant made seven recommendations to address the root-cause findings. Synergy established a multi business unit project (project spark) consisting of senior representatives from the retail, information and communication technology and corporate services business units to implement the ICAM recommendations. Synergy has been working to implement the recommendations since August 2018 with phase 1 (ICAM recommendations) being completed in June 2019. The ERA received updates about the status of implementation in November 2018 and February 2019.

## Scope and approach

We were requested to perform a review of the recommendations of the ICAM report, with focus laid on the following;

- (a) If Synergy has addressed Recommendations 2/2017(a), 3/2017(e) and 4/2017(f) of the 2017 audit. In particular, do the recommendations made by Sustainability effectively address the non-compliances identified in the 2017 audit?
- (b) The progress made by Synergy to address the recommendations made by Sustainability.

As part of our review, we confirmed the processes and procedures around implementation of project spark. Accordingly based on the outcome the ICAM report included seven (7) recommendations to address the requirement of the ERA.

We walked through the processes with key stakeholders, reviewed documentation and undertook sample testing (where deemed necessary) to obtain an understanding of the status of the recommendations proposed through the ICAM report.

We conducted a walked through for the seven (7) ICAM recommendations and have noted our observations in the table below;

#	Recommendations	Description
1	Improve change management process to ensure process is robust, transparent, well communicated and based on a recognised industry standard.	The Regulatory Compliance Policy was reviewed and enhanced. In addition, a Compliance Review Board (CRB) was established to approve, prioritise and monitor compliance projects and initiatives consistent with the Regulatory Compliance Policy.  Synergy enhanced its existing systems-based Control Register which specifies: all ERL1 regulatory requirements, risk assessments,

#	Recommendations	Description
		<p>accountable business owners and organisational controls. The full controls have been built into each obligation listing which helps to ensure compliance with the legislative requirements when system or procedural changes are proposed.</p> <p>A Compliance Assessment Tool was developed to further enhance the change implementation process by ensuring regulatory requirements are identified and assessed prior to system changes occurring. This requires internal stakeholders to assess their change request against four impact criteria – system, customer, operational and compliance. The assessments are then reviewed by the Compliance Review Board consisting of compliance subject matter experts from retail, information and communications technology (ICT) and corporate service business units. The board will assess the change being proposed and provide feedback/input from a regulatory compliance perspective. If there is not enough information, it will be referred back to the change initiator to clarify and if it does not agree with the change (in terms of the impact the change might have), the board has the authority to reject it.</p> <p>There has been significant emphasis on the change management process and awareness has been built in in the form of training and enhanced system testing including creation of a test script library. The test library was initially based on 23 priority regulatory obligations identified in the ICAM report. This library ensures changes are adequately tested against scenarios which historically resulted in breaches.</p> <p>The ICT change management process and charter has been reviewed by PwC and noted that they have been developed in accordance to industry requirements. We noted that the change procedure document was in draft during the walkthrough discussion with a completion date by year end (2019).</p> <p>The ICT incident management process was reviewed, and priority ratings clarified</p>
2	<p>Undertake a needs assessment on registry and compliance skills and resources within the organisation and identify gaps and corrective action. Special consideration is required of the following areas:</p> <ul style="list-style-type: none"> <li>• Identifying key stakeholders and influencers of regulatory compliance from an operational and systems perspective</li> <li>• Developing regulatory compliance training packages that provide participants with greater knowledge of compliance requirements,</li> </ul>	<p>The organisation has and follows a comprehensive digital training program involving 33 regulatory training modules including the code of conduct, metering code, transfer code and the build pack. As part of project spark all regulatory training was reviewed to improve the training experience and knowledge experience.</p> <p>A Training Needs Analysis (TNA) was completed to identify specific training requirements of ICT staff and contractors. Facilitated compliance fundamentals training has been completed for 270 staff, with one session remaining to cater for personnel that have been unable to attend previous sessions. Existing online training is currently under review and additional regulatory</p>



#	Recommendations	Description
	<p>processes and priorities and the impacts of non-compliance</p> <ul style="list-style-type: none"> <li>• Determining mandatory training requirements of all personnel interacting with regulatory compliance systems and establishing competency verification processes that enable confirmation of understanding and correct application of learning outcomes</li> <li>• Reviewing KANA content, navigation and search functionality to simplify and streamline end user experience to encourage increased utilisation of resources</li> </ul> <p>Ensuring key operating procedures are subject to regular mandated reviews and updates</p>	<p>training is in development with both of these items due for implementation by the end of Dec 2019.</p>
3	<p>Ensure resources and accountability for regulatory compliance meet organisational requirements and compliance policy.</p>	<p>With the recruitment of ICT compliance and change management resources there is now clear accountability for compliance governance across the ICT, RBU and corporate services business unit. The Compliance Review Board provides a single forum where all three business units' review &amp; challenge change requests, provide &amp; approve recommendations to mitigate compliance risk and review material regulatory incidents to provide suggested remedial actions.</p> <p>Obligations have multiple controls assigned to them and categorised into either system, people or process controls. These controls are assigned a specific control owner (depending on where the control sits) in the business and assessed for both adequacy and business impact.</p> <p>A large education program was developed. Key process owners were identified initially to create awareness and flow through. A control owners meeting was conducted, and training provided.</p> <p>In terms of ICT, control owners were identified, and meetings were conducted where the control owners reviewed, critiqued and accepted the controls that were assigned to them. These types of meetings will be of regular occurrence when changes result in either the creation or change of a control.</p> <p>2019/20 regulatory compliance KPI's and have been assigned to relevant senior management and compliance staff within ICT, RBU and CSBU. Monthly KPI reporting occurs. ICT compliance reports have been developed and the first report was deployed in August 2019 based on RBU's reporting structure. (System incidents were previously reported by RBU.)</p>

#	Recommendations	Description
4	<p>Consolidate or link Synergy’s document management systems to eliminate the existence of duplicated, uncontrolled and obsolete documents.</p>	<p>Synergy’s knowledge management system (KANA) and content was reviewed, updated and rationalised to remove any redundancy and duplication. This involved reviewing 377 procedures used by front end and back end staff. KANA is the viewing platform but key procedures themselves are maintained within Synergy’s document management system, DM.</p> <p>Other RBU initiatives to improve agent knowledge, understanding retention, assessment and reporting were:</p> <ul style="list-style-type: none"> <li>• An improved RBU agent feedback and coaching framework incorporating a revised soft skills training module.</li> <li>• A new RBU quality assurance framework.</li> <li>• Implementation of a new complaints capture model aligning to the ERA customer complaints guidelines.</li> <li>• Bi-annual reporting to the Synergy Board on complaints, volumes and trends.</li> </ul> <p>Access rights to KANA has been restricted to only 4 authorised persons. This has been initiated to ensure any unauthorised access has been restricted.</p>
5	<p>Review Synergy’s business KPIs in relation to regulatory compliance and ensure compatibility with business success factors and key performance indicators.</p>	<p>Retail licence breach key performance indicators were adopted across the retail, ICT and corporate services business units for 2018/19.</p> <p>Synergy’s procurement function is incorporating compliance KPIs into its regular BAU process’ regarding contracting. These KPIs specify what vendors will be responsible for upholding with regards to regulatory compliance including employee training, understanding and adhering to key obligations and implementation of controls relating to industry obligations.</p>
6	<p>Review the various communication forums available within the business and implement a system that enables:</p> <ul style="list-style-type: none"> <li>• the prioritisation of communications</li> <li>• linking communication forum to priority</li> <li>• confirmation of read and receipt of priority communications</li> </ul> <p>tracking of acknowledgement or action taken</p>	<p>The Spark Obligation Assessment Review Board (later to become the Compliance Review Board) was formed in March 2019 as a response to the previous ERL audit. The CRB objective is to ensure changes are being implemented correctly by providing a specialised forum to review and challenge the changes, whilst also providing recommendations to mitigate compliance risk.</p> <p>The retail escalation forum/ process facilitates quick and effective identification, management and communication of issues impacting RBU and ICT.</p> <p>As part of the process any issues are assessed against a risk escalation template/ guide. From here the appropriate documentation regarding the incident is recorded and then remedial action is</p>

#	Recommendations	Description
		<p>taken. The Retail Escalation Plan not only includes regulatory impacts but also customer impacts as well an assessment against the corporate risk assessment criteria.</p> <p>We obtained the retail escalations log and obtained a correspondence of a retail escalation team mail out. No escalation huddles occurred during the audit period.</p>
7	Clarify operational understanding of the B2B build pack processes to notify Western Power of changes in standing data and relevant data attributes specified under the Metering Code.	<p>In order to address this recommendation, the following have been implemented or enhanced:</p> <p>1) Daily Batch Report</p> <p>Each morning, a report summarising the status of each transaction batch job to Western Power and the numbers of transactions processed is sent via email to the relevant ICT and business stakeholders (each batch has an accountable individual) for daily review. This report identifies any batch jobs that did not complete successfully and alerts the relevant business area when the number of records processed falls outside the expected range for each transaction each day. Where required, an incident can then be triggered to investigate and resolve the error.</p> <p>2) Reviewed and documented within the regulatory compliance system the following:</p> <ul style="list-style-type: none"> <li>• Market Data Hub (MDH) MDH monitoring reviews the acknowledgements from Western Power; if errors or issues are identified, the Incident Management process is initiated.</li> <li>• Site Access Notifications (SAN) As part of the batches process, any errors in master data will result in a notification (SAN's) being sent to Western Power.</li> </ul> <p>3) Regulation and Compliance training</p> <p>Training around B2B requirements between Synergy and Western Power was developed and deployed [Regulation and compliance training catalogue].</p>

### Conclusion

The results of our review indicate that the processes Synergy has in place to address the recommendations proposed through project spark are adequate and address the requirements of the ERA as specified above. Accordingly, the initiatives implemented by Synergy via project spark address the non-compliances identified in the 2017 audit and are consistent with the *Electricity Compliance Reporting Manual* requirements.

# Appendix B – Annual Performance Data

## Background

Every year, Synergy must submit performance data to the ERA. The ERA's *Electricity Retail Licence Performance Reporting Handbook* and *Electricity Reporting Datasheets – Retail* specify the data that must be collected by Synergy and provided to the ERA.

To improve the accuracy of data collected from licensees, the ERA has selected annual performance data as an area of special focus for the performance audits of all leading electricity and gas retailers.

## Scope and approach

We were requested to perform a review of the effectiveness of the processes and systems Synergy uses to prepare its annual performance data for the ERA. Two areas of focus of the review include the 'Energy Bill Debt' and 'Hardship Programs' indicators.

As part of our review, we confirmed the processes and procedures used by Synergy to collect performance data and reviewed that the reporting data is consistent with the *Electricity Retail Licence Performance Reporting Handbook*.

We obtained an understanding of the user access provisioning and change management process around the Business Intelligence (BI) reporting tool Synergy uses, for the ERA performance data reporting, through walkthroughs with key stakeholders. Detailed validation testing was performed on a sample of eleven indicators, both manual and automated (BI Report), to confirm the accuracy of the ERA performance report data.

For the BI report (automated) indicators, we traced a sample of seven indicators from the BI ERA performance report to the source data in the SAP system. Testing included validating the source code and selection criteria for the indicators. For a sample of four manual indicators were traced the data from the ERA reporting datasheet, stored on the secure Data Management system (DM), to the detailed workings of the relevant business unit teams.

The table below sets out the sample of indicators tested:

Performance Indicator Category	Indicator Number	Description	Manual / BI Report
Customers	CCR 7	Total number of pre-payment meter customers.	Manual
Affordability	CCR 17	Total number of residential customers who are subject to an instalment plan.	BI Report
Disconnections for Non-Payment	CCR 44	Total number of residential customer disconnections involving customers who were the subject of an instalment plan.	BI Report
	CCR 48	Total number of residential customer disconnections involving customers who were the subject of a concession.	BI Report
Reconnections	CCR 62	Total number of residential customer reconnections within 7 days involving	BI Report

Performance Indicator Category	Indicator Number	Description	Manual / BI Report
		customers who were the subject of a concession.	
Complaints	CCR 74	Total number of residential customer complaints that are billing/credit complaints.	Manual
Compensation Payments	CCR 105	Total number of payments made to customers under clause 14.2 of the Code of Conduct.	Manual
	CCR 106	Total amount paid to customers under clause 14.2 of the Code of Conduct.	Manual
Energy Bill Debt Indicators	CCR 117	Total number of residential customers using Centrelink's Centrepay to pay their energy bills as at 30 June.	BI Report
Hardship Programs	CCR 131	Total number of hardship customers who entered the hardship program during the reporting year, with an energy bill debt (as at the time of entering the hardship program) that was between \$0 and \$500.	BI Report
	CCR 138	Total number of residential customers who exited the hardship program during the reporting year, because they successfully completed the hardship program or exited the program by agreement with the retailer.	BI Report

### *Conclusion*

The results of our review indicate that the processes and procedures for data collection is accurate and meets the performance indicators as described in the ERA performance reporting handbook. Synergy is compliant with obligation 124 in the ERA's Electricity Compliance Reporting Manual.

# Appendix C – Payment Difficulties and Financial Hardship

## Background

We were requested by the ERA to perform a review of the effectiveness of the processes Synergy has in place to assist customers experiencing payment difficulties and financial hardship. Two areas of focus of the review include the ‘Energy Bill Debt’ and ‘Hardship Programs’ indicators.

## Scope and approach

As part of our review, we examined Synergy’s processes for determining whether a customer is experiencing payment difficulties, financial hardship, or neither, and determined that customers were offered the assistance they were entitled to under the *Code of Conduct*.

Through walkthroughs with key stakeholders, we obtained an understanding of the financial hardship assessment process conducted by call centre operators, and the process in place to offer customers established as experiencing financial hardship or payment difficulties the support they are entitled to. We undertook sample validation of 25 phone calls (including the observation of live calls and the analysis of pre-recorded calls) made to Synergy’s call centre staff. Our observations included “front-of-house” staff employed by Synergy’s call centre contractor, Stellar, as well as Synergy’s dedicated Case Managers for hardship customers. In order to determine whether customers were appropriately assessed and provided the adequate level of assistance, we classified the calls within three samples pools:

- Customers who were assessed as experiencing financial hardship. We established that those customers were correctly assessed as experiencing financial hardship and that they were provided the assistance they were entitled to.
- Customers who were assessed as experiencing payment difficulties. We established that those customers were correctly assessed as experiencing payment difficulties and that they were provided the assistance they were entitled to.
- Customers who were assessed as neither experiencing financial difficulties nor payment difficulties. We established that those customers were correctly assessed as not experiencing financial hardship or payment difficulty.

In order to verify compliance with clauses 6.1 to 6.9 of the Code of Conduct, which is a requirement of Synergy’s electricity retail licence, we tested each call against obligations 202 to 219 in the ERA’s *Electricity Compliance Reporting Manual* and found no exceptions.

## Conclusion

Except for the breaches self-reported by Synergy to the ERA as part of its 2017/18 and 2018/19 compliance reports (see table 7 – Detailed Findings and Recommendations, under obligations 202, 210, 212, 213, 214 and 218), the results of our review indicate that the processes Synergy has in place to assist customers experiencing payment difficulties and financial hardship are adequate.

# Appendix D – References

## Personnel and documentation

### Key contacts and Audit Team

On behalf of the licensee, key contacts for the performance audit were:

#### Synergy head office:

- Simon Thackray, Manager, Regulation and Compliance, CSBU
- Catherine Lennon, Analyst, Regulation and Compliance, CSBU
- Adam Graves, Research Officer, Regulation and Compliance, CSBU
- Aroha Rongo, Compliance and Risk Coordinator, Retail Compliance and Risk, RBU
- Cameron Brown, Compliance Analyst, ICT Core Systems, ICT

#### The Audit and Review team comprised the following personnel:

- Sian Ashdown – Engagement Leader
- Cameron Jones – Quality Review Partner
- Sham Sikander - Team Manager
- Michelle Tengonciang – Manager
- Mily Fong Vergel – Senior Consultant
- Anuki Dias – Senior Consultant
- Quintin Thony - Consultant

### Work Schedule

Activity	Team Member	Start Date	Completion Date	Actual Time
<b>Project Start</b>	All	21/06/2019	13/11/2019	951 hours
<b>Preliminary Assessment</b>	Sian Ashdown, Partner Sham Sikander, Manager Anuki Dias, Senior Consultant	25/06/2019	02/07/2019	15 hours
<b>Audit Plan – First Draft to Synergy</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Anuki Dias, Senior Consultant	04/07/2019	05/07/2019	220 hours
<b>Audit meetings (fieldwork) at Synergy Head Office</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Michelle Tengonciang, Manager Mily Fong Vergel, Senior Consultant	15/07/2019	23/08/2019	544 hours

Activity	Team Member	Start Date	Completion Date	Actual Time
	Anuki Dias, Senior Consultant Quintin Thony – Consultant			
<b>Report – Drafts to Synergy/ERA and Post Audit Review Implementation Plan</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant	23/08/2019	10/02/2020	290 hours
<b>Report - Final issue to Synergy/ERA</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant		13/02/2020	33 hours

### *Documentation*

Key documents reviewed as part of the audit included the following (see below).

- Adding a Concession Card for Account Holder or Third Party
- Adding Direct Debit (Periodic) Credit Card or Debit Card
- Assessment tool
- Bill Review - Estimated Read (Not Self Read)
- Bills Not Received or Missing Bill
- BPEM Overview
- BPEM ZS53 - Datex task is not created for the CDN/SAN
- Business Plan Terms and Conditions Version 10 November 2013
- Cancelling Life Support
- Cheque Refund
- Churn In Meter Data History Request
- Churn In Process
- CI SOP - Raising MDV's Back Office
- Collections Strategy
- Complaints Follow Up Process
- Complaints Management Policy - Internal
- Complaints Policy and Code Requirements
- Concession Card Declarations
- Copy of Business Continuity Plan (BCP) for ICT



## Appendix D – References

- Copy of Corporate Services Business Continuity Plan (BCP)
- Copy of Definitions of Financial Hardship
- Copy of EM (SAM) Business Plan - Large Use - November 2013 - TOU
- Copy of Life Support Application
- Copy of Regulation and Compliance Training Catalogue
- Copy of Regulatory Compliance Policy
- Copy of Standard Electricity Prices Charges Brochure
- Create a Service Notification (SN)
- Creating a Business Partner (BP) – Residential
- Creating a Complaint
- Creating a Promise to Pay – Instalment Plan
- Creating a Promise to Pay – Single Payment Extension
- Creation of Offer Through to Contract Acceptance For Business Sales - Energy Markets Work Instruction
- Credit Card Refunds.
- Crisis Management Plan
- Crisis Management Toolkit Nov 2017
- Crossed Meter
- CS Electricity Control Register - Legal Checklist 2014- 2015.
- Customer Billed for Incorrect Supply Address
- Customer Care Guide Customer Service
- Customer Care Guide FAQs
- Customer Care Guide Privacy
- Customer Care Guides and Regulatory FAQs.
- Customer Care Principles
- Customer Requests Meter Test
- Customer Service Code 2018 Refresher Suitable Version - Module 2 Contracts and Marketing Fact Sheet and Assessment.
- Customer Wants Their Address Updated to an International Mailing Address
- Damaged or Faulty Meters
- Data Cleansing
- Debt Transfer Between Accounts with Different Names
- Debt Waiver Guidelines
- Direct Debit Declaration – Instalments
- Direct Debit Declaration – Periodic
- Electricity Sale General Conditions For Bundled and Unbundled - December 2012
- Electricity Sales Agreements - Bundled

## Appendix D – References

- Electricity Sales Agreements - Unbundled
- Electronic (EFT) Refund Process.
- Electronic EFT Refund Process Linked To Control Number C837
- EM (MBS) Verifiable Consent Form (VCF) Template Jul 2014
- Entire ERL1 Control Register - Synergy At 22-07
- Entitlements and Eligibility for Concessions.
- ERA notice to Synergy
- ERL1 Invoice
- ERL1 Invoice Payment Purchase Order Screenshot
- ERP 02 - Emergency Response Plan For Pinjar Gas Turbine Site
- Example of a FY201819 NOI
- Existing Life Support Customers - Movements.
- Financial Hardship Assessment Questionnaire
- Financial Hardship Policy
- For the corresponding ERA invoice
- GTDG - OCGT - Operational Technology Disaster Recovery Plan
- High Accounts - Business Customers - Landing Page.
- High Accounts - Residential Customers - Landing Page
- How to Order a Brochure, Form or Standard Letter
- How to Order a Meter Reading History Letter
- How to Order a Transaction History Letter
- How to View a Meter Read Reason
- HUGS Guidelines
- Identifying a Complaint
- Intro to IDOC's Part 1
- Introduction to IDOCS (Part 2)
- Keeping Connected Guidelines - New Referral
- Late Payment Interest Charge (LPIC)
- Life Support – Ninga Mia
- Life Support Equipment Policy
- Life Support Landing Page
- Life Support Risk Assessment SOP
- Life Support Risk Assessment Template
- Life Support SOP
- Life Support Spreadsheet (NOCC)
- Limitations to Disconnecting the Supply for Non-Payment. Code Of Conduct 7.2

## Appendix D – References

- Long Term Estimated Reads
- LRA - Ninga Mia account establishment form
- Mailing Address and Contact Details
- Manually Updating the Account Class
- Meter Data Verify Letter
- Meter Investigation Results - Cross Meter Sop
- Meter Investigation Results Task SOP (1)
- Meter Test Results Sop
- Metering Data Request - Embedded Generation Energy Markets Work Instruction
- Miscellaneous Credit Matrix For Service Quality
- Miscellaneous Credits Guidelines
- Move In and 3rd Party Move In Automated Web Forms Exceptions
- Move- In Declarations
- Move In Guided Process Landing Page
- Move In -Out in Error (Reverse Move In or Move Out)
- Move Out Automated Web Forms Exceptions.
- Move Out Declarations
- Move Out Guided Process Landing Page
- MR16 BPEM SOP - Standard Account
- MR16 BPEM SOP Greater than 365 day undercharge.
- Networks Process and Procedures
- New Connection Moving In
- Ninga Mia - Frequently Asked Questions.
- Open Contract Error Standard Operating Procedure.
- Outsort Business Rules
- Pre-Churn in Meter Data History Request
- Probe Disconnection Process
- Product Tariff Eligibility Conditions
- Product Tariff Eligibility Conditions Linked to Control Number C831
- RBU MAC- Bill Redesign Bill Explainers Final Edison Internal Versions
- Rebill Letters
- REBS Terms and Conditions
- Reception Procedures
- Reconnection SLA.
- Red Triangle Error Standard Operating Procedure
- Refund Types and Business Rules

## Appendix D – References

- Regulation and Compliance Training Catalogue
- Regulation and Compliance Operations Guideline
- Regulation and Compliance Operations Manual (Superseded)
- Renewable Energy System Landing Page
- Response to ERA - Synergy - SRMC - Request for Explanation Under Clause 2.16.9B of The Market Rules
- Retail Letter of Agreement Between Synergy and Horizon Power
- Retrieving Evidence of 3 Point ID Check
- Reviewing Customer Feedback and Lodging a Complaint
- Sales Team Nomination Log
- Self-Read Updates Task SOP
- Service Standard Payments - Business Bill Insert
- Service Standard Payments - Residential Bill Insert
- Service Standard Payments.
- Standard Electricity Contract
- Standard Letter Matrix
- Step 1. Enter Move Out Date
- Step 3. Enter Start Date and Move In Reading
- Step 4 Confirm Product And Tariff Linked to Control Number C831
- Step 4 Update Mailing Address And Contract Details - Move Out Linked To Control Number C795
- Step 4. Confirm Product and Tariff
- Step 4. Update Mailing Address and Contact Details - Move Out
- Synergy and Western Power Responsibility
- Synergy Annual Report Final 2018 - 18 September 2018
- Synergy Business Plan and Customer Charter
- Synergy Customer Charter
- Synergy Electricity Customer Charter Brochure
- Tasks SLA
- Third Party Move In or Move Out Request via Communication Inbox
- Third Party Move Out Request
- Transfer of data to Western Power – SAN
- Transferring Credits Between Accounts
- Transferring Credits Between Accounts Linked To Control Number C837
- Transferring Debts to Active Accounts
- Updating or Deleting Contact Details
- Updating The Mailing Address Linked to Control Number C795

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- Updating, Reusing or Deleting Direct Debit (Bank Account and Credit Card)
- Urgent Reconnection - Agent Process
- Urgent Reconnection – EST Team Leader Customer Support
- Urgent Reconnection Spreadsheet for EST Team Leaders -Customer Support
- Vacant Premise Disconnection letter
- Welcome Letters.
- Western Power Call Responsibility
- Western Power Contacts
- Western Power Data Requests For Customer Fulfilment
- Western Power Governance Structure Model - Role Based for B2B TOR's
- ZM95 BPEM SOP Standard Account