

Simply Energy – Audit 2020 – Post-audit implementation plan

Unresolved during current audit period

| Reference (no./year) | Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management Action to be taken | Responsible person(s) | Target completion date |
|----------------------|--|--|---|---|--|
| 01/2020 | <p>B2 84 Trading Licence cl 5.1</p> <p>Simply Energy, whilst not having a printed copy of the Energy Coordination Regulations 2004 or relevant code at its office, advised they would make one available on request from a customer. However no record of any such requests had been maintained.</p> | <p>Simply Energy should maintain an up to date copy of the Energy Coordination (Customer Contract) Regulations 2004 and relevant codes available at the reception of Simply Energy's office. In addition, a record of any such requests in future should be maintained to enable monitoring of compliance and support future audit activities.</p> | <p>Maintain a copy of the regulations as provided by the SE regulatory team at SE's office reception, and ensure receptionists are able to provide it to visitors to the office on request.</p> <p>Implement a process for the SE regulatory team to ensure that SE's office reception has an up to date copy of the regulations and to record any requests for it.</p> | <p>Dianne Giatzoglou</p> <p>Nicholas Camera</p> | <p>TBC (our offices are closed until at least the end of 2020 due to COVID-19 and no date for re-opening in 2021 has been provided)</p> <p>TBC (see above)</p> |
| 02/2020 | <p>B3 102 Distribution Licence cl 21.1 Trading Licence cl 23.1 & 103 Distribution Licence cl 22 Trading Licence cl 24 282 Trading Licence cl 2.1 and Sch 2 Compendium cl 13.2 283 Trading Licence cl 2.1 and Sch 2 Compendium cl 13.3</p> <p>Simply Energy identified that the Annual Performance Report was not reported within the required timeframe.</p> | <p>Simply Energy is in process of implementing a new system "Risk Wizard" that will contain all obligation requirements and provide automated reminders to assist in future compliance.</p> | <p>Complete Risk Wizard obligations register implementation.</p> <p>Provide automated reminders for performance reporting due dates using Risk Wizard or a more efficient alternative.</p> | <p>Julie Atanasovska</p> <p>Daniel Redmond</p> | <p>31/12/2020</p> <p>31/12/2020</p> |
| 03/2020 | <p>C3 114 Trading Licence cl 19.1</p> <p>No written evidence was provided regarding to the review of Code of Conduct and its effect on internal policies and procedures.</p> | <p>KPMG recommend Simply Energy implement a formal review and sign-off process over the Code of Conduct to support the audit trail for future compliance activities. This process should incorporate segregation of duties between reviewer and approver.</p> | <p>Implement a process to record when SE reviews changes to the WA Gas Marketing Code of Conduct and record the advice provided to impacted SE teams.</p> | <p>Nicholas Camera</p> | <p>31/12/2020</p> |

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| | | <p>In relation to the self-identified breach, management has advised us that they have performed an investigation of the instance and actioned on remediation plan of re-train the relevant marketing agent. We did not identify any other instances of non-compliant through our testings, therefore, we believe management's response to the instance was adequate.</p> | | | |
| 04/2020 | <p>C3 115 Trading Licence cl 19.2 & 116 Trading Licence cl 19.1& 119 & 121 Trading Licence cl 19</p> <p>Simply Energy were unable to provide some training records to demonstrate training had been provided to its employees or marketing agents. In addition, Simply Energy identified a breach where the customer's verifiable consent was not obtained before entering into a non-standard contract.</p> | <p>Management has advised us that Simply Energy has implemented an online training program which maintains all training records.</p> <p>In relation to the self-identified breach, management has advised they performed an investigation of the instance and actioned a remediation plan including re-training of the relevant marketing agent. We did not identify any other instances of non-compliance through our testing.</p> | <p>Confirm that SE's training platform includes all WA sales training and holds records showing that all WA agents have been trained</p> | Andrew Foksett | 31/10/2020 |
| 05/2020 | <p>A3 120 Trading Licence cl 19</p> <p>It was found that some contents in the Welcome Pack issued to the customers were blurry or missing required information.</p> | <p>Simply Energy identified the issues during the audit period and subsequently re-issued the Welcome Pack. However, to avoid future occurrence, KPMG recommend that Simply Energy implement a formal review process of the NSC template before issuance to customers. This should reflect an appropriate timeframe such as annually or whenever changes are made to the template.</p> | <p>Existing processes sample test printed Welcome Packs for quality including sharpness.</p> <p>Existing processes require legal and regulatory review of any proposed changes to Welcome Packs.</p> <p>In addition, an initial review of the Welcome Pack against the WA requirements will be conducted to provide a baseline template for future changes. Further reviews will be triggered</p> | Nicholas Camera | 31/10/2020 |

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| | | | when or whenever changes are made for commercial reasons or are required by regulatory change. | | |
| 06/2020 | <p>C N/R</p> <p>135 Trading Licence cl 2.1 and Sch 2 Compendium cl 3.1(2)</p> <p>Simply Energy does not have a procedure in place to ensure connection requests are forwarded to the distributor within the required timeframe.</p> | <p>Recommendation 06/2020:</p> <p>KPMG recommend Simply Energy to implement reporting/monitoring activities in this area to monitor and assess whether connection requests have been forwarded within the timeframes prescribed by the obligation. This will enable Simply Energy to monitor and assess its own compliance with the obligation.</p> | <p>Relates to move-ins (SE does not do greenfield gas connections).</p> <p>Implement process to monitor the time taken to forward WA connection requests and take corrective action if regulated timeframes are not being met.</p> | John Coggan | 31/12/2020 |
| 07/2020 | <p>B3</p> <p>198 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(1)</p> <p>It was found that there were instances where Simply Energy did not assess whether residential customer was experiencing payment difficulties or financial hardship within 5 business days.</p> | <p>Simply Energy should enhance its process documentation to clearly define timelines of follow up activities where customer communication is not established. Further, Simply Energy should define specific timeframes and contact attempts after which a customer is removed from the hardship program to ensure audit trail for future compliance.</p> | <p>Update process documentation to define timelines for following up WA customers when communication is not established.</p> <p>Update process documentation to define the timeframes and contact attempts required before WA customers are removed from the hardship program.</p> | Sagar Bhoote | 31/12/2020 |
| 08/2020 | <p>C N/R</p> <p>198A Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(2)</p> <p>200A Trading Licence cl 2.1 and Sch 2 Compendium cl 6.1(2)</p> <p>201 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(2)</p> <p>202 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(3)</p> | <p>Simply Energy should implement controls to monitor its own compliance with obligation requirements and support audit trail for future compliance review activities. For example, management can explore implement a workflow in the Salesforce system to track the request timeline and workflow of each customer journey.</p> | <p>These obligations relate to the hardship program.</p> <p>Update hardship program processes for WA customers to include processes relating to 'relevant consumer representatives'</p> | Sagar Bhoote | 31/12/2020 |

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| | <p>203 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.2(4) 208 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.6(1) 209 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.6(2) 212 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.9(1) 213 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.9(2) 216 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.10(4)</p> <p>Simply Energy does not have the information in relation to customer's request readily available in its system to evidence whether appropriate control was in place.</p> | <p>Further, internal procedures should be developed and documented to ensure that customers experiencing financial hardship who are represented by consumer representatives are managed in a consistent manner.</p> | <p>Implement a process to record the details of hardship customer requests and SE's responses to enable audit of compliance with the obligations relating to hardship customer requests.</p> | | |
| 09/2020 | <p>B2 223 Trading Licence cl 2.1 and Sch 2 Compendium cl 7.2(1)</p> <p>One instance was found that a disconnection being arrange was not in accordance with the requirements. A disconnection service order was incorrectly raised a few days after the customer had settled the overdue balance on their account due, which was due to an agent omission.</p> | <p>Simply Energy should reinforce through training the importance of staff completing the checklist before disconnecting to ensure future compliance. Further, Simply Energy should investigate to identify any further breaches.</p> | <p>Provide reminder to relevant agents to complete the checklist.</p> <p>Simply Energy has an existing process that identifies and investigates potential wrongful disconnections.</p> | Sagar Bhoote | 31/12/2020 |
| 10/2020 | <p>C3 281 Trading Licence cl 2.1 and Sch 2 Distribution Licence cl 2.1 and Sch 2 Compendium cl 13.1</p> <p>Through our walkthrough, we identified variances in two data points reported in the 2018-2019 Performance Report.</p> | <p>We recommend Simply Energy investigate the reason for the differences and subsequently enhance the robustness of the performance reporting process to improve completeness and accuracy of reporting. This could include:</p> <ul style="list-style-type: none"> divisional managers being involved in reviewing and validating the accuracy of the data being reported. | <p>Investigate the reasons for the differences in the WA KPI reporting and update the WA KPI process documentation to address the risk of future differences.</p> | Daniel Redmond | 31/12/2020 |

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| | | <ul style="list-style-type: none"> formal review and approval by appropriate levels of management with evidence of reviews documented and stored. enhance process documentation used for KPI reporting to ensure that it captures all steps that need to be undertaken to extract and report the relevant data required under the obligation. | | | |
| 11/2020 | <p>B2 211 Trading Licence cl 2.1 and Sch 2 Compendium cl 6.8</p> <p>It was found that in certain instances Simply Energy did not disclose information on redirecting bills to customers via either written document or verbal communication.</p> | <p>Simply Energy should enhance the hardship process to ensure customers are advised of the right to redirect their bill to a third party. This could be included as part of the Hardship assessment process to ensure the customer is aware of this option at the onset of the process.</p> <p>It is also recommended that the criteria used for quality assessments specifically include an assessment of whether the customer was advised of the option to have their bill redirected, in order to enable Simply Energy to monitor and assess compliance with the obligation.</p> | <p>These obligations relate to the hardship program.</p> <p>Update information provided to WA hardship customers to include their right to have their bill redirected at no charge to a third person</p> <p>Update hardship QA criteria to include whether the customer was advised of this right.</p> | Sagar Bhoote | 31/12/2020 |