

Performance audit of Shell Energy Retail 2023

PREPARED FOR Shell Energy Retail Pty Ltd | February 2024

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Revision schedule

Rev No	Date	Description	Prepared by	Reviewed by	Approved by
0	1/12/2023	Draft for comment by Shell Energy	J. Edwards	P. Lamb	P. Lamb
1	7/12/2023	Draft for comment by ERA	J. Edwards	P. Lamb	E. Hingston
2	12/01/2024	Final	J. Edwards	P. Lamb	P. Lamb
3	01/02/2024	Final - minor updates	P. Lamb	P. Lamb	P. Lamb

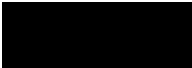

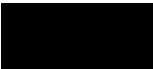


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Quality statement

Project manager		Project technical lead	
Name			
PREPARED BY Justin Edwards			01 / 12 / 2023
REVIEWED BY Patrick Lamb			01 / 02 / 2024
APPROVED FOR ISSUE BY Ella Hingston			01 / 02 / 2024

515 St. Pauls TCE, Fortitude Valley, 4006
 Tel. 07 3369 9822
 STATUS Draft | Project No 300203934



Executive summary

General

Shell Energy Retail Pty Ltd (Shell Energy Retail) holds an electricity retail licence (ERL15). While more than one version of this license has been issued since last audit, the revisions are considered to be immaterial.

Audit objectives

This audit has been conducted in order to assess Shell Energy Retail's level of compliance with the conditions of their electricity licence.

This report outlines the findings of the audit, conducted on 14 November 2023. The audit covers the operating period of 1 November 2019 to 31 October 2023.

Performance Audit - Findings

The previous audit covering the period 1 November 2015 to 31 October 2019 identified three non-compliances which related to three obligations with its operating licenses. The recommendations were addressed during the previous audit period.

There were no non-compliances identified during the current audit period.

Performance Audit - Effectiveness of controls

We consider that Shell Energy Retail has adequate controls in place that are appropriate to the nature and scale of its activities.

Performance Audit - Overall compliance

The overall compliance of Shell Energy Retail with its licence is summarised in Section 4.2 of this report.

All items were assessed as compliant, not able to be rated or not applicable.



Contents

Revision schedule.....	i
Quality statement.....	ii
Executive summary	iii
1 Introduction.....	1
1.1 Background	1
1.2 Purpose of this report	1
2 Audit scope.....	2
2.1 Audit objectives	2
2.2 Scope of works	2
2.2.1 Performance audit	3
2.2.2 Performance audit excluded conditions.....	3
2.3 Methodology and Approach	4
2.4 Time period covered by the audit	7
2.5 Time period for the audit process	7
2.6 Details of the licensee representatives participating in the audit.....	7
2.7 Details of key documents and other information sources.....	7
2.8 Details of auditors participating in the audit and hours utilised.....	8
3 Licensee’s response to previous audit recommendations.....	9
4 Performance Summary.....	10
4.1 Assessment Rating Scales.....	10
4.2 Performance Audit Compliance Summary	11
5 Observations and Recommendations	15
5.1 Performance Audit.....	15
6 Recommendations.....	56
6.1 Performance Audit.....	56
7 Confirmation of the Audit.....	57

List of appendices

Appendix A Risk management framework
DESIGN WITH COMMUNITY IN MIND

List of tables

Table 1: Licence performance audit areas	3
Table 2: Excluded conditions.....	3
Table 3: Licence audit methodology	5
Table 4: Details of Licensee Representatives	7



Table 5: Details of Audit Team Members	8
Table 6: Previous audit non-compliances and recommendations	9
Table 7: Audit Compliance and Controls Rating Scales	10
Table 8: Performance summary table.....	11
Table 9: Compliance and controls rating summary table.....	14
Table 10: Performance Audit Observations.....	15
Table 11: Table of Current Non Audit Compliances and Recommendations	56



1 Introduction

1.1 Background

The Economic Regulation Authority (ERA) is responsible for regulating the licensing schemes for gas, electricity and water services in Western Australia (WA). The primary objective of regulation is to ensure the provision of a competitive and fair environment, particularly where businesses operate as natural monopolies.

Shell Energy Retail Pty Ltd (Shell Energy Retail) holds an electricity retail licence (ERL15). This license was previously held by ERM Power Retail Pty Ltd, which was acquired by Shell Energy Retail during this audit period. Shell Energy Retail currently focuses its core business operations on large industrial and commercial customers and has approximately 141 large use customers in the WA Electricity Market. Shell Energy Retail does not retail to any small use customers.

1.2 Purpose of this report

As a condition of the licence, the licensee is required to conduct a performance audit that assesses the performance of the licensee against its obligations under its licence.

The purpose of the performance audit was to assess the effectiveness of measures taken by the licensee to meet the conditions referred to in the licence including the legislative obligations called up by the licence. The scope of the audit report includes assessing the adequacy and effectiveness of performance against the requirements of the licensee by considering:

- process compliance
- outcome compliance
- output compliance
- integrity of reporting
- compliance with any individual licence conditions.

The *Electricity Industry Act 2004 (WA)* obligates the licensee to provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA not less than every 24 months (or such longer period as the ERA allows).

Version 5 of ERL15 was issued on 01 July 2018 (to ERM Power Retail, who was the previous licensee for ERL15) and Version 6 of ERL15 was issued on 12 March 2021. A Performance Audit of the license was last performed by Cardno for the period of 1 November 2015 to 31 October 2019. A Performance Audit is now required for the period of 1 November 2019 to 31 October 2023.



2 Audit scope

2.1 Audit objectives

The objectives of this audit were to:

1. Provide to the ERA an independent assessment of Shell Energy Retail's compliance with all of the relevant obligations under the licences
2. Identify, where appropriate, strategies for improvement.

2.2 Scope of works

The audit encompassed an assessment of the following five key areas using a risk-based approach (to ISO 31000:2018):

- Process compliance: assessment of the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls.
- Outcome compliance: assessment of actual performance against the standards prescribed in the licence throughout the audit period.
- Output compliance: assessment of the existence of outputs from systems and procedures throughout the audit period (specifically, proper records which provide assurance that procedures are consistently followed and controls are maintained).
- Integrity of reporting: assessment of the completeness and accuracy of the compliance and performance reports provided to the ERA.
- Compliance with any individual licence conditions: assessment of the actual performance against the requirements imposed on the specific licensee by the ERA or specific matters raised by the ERA.

The scrutiny level (as per ASAE 3000) for the audit has been a reasonable assurance engagement.

The scope of works of this audit included:

- Interviews with key staff members from Shell Energy Retail to:
 - Assess findings from the last audit and the actions taken to address the recommendations from the previous audit.
 - Assess performance against licence conditions for ERL15.
- Testing and assessment to determine whether the procedures and policies are followed and determine their effectiveness.
- Preparation of an audit report in accordance with the format outlined in the ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences (August 2022).

2.2.1 Performance audit

The audit of the licences covered the entire licences, and contained the following key areas as outlined in Table 1.

Table 1: Licence performance audit areas

Clause	Licence Requirements	ERL15
3.7	Notices	✓
3.8	Publishing information	✓
3.9	Review of the ERA's Decisions	✓
4.1	Compliance	✓
4.2	Fees	✓
4.3	Accounting Records	✓
4.4	Reporting change in circumstances	✓
4.5	Provision of information	✓
5.2	Individual Performance Standards	✓
5.3	Performance Audit	✓
6.7	Supplier of Last Resort	✓

2.2.2 Performance audit excluded conditions

Some of the reporting obligations for retail have been excluded from the audit because they are not applicable to Shell Energy Retail. In particular, as Shell Energy Retail has no small use customers, it is excluded from the *Electricity Industry Customer Transfer Code* based on its current customer profile and it is not one of the businesses covered in the licensee specific conditions.

Table 2: Excluded conditions

2023 Compliance Manual Reference	Reference	Reason for exclusion
79-100	Electricity Industry Act	No small use customers
108-109, 111, 114-118	Electricity Industry Act: Section 54	No small use customers
110	Electricity Industry Act: Section 76	The licensee is not a retailer of last resort
120	Electricity Industry Act: Section 11	There are no individual performance standards
129A-316	Electricity Industry Act: Section 82	Code of conduct does not apply because there are no small use customers

2.3 Methodology and approach

The audit was undertaken in accordance with ASAE 3000. Our approach to the reporting work was to work closely with the licensee so that comments and challenges could be responded to and addressed before the audit report was finalised. The key areas of our approach included:

- A start-up discussion (by telephone) with Shell Energy Retail to:
 - Discuss the main issues to be addressed at audit
 - Identify any issues from the previous audit
 - Identify any new issues arising from changes to the licence or operating environment requirements
 - Discuss the audit plan.
- Preparation of a draft audit plan for comment by the licensee. The audit plan identified the number and location of audits, the information to be addressed and the auditor responsible.
- Submission of the draft audit plan to the ERA for approval
- A start-up meeting onsite at the beginning of our audit work
- Onsite audit work comprising:
 - Site visit conducted at Shell's Brisbane office
 - o Level 30, 275 George St, Brisbane City QLD 4000
 - Face-to-face interviews with business staff responsible for the audit area
 - Demonstration of key systems
 - Sample testing for outcome compliance (assessing sample of documents to confirm procedures / policies are followed and implemented)
 - Review of any non-compliances and assess if any corrective action was undertaken and its effectiveness
 - Controls assessment on obligations that are found to be non-compliant.
- Preliminary audit feedback at the audit close-out meeting
- Preparation of a draft report for Shell Energy Retail's review and comment
- Preparation of a final report for submission to the ERA.

Our methodology for completing this audit assignment was based on:

- A risk assessment that determined the priority of each audit area, using the risk management framework in Appendix A
- Our understanding of the licensee's business
- The experience of our audit team in undertaking regulatory audits which has been gained in several jurisdictions in Australia and in the United Kingdom
- Our audit methodology, including the key documents required to be reviewed and the supporting systems that we would like to see demonstrated, as detailed in Table 3.



Table 3: Licence audit methodology

Audit Area	Priority	Approach	Systems	Key Documents
Notices (Clause 3.7)	4	<ul style="list-style-type: none"> Confirm all notices are issued in writing 	<ul style="list-style-type: none"> Correspondence register 	<ul style="list-style-type: none"> Issued notices
Publishing Information (Clause 3.8)	4	<ul style="list-style-type: none"> Check if any requests have been issued by the ERA to publish any information relating to the performance of the licensee and correlating response 	<ul style="list-style-type: none"> Correspondence register 	<ul style="list-style-type: none"> Letters of notification / requests from the ERA Response to the ERA
Review of the ERA's Decisions (Clause 3.9)	4	<ul style="list-style-type: none"> Confirm if any requests of a reviewable decision has been issued to the ERA and correlating response 		<ul style="list-style-type: none"> Requests for review of decision (Correspondence)
Compliance (Clause 4.1)	Various	<ul style="list-style-type: none"> Review legislative requirements and confirm compliance Identify any corrective action applied to correct / prevent breaches of compliance 	<ul style="list-style-type: none"> Work scheduling system 	<ul style="list-style-type: none"> Performance standards Compliance Summary Reports (record of breaches)
Fees (Clause 4.2)	5	<ul style="list-style-type: none"> Review invoices from ERA and receipts of payment 		<ul style="list-style-type: none"> Invoices and receipts
Accounting Records (Clause 4.3)	4	<ul style="list-style-type: none"> Check that 2019/20, 2020/21, 2021/22 and 2022/23 financial statements are signed off as being to appropriate standards 	<ul style="list-style-type: none"> Finance system 	<ul style="list-style-type: none"> 2022/23 Financial statement 2021/22 Financial statement 2020/21 Financial statement 2019/20 Financial statement
Reporting change in circumstances (Clause 4.4)	4	<ul style="list-style-type: none"> Review any correspondence with the ERA 	<ul style="list-style-type: none"> Correspondence register 	<ul style="list-style-type: none"> Correspondence with ERA
Provision of Information (Clause 4.5)	3	<ul style="list-style-type: none"> Confirm that the licensee has provided the ERA with data required for performance monitoring purposes as set out in the Compliance Reporting Manual. 	<ul style="list-style-type: none"> Correspondence register 	<ul style="list-style-type: none"> Annual compliance reports Correspondence register
Individual Performance Standards (Clause 5.2)	NA	<ul style="list-style-type: none"> Confirm that Shell Energy Retail does not have any Individual Performance Standards and that this clause is not applicable 	<ul style="list-style-type: none"> Correspondence register 	<ul style="list-style-type: none"> Correspondence with ERA
Performance audit (Clause 5.3)	3	<ul style="list-style-type: none"> Review information reported to the ERA Confirm methodology used to determine performance conforms to legislation and procedures. 		<ul style="list-style-type: none"> Performance Audit Annual Performance Reports Procedures / Policy Manual Correspondence between Shell and ERA regarding review requirements



Audit Area	Priority	Approach	Systems	Key Documents
Supplier of Last Resort (Clause 6.7)	NA	<ul style="list-style-type: none"> ▪ Confirm that Shell is not the Supplier of Last Resort and that this clause is not applicable 	<ul style="list-style-type: none"> ▪ Correspondence register 	<ul style="list-style-type: none"> ▪ Correspondence with ERA



2.4 Time period covered by the audit

This audit covers the period from 1 November 2019 to 31 October 2023.

2.5 Time period for the audit process

The audit commenced in October 2023 with preparation of the Audit Plan. Interviews with Shell Energy Retail staff were carried out on 15 - 16 November 2023 at Shell Energy Retail's office in Brisbane, QLD.

2.6 Details of the licensee representatives participating in the audit

Details of representatives from Shell Energy Retail who participated in the audit process are provided in Table 4.

Table 4: Details of licensee representatives

Name	Position
Phoebe Macintosh	General Manager Retail Operations
Helen Joe	Product Owner
Jonathan Ruasol	Compliance Advisor

2.7 Details of key documents and other information sources

- Electricity Transfer Access Contract
- Shell Energy Retail's Compliance Reports
 - 2019-20
 - 2020-21
 - 2021-22
 - 2022-23
- Shell Energy Retail's Breach Register and Reports
- ERA licence charge tax invoices and Shell Energy Retail's summary of payments to ERA
- Electricity Retail Licence - Shell Energy Retail Pty Ltd. ERL15, Version 5, 1 July 2018
- Electricity Retail Licence - Shell Energy Retail Pty Ltd. ERL15, Version 6, 12 March 2021
- Licence Standing Charge Data (2019-2023)
- Shell Energy Retail's privacy policy
- Communication with Western Power
- Shell Energy Retail's Customer relationship management (CRM) system
- Western Power's web portal
- Western Power Corporation's Metering Code Model Service Level Agreement (2006)

2.8 Details of auditors participating in the audit and hours utilised

The audit team comprised two staff members from Stantec.

Details of their roles and hours utilised in the audit process are provided in the table below.

Table 5: Details of audit team members

Name	Organisation	Role	Summary of task	Hours utilised
Patrick Lamb	Stantec	Project Manager and Auditor	<ul style="list-style-type: none">▪ Project management▪ Audit planning▪ Audit interviews▪ Audit report	40
Justin Edwards	Stantec	Lead Auditor	<ul style="list-style-type: none">▪ Audit interviews▪ Audit report	38

3 Licensee’s response to previous audit recommendations

In the previous operating licence audit no actions were recommended to improve the existing controls.

Details of the actions completed by Shell Energy Retail against the recommendations are presented in Table 6.

Table 6: Previous audit non-compliances and recommendations

A. Resolved during current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor’s recommendation	Date resolved	Further action required (Yes/No/Not Applicable) Details of further action required (including current recommendation reference, if applicable)
Nil	-	-	-	-

B. Unresolved at end of current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor’s recommendation	Date resolved	Further action required (Yes/No/Not Applicable) Details of further action required (including current recommendation reference, if applicable)
Nil	-	-	-	-



4 Performance summary

The findings of the performance audit are summarised in a table with adequacy of control and compliance ratings. The table includes all applicable compliance reporting items and are numbered according to the Electricity Compliance Reporting Manual 2023. A description of the rating scale and outcomes of the performance audit are provided in the following sections.

4.1 Assessment rating scales

In accordance with the Audit Guidelines, an assessment of the performance of Shell Energy Retail was completed using the rating scale in Table 7. In addition to these ratings a NP indicates that a control rating was not performed for those obligations that were considered to be compliant and having an audit priority of 3, 4 or 5.

Table 7: Audit compliance and controls rating scales

Adequacy of controls rating		Compliance rating	
Rating	Description	Rating	Description
A	Adequate controls - no improvement needed	1	Compliant
B	Generally adequate controls - improvement needed	2	Non-compliant – minor effect 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

4.2 Performance audit compliance summary

Table 8 provides a summary of Shell Energy Retail's compliance rating against each licence obligation, and an adequacy of controls rating where the item has been found to be non-compliant.

NR = Not rated - No relevant activity took place during the audit period, therefore it is not possible to assess compliance.

Table 8: Performance summary table

2023 no.	Licence obligation	Audit priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls rating					Compliance rating				
			A	B	C	D	NP	1	2	3	4	NR
Electricity Industry Customer Transfer Code												
6	Electricity Industry Customer Transfer Code 3.2(2)	5	✓						✓			
7	Electricity Industry Customer Transfer Code 3.4(1)	5	✓						✓			
8	Electricity Industry Customer Transfer Code 3.5(3)	4	✓						✓			
9	Electricity Industry Customer Transfer Code 3.6(2)	4						✓				✓
16	Electricity Industry Customer Transfer Code 3.9(1)	4	✓						✓			
17	Electricity Industry Customer Transfer Code 3.9(2)	4						✓				✓
18	Electricity Industry Customer Transfer Code 3.9(3)	4	✓						✓			
19	Electricity Industry Customer Transfer Code 3.9(4)	4	✓						✓			
23	Electricity Industry Customer Transfer Code 4.2(2)	5	✓						✓			
24	Electricity Industry Customer Transfer Code 4.3	5	✓						✓			
25	Electricity Industry Customer Transfer Code 4.4(1)	5	✓						✓			
26	Electricity Industry Customer Transfer Code 4.4(2)	5	✓						✓			
27	Electricity Industry Customer Transfer Code 4.5(1)	5	✓						✓			
28	Electricity Industry Customer Transfer Code 4.6(3)	4	✓						✓			
29	Electricity Industry Customer Transfer Code 4.7	5	✓						✓			
30	Electricity Industry Customer Transfer Code 4.8(2)	4						✓				✓
34	Electricity Industry Customer Transfer Code 4.9(6)	4	✓						✓			



2023 no.	Licence obligation	Audit priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls rating					Compliance rating					
			A	B	C	D	NP	1	2	3	4	NR	
37A	Electricity Industry Customer Transfer Code 4.10(4)	4	✓					✓					
39	Electricity Industry Customer Transfer Code 4.11(3)	4	✓					✓					
40	Electricity Industry Customer Transfer Code 4.12(3)	5	✓					✓					
43	Electricity Industry Customer Transfer Code 4.15	5	✓					✓					
44	Electricity Industry Customer Transfer Code 4.16	4	✓					✓					
45	Electricity Industry Customer Transfer Code 4.17	4	✓					✓					
48A	Electricity Industry Customer Transfer Code 6.1	5	✓					✓					
49	Electricity Industry Customer Transfer Code 6.2	5	✓					✓					
52	Electricity Industry Customer Transfer Code 6.4(1)	4					✓						✓
53	Electricity Industry Customer Transfer Code 6.4(2)	4	✓					✓					
54	Electricity Industry Customer Transfer Code 6.6	4	✓					✓					
55	Electricity Industry Customer Transfer Code 7.1(1)	4					✓						✓
56	Electricity Industry Customer Transfer Code 7.1(2)	4					✓						✓
57	Electricity Industry Customer Transfer Code 7.1(3)	4					✓						✓
58	Electricity Industry Customer Transfer Code 7.2(4)	5					✓						✓
59	Electricity Industry Customer Transfer Code 7.3(2)	5					✓						✓
Electricity Industry Act													
101	Electricity Industry Act, section 13(1)	4	✓					✓					
105	Economic Regulation Authority (Licensing Funding) Regulations 2014	4	✓					✓					
106	Electricity Industry Act, section 31(3)	4					✓						✓
107	Electricity Industry Act, section 41(6)	4					✓						✓
Licence conditions and obligations													
119	Retail Licence, condition 4.3.1	4	✓					✓					



2023 no.	Licence obligation	Audit priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls rating					Compliance rating					
			A	B	C	D	NP	1	2	3	4	NR	
121	Retail Licence, condition 5.3.2	4	✓						✓				
123	Retail Licence, condition 4.4.1	4						✓					✓
124	Retail Licence, condition 4.5.1	4	✓						✓				
125	Retail Licence, condition 3.8.1 and 3.8.2	4						✓					✓
126	Retail Licence, condition 3.7.1	4						✓					✓
Electricity Industry Metering Code													
324	Electricity Industry Metering Code, clause 3.3B	4						✓					✓
339	Electricity Industry Metering Code, clause 3.11(3)	4						✓					✓
371	Electricity Industry Metering Code, clause 4.4(1)	5	✓										✓
372	Electricity Industry Metering Code, clause 4.5(1)	5						✓					✓
373	Electricity Industry Metering Code, clause 4.5(2)	3	✓						✓				
388	Electricity Industry Metering Code, clause 5.4(2)	5						✓					✓
401	Electricity Industry Metering Code, clause 5.16	4						✓					✓
402	Electricity Industry Metering Code, clause 5.17(1)	4	✓						✓				
405	Electricity Industry Metering Code, clause 5.18	4	✓										✓
406	Electricity Industry Metering Code, clause 5.19(1)	5	✓						✓				
407	Electricity Industry Metering Code, clause 5.19(2)	5	✓						✓				
408	Electricity Industry Metering Code, clause 5.19(3)	4	✓						✓				
410	Electricity Industry Metering Code, clause 5.19(6)	5	✓						✓				
416	Electricity Industry Metering Code, clause 5.21(5)	4						✓					✓
417	Electricity Industry Metering Code, clause 5.21(6)	4						✓					✓
435	Electricity Industry Metering Code, clause 5.27	4	✓						✓				
448	Electricity Industry Metering Code, clause 6.1(2)	4	✓						✓				
451	Electricity Industry Metering Code, clause 7.2(1)	5	✓						✓				
453	Electricity Industry Metering Code, clause 7.2(4)	4						✓					✓



2023 no.	Licence obligation	Audit priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls rating					Compliance rating					
			A	B	C	D	NP	1	2	3	4	NR	
454	Electricity Industry Metering Code, clause 7.2(5)	4	✓					✓					
455	Electricity Industry Metering Code, clause 7.5	4	✓					✓					
456	Electricity Industry Metering Code, clause 7.6(1)	4	✓					✓					
457	Electricity Industry Metering Code, clause 8.1(1)	5	✓										✓
458	Electricity Industry Metering Code, clause 8.1(2)	5					✓						✓
459	Electricity Industry Metering Code, clause 8.1(3)	5					✓						✓
460	Electricity Industry Metering Code, clause 8.1(4)	5					✓						✓
461	Electricity Industry Metering Code, clause 8.3(2)	5					✓						✓

Table 9: Compliance and controls rating summary table

		Compliance rating					Total
		1	2	3	4	N/R	
Controls rating	A	41	-	-	-	3	44
	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
	D	-	-	-	-	-	-
	N/P	-	-	-	-	26	26
	Total	41	-	-	-	29	70

5 Observations and recommendations

5.1 Performance audit

Table 10: Performance audit observations

Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
Electricity Industry Customer Transfer Code								
6	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 3.2(2)	A retailer must submit a separate data request for each connection point, unless otherwise agreed.	5	<ul style="list-style-type: none"> The Western Power Metering Service Centre web portal is used by Shell Energy Retail for all data requests. Data requests are made separately using Western Power's web portal using the NMI (National Meter Identifier). As such, the Western Power portal ensures compliance with the obligation. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Demonstration of Western Power Metering Service Centre web portal 	A	1
7	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	5	<ul style="list-style-type: none"> Data requests are made by Shell Energy Retail via the Western Power web portal. The web portal restricts the number of requests to 20 per day and Shell Energy Retail is unable to exceed the prescribed number of requests. Shell Energy Retail monitors its number of data requests and in the event that there are more requests than the prescribed daily limit, an extension to the limit can be sought from Western Power 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					or the requests spread out over a number of days.			
8	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Shell Energy Retail has withdrawn requests in line with the conditions of clause 3.5(3) of the Electricity Industry Customer Transfer Code during the audit period. Typically, this situation eventuates if a customer is looking to buy and/or develop a site but then does not move into the building. An example of a withdrawn request for historical consumption data where the contestable customer's verifiable consent ceased to apply before the network operator provided the historical consumption data was presented at audit. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	A	1
9	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Shell Energy Retail did not incur any costs during the audit period for work performed in relation to a request for historical consumption data that had been subsequently withdrawn. Customer standing data is available for free but Western Power charges for historical consumption data. If the customer is already a Shell Energy retail customer, then this data is already available. However, if the data is needed for pricing for a period where Shell Energy Retail was not the customer's 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>retailer, then there would be a charge from Western Power for this.</p> <ul style="list-style-type: none"> Shell Energy Retail would typically raise a request with Western Power, receive the data the following day and pay the invoice. Although the business might not win the customer contract, it would not withdraw a request or ask for a refund if the customer contract is not won. 			
16	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Historical data is used to provide quotations. The sole use for data is to provide a quotation to the customer. All customer data is stored in Shell Energy Retail's CRM, including all the correspondence associated with the customer 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	A	1
17	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Shell Energy Retail has not aggregated a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development during the audit period. If a customer cancels a price request, Shell Energy Retail would deactivate the request. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
18	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	4	<ul style="list-style-type: none"> Shell Energy Retail maintains copies of verifiable consent on the CRM. These are considered to be the retail agreements that are in place with each customer. Shell Energy Retail has not disclosed customers' data outside of the circumstances defined in clause 3.9(3) of the Electricity Industry Customer Transfer Code. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	A	1
19	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	4	<ul style="list-style-type: none"> All verifiable consent forms are stored electronically and can be accessed in the CRM. This includes where consent has been given by the customer to a broker to act on the customer's behalf. The signature is assumed to be the verifiable consent. The consent forms are stored for at least two years which were witnessed during audit. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM Example of the verifiable consent included in a retail agreement 	A	1
23	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 4.2(2)	A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed.	5	<ul style="list-style-type: none"> The Western Power Metering Service Centre web portal is used by Shell Energy Retail for all customer transfer requests. The web portal is configured to only allow submission of separate customer transfer requests. As a result, the web portal ensures compliance with the obligation. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
24	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	5	<ul style="list-style-type: none"> Customer transfers are initiated through the Western Power Metering Service Centre web portal. The web portal has a mandatory field with regards to the reason for a customer transfer. The web portal only allows customer transfers to occur when a reason for transfer has been selected. Only two options can be selected from a dropdown list for the reason for a customer transfer: erroneous or new customer. We observed the transfer types in a sample of transfers raised by Shell Energy Retail over the audit period and confirmed that these have generally been classified as being a "New customer transfer". We observed two examples of erroneous transfers during the audit period. The first was submitted through the Western Power web portal on 09/01/2023 for a transfer that took place on 04/01/2023. The second erroneous transfer was submitted on 17/03/2022 for a transfer that was made on 11/03/2023. Both of the erroneous transfers during the audit period were because another retailer had accidentally transferred a Shell Energy Retail customer, and 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	A	1

Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>Western Power had processed the transfers despite Shell Energy Retail having contracts with the customers. Western Power has a responsibility to prevent such erroneous transfers from occurring.</p> <ul style="list-style-type: none"> As a result, Shell Energy Retail retrospectively raised the erroneous transfers to achieve the correct start contract date and reverse the customer transfer. 			
25	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	5	<ul style="list-style-type: none"> As noted previously, the Western Power Metering Service Centre web portal is used by Shell Energy Retail for submitting its customer transfer requests. Access to the web portal is dependent on an access contract and there is an Electricity Transfer Access Contract (ETAC) between Western Power and Shell Energy Retail. There is also an amendment to the access contract to include an allowance to bill customers for solar. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Electricity Transfer Access Contract (ETAC) 	A	1
26	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	5	<ul style="list-style-type: none"> During the audit period there were two erroneous transfers that were required to be reversed due to an error by another retailer. The identity of the other retailer for this transfer was confirmed. The resulting transactions that were completed transferred both customers 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			identity of the previous retailer.		<p>back to Shell Energy Retail, as both customers already had a contract in place with Shell Energy Retail.</p> <ul style="list-style-type: none"> Western Power acts as the conduit between the retailers to facilitate reverses of erroneous transfers. We observed the emails between Shell Energy Retail and Western Power related to the one of the two erroneous transfers that were reversed. For the second occurrence, the email correspondence could not be located at audit, but we were able to verify the reversal using the notes that had been recorded in the customer account details in the CRM. 	<ul style="list-style-type: none"> Western Power Metering Service Centre web portal Shell Energy Retail CRM Correspondence with Western Power 		
27	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	5	<ul style="list-style-type: none"> As noted under Obligation 7, the Western Power web portal only permits the prescribed number of transfers, therefore, ensuring compliance with this obligation. Shell Energy Retail is aware of the prescribed number of transfers that it can make in any business day. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1
28	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	4	<ul style="list-style-type: none"> Shell Energy Retail confirmed that it has withdrawn customer transfer requests if the contestable customer's verifiable consent has ceased to apply before the transfer occurs during the audit period. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<ul style="list-style-type: none"> If a customer withdraws a transfer request, Shell Energy Retail voids the request. Withdrawn customer transfer requests are able to be reported through the Western Power Metering Service Centre web portal and can be exported to Excel for analysis. A total of 12 customer transfer requests have been withdrawn by Shell Energy Retail over the audit period. Of these 12, four are considered to be due to verifiable consent reasons. This is based on the duplicate transfers included in the list of withdrawn customer transfer requests as the duplicated requests signify that although a particular transfer was withdrawn, a new transfer was subsequently made in the period. Where there are no duplicates in the exported list of withdrawn transfers, the customer will have withdrawn their consent. 	<ul style="list-style-type: none"> Western Power Metering Service Centre web portal Withdrawn requests exported from the web portal into Excel 		
29	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	5	<ul style="list-style-type: none"> The Western Power Metering Service Centre web portal requires a transfer date to be included. This ensures that Shell Energy Retail achieves compliance with this obligation. The mandatory field was confirmed during audit. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<ul style="list-style-type: none"> The web portal is not automated to take account of the minimum and maximum lead days required by the specified timeframes. As such, a transfer that was raised outside the required timeframe would fail and be rejected by Western Power but Shell Energy Retail would only be notified at this point, rather than being notified when raising the transfer request. 			
30	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> As Shell Energy Retail only enters into retail agreements with customers with smart meters, there is no need for Western Power to provide and/or install a new meter if a customer transfer request is withdrawn. As there have been no instances of Shell Energy Retail incurring costs in the audit period related to this obligation, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	NP	N/R
34	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	<ul style="list-style-type: none"> The chosen transfer date is set by Shell Energy Retail and a rejected status is subsequently set in the web portal by Western Power if they are not able to facilitate the transfer. The Western Power web portal allows non-business days to be selected when raising a transfer although these cannot be subsequently approved by Western Power. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1

Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<ul style="list-style-type: none"> If a transfer for a new customer is to occur on a non-business day, the transfer date is revised to a business day. The web portal can report on transfers that have been raised by Shell Energy Retail and subsequently rejected by Western Power One transfer date was revised in the audit period. We confirmed that the transfer was submitted on 23/12/2021 for a nominated transfer date of 04/01/2022. This was then re-submitted by Shell Energy Retail on 19/02/2022 for a new nominated transfer date of 01/02/2022. The reason for the revised date was the minimum number of days required to process the transfer was not provided in the transfer request. 			
37A	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 4.10(4)	If a current retailer receives a notice under clause 4.10(1)(a) or 4.10(2)(c) in circumstances where clause 4.12(1)(a)(ii) applies, then the current retailer must promptly forward the notice to the other person referred to in clause 4.12(1)(a)(ii).	4	<ul style="list-style-type: none"> All customer transfer requests are managed through the Western Power Metering Service Centre web portal. Shell Energy Retail notifies a current retailer if it is intending to win one of the existing retailer's customers, but the notification process is managed through the web portal. This ensures compliance with the obligation. The notification process is all automated through the web portal and no additional 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					information or notification is required to be provided.			
39	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Shell Energy Retail's customers all have smart meters that enable the provision of daily meter data. The meters provide data at 30 min intervals. As such, the meters are not physically read. There are procedures for managing any communication faults. Western Power has an obligation to provide customer meter data to Shell Energy Retail and can attend site to access the consumption data directly from the meter if required. If a meter read is not possible, there are established rules regarding estimating meter data. If there is a new customer without a smart meter, Western Power exchange their meters prior to the change of retailer. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1
40	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Shell Energy Retail is currently operating under the ETAC. This was initially negotiated in August 2010. There have been three variations to the ETAC during the audit period; July 2021, June 2023 and August 2023. The ETAC was also amended in April 2015. The agreed changes were brought about through a group negotiating effort between Shell Energy Retail and 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Electricity Transfer Access Contract (ETAC) 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					Western Power. As such, we consider that the access contract negotiations were made in good faith from both parties.			
43	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Two erroneous transfers occurred and were reversed during the audit period. Both transfers were discovered before they were completed, although they went to completion in the portal before they could be reversed due to the functionality of the web portal. The first erroneous transfer was submitted through the Western Power web portal on 09/01/2023 for a transfer that took place on 04/01/2023. The second erroneous transfer was submitted on 17/03/2022 for a transfer that was made on 11/03/2023. Shell Energy Retail considers that it acted in good faith to ensure that the affected contestable customers had the same rights and obligations as if the erroneous transfers had not occurred. Essentially, although an erroneous transfer is reversed, the customer has a continuation of service from Shell Retail Energy throughout. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM Correspondence with Western Power 	A	1
44	Electricity Industry (Licence Conditions)	Electricity Industry Customer	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request	4	<ul style="list-style-type: none"> We confirmed that verifiable consent forms are stored on Shell Energy Retail's CRM. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
	Regulations, regulation 5(2)	Transfer Code 4.16	must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.		<ul style="list-style-type: none"> Files are maintained for a minimum of two years. Disposal is carried out in accordance with privacy laws under Shell Energy Retail's Privacy Policy. 	<p>Owner and Compliance Advisor</p> <ul style="list-style-type: none"> Shell Energy Retail CRM 		
45	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Western Power provides daily updates of customer transfers to Shell Energy Retail through the Metering Service Centre web portal. When a customer transfers away, Shell Energy Retail has a finalised contract process that prevents further invoicing from the day after the billing contract. If a customer account is transferred away, the contract details are automatically removed. As a contract needs to be in place for invoicing, this makes it impossible to invoice a customer who has transferred away and would result in errors if Shell Energy Retail raised an invoice. In addition, meter data for a customer is unavailable to Shell Energy Retail after a transfer. As invoicing requires meter data, the system prevents charges being incurred after the transfer date. The two erroneous transfer requests that occurred during the audit period removed all of the time gaps, ensuring a continuous service and correct invoicing. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
48A	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	5	<ul style="list-style-type: none"> Transfers and data transactions are carried out through Western Power's Metering Service Centre web portal, ensuring compliance with the obligation. Billing is carried out electronically 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1
49	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	5	<ul style="list-style-type: none"> Western Power's Metering Service Centre web portal is used for all data requests and customer transfer requests. The web portal requires a National Meter Identifier (NMI) (i.e., a connection point ID) to be included with the request, ensuring compliance with this obligation. The mandatory field in the web portal was confirmed during the audit. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	A	1
52	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	4	<ul style="list-style-type: none"> Shell Energy Retail's contact details have changed during the audit period as a result of the acquisition of ERM Power Retail Pty Ltd, the previous licensee. Shell Energy Retail provided updated contact details as part of its rebranding, but this was not initiated by a request by the network operator in accordance with this obligation. Therefore, we have not rated Shell Energy Retail's compliance with this obligation. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Confirmation of communications with Western Power with regard to the 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
						rebranding of ERM Power to Shell Energy Retail		
53	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Shell Energy Retail's contact details have changed during the audit period as a result of the acquisition of ERM Power Retail Pty Ltd, the previous licensee. Shell Energy Retail prepared a Communications Plan as part of the acquisition process and subsequent rebranding. Due to email archiving, Shell Energy Retail was not able to access the actual email that was sent to Western Power with the updated contact details. However, Shell Energy Retail was able to provide details of its rebranding communications. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Confirmation of communications with Western Power with regard to the rebranding of ERM Power to Shell Energy Retail 	A	1
54	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> Western Power's web portal is used for data requests and customer transfer requests, ensuring compliance with this obligation. Email is used for other communication. Shell Energy Retail has a shared Outlook inbox for communications with Western Power. A sample of emails between Shell Energy Retail and Western Power were observed during the audit to confirm compliance. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Outlook inbox for email communications with Western Power 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
55	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	4	<ul style="list-style-type: none"> There have been no disputes during the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	NP	N/R
56	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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.	4	<ul style="list-style-type: none"> There have been no disputes during the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	NP	N/R
57	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> There have been no disputes during the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
58	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> There have been no disputes during the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	NP	N/R
59	Electricity Industry (Licence Conditions) Regulations, regulation 5(2)	Electricity Industry Customer Transfer Code 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	<ul style="list-style-type: none"> There have been no disputes during the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	NP	N/R
Electricity Industry Act								
101	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.	4	<ul style="list-style-type: none"> The audit is managed by the Compliance Advisor and Manager Regulatory and Compliance. Since the last audit, The ERA extended the auditing period to 48 months in 2016. An extension letter was observed in the 2019 audit to confirm the extension. The 2019 audit was performed as required. Regulatory activities and their timing are scheduled and monitored in a spreadsheet that all of Shell Energy Retail's regulatory team members can view. The Master Dashboard 2023-24 Current spreadsheet includes Shell 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 2019 audit report Letter from ERA, Commencement – 2023 performance audit, 1 August 2023 Shared Regulatory Affairs Outlook Calendar 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>Energy Retail’s reporting requirements for all of the states in which it operates, including WA. We confirmed that the spreadsheet includes a breakdown for each step needed to meet the compliance requirements so that Shell Energy Retail can meet the required deadline.</p> <ul style="list-style-type: none"> ▪ The performance audit timing is also entered into Shell Energy Retail’s regulatory affairs shared calendar in Outlook. ▪ The licensee also receives reminders from ERA before deadlines/due dates. 	<ul style="list-style-type: none"> ▪ Master Dashboard 2023-24 Current.xls (reporting requirements spreadsheet) 		
105	Retail Licence, condition 4.2.1	Electricity Industry Act, section 17(1) Economic Regulation ERA (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the <i>Economic Regulation ERA (Licensing Funding) Regulations 2014</i> .	4	<ul style="list-style-type: none"> ▪ Licence fees have been paid appropriately and within the required timeframes. ▪ Shell Energy Retail provided copies of the invoices and transaction information to confirm that the invoice had been paid for each year within the audit period. 	<ul style="list-style-type: none"> ▪ Interview with General Manager Retail Operations, Product Owner and Compliance Advisor ▪ ERA Tax Invoice 13/10/2023 for the period 15/10/2023 to 14/10/2024 ▪ ERA Tax Invoice 14/10/2022 for the period 15/10/2022 to 14/10/2023 ▪ ERA Tax Invoice 15/10/2021 for the period 15/10/2021 to 14/10/2022 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
						<ul style="list-style-type: none"> ERA Tax Invoice 09/09/2020 for the period 15/10/2020 to 14/10/2021 ERA Tax Invoice 09/10/2019 for the period 15/10/2019 to 14/10/2020 SAP Reports of licence fee payments made to the ERA 		
106	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.	4	<ul style="list-style-type: none"> The supply of electricity and the management of steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply is the responsibility of Western Power. As such, it is essentially outside Shell Energy Retail's control. This obligation was included in the Audit Plan but as it is not relevant to Shell Energy Retail, it should have been excluded. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 	NP	N/R
107	Retail 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	<ul style="list-style-type: none"> As for Obligation 106, this obligation is not relevant to Shell Energy Retail as it does not own any assets. The meters used for billing are owned by Western Power, meaning that Shell Energy Retail does not need to consider easements for access. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 	NP	N/R

Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
Electricity licence conditions and obligations								
119	Electricity Industry Act, section 11	Retail 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	<ul style="list-style-type: none"> ▪ Shell Energy Retail has complied with the requirements of the obligation. ▪ Shell Energy Retail's accounting records are consolidated into the overall Shell Plc parent company's Financial Statements. ▪ We confirmed that the Financial Statements include a statement from the independent auditors that the Financial Statements "have been properly prepared in accordance ... International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)". ▪ The audited financial statements for 2022 (for year end 31 December 2021), 2021 (for year end 31 December 2020) and 2020 (for year end 31 December 2019) were reviewed. The Annual Report for 2023 (for year end 31 December 2022) has not yet been published. The Annual Report for 2024 (for year end 31 December 2023) will not be prepared until 2024. 	<ul style="list-style-type: none"> ▪ Interview with General Manager Retail Operations, Product Owner and Compliance Advisor ▪ Shell Annual Report 2022 – Financial Statements and Supplements (for year end 31 December 2021) ▪ Shell Annual Report 2021 – Financial Statements and Supplements (for year end 31 December 2020) ▪ Shell Annual Report 2020 – Financial Statements and Supplements (for year end 31 December 2019) 	A	1
121	Electricity Industry Act, section 11	Retail Licence condition 5.3.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit	4	<ul style="list-style-type: none"> ▪ Shell Energy Retail has complied with the ERA's standard audit guidelines dealing with the performance audit. 	<ul style="list-style-type: none"> ▪ Interview with General Manager Retail Operations, Product 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			guidelines for a performance audit.		<ul style="list-style-type: none"> The previous performance audit for ERM Power was reported on 6 December 2019. The acquisition of ERM Power by Shell Energy Retail took place on 20 November 2019. The subsequent audit is currently being undertaken (this audit). 	<p>Owner and Compliance Advisor</p> <ul style="list-style-type: none"> Previous performance audit report dated 6 December 2019 Shell Energy Retail Power Annual Compliance reports for 2022/23, 2021/22, 2020/21 ERM Power Retail Pty Ltd Annual Compliance Report for 2019/20 Letter dated 10 November 2023 from ERA approving Shell Energy Retail Power audit plan 		
123	Electricity Industry Act, section 11	Retail 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	<ul style="list-style-type: none"> Shell Energy Retail is not under external administration. Although Shell Energy Retail acquired ERM Power, the previous licensee during the audit period, there has not been a change in circumstances upon which the licence was granted which could affect the licensee's ability to meet its obligations. Therefore, this obligation has not been rated. Shell Energy Retail requested an amendment to electricity retail licence ERL15 to reflect that ERM Power Retail 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Correspondence with ERA related to Amendment of electricity retail licence ERL15, February and March 2021 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					Pty Ltd had been acquired and had changed its name to Shell Energy Retail Pty Ltd. The ERA considered the change to the licence to be a minor amendment that did not call for public consultation. The ERA confirmed the amendment in a letter dated 12 March 2021.	<ul style="list-style-type: none"> Public notice issued by ERA regarding the minor amendment of electricity licence ERL15, 12 March 2021 		
124	Electricity Industry Act, section 11	Retail 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.	4	<ul style="list-style-type: none"> During the Audit Period, Shell Energy Retail has provided the ERA with information it is required to provide in connection with its functions under the Electricity Industry Act. This has included provision of the annual Compliance Reports. We confirmed that Shell Energy Retail provided all of its annual Compliance Reports during the audit period by the required due dates. We confirmed that Shell Energy Retail provided all of its Standing Charge Data emails to the ERA during the audit period by the required due dates. Shell Energy Retail maintains its correspondence with the ERA in its Reg Affairs mailbox. The mailbox is separated out into folders, with all WA correspondence kept in a separate folder. The mailbox is generally used for correspondence relating to regulatory audits, reminders of compliance reports, etc. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail Power Annual Compliance reports for 2022/23, 2021/22, 2020/21 ERM Power Retail Pty Ltd Annual Compliance Report for 2019/20 Shell Energy Retail Power correspondence with the ERA Electricity Standing Charge data submitted to the ERA for 2023, 2022, 2021, and 2020 and confirmation of receipt from the ERA 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
125	Electricity Industry Act, section 11	Retail 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.	4	<ul style="list-style-type: none"> No directions have been made by the ERA for Shell Energy Retail to publish information. As a result, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail Power correspondence with the ERA 	NP	N/R
126	Electricity Industry Act, section 11	Retail Licence condition 3.7.1	All notices must be in writing, unless otherwise specified.	4	<ul style="list-style-type: none"> No notices have been issued during the audit period. As a result, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail Power correspondence with the ERA 	NP	N/R
Electricity Industry Metering Code								
324	Retail 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 flows 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	4	<ul style="list-style-type: none"> Shell Energy Retail's customer base includes customers with bi-directional flows at a metering point. Customers are required to have a Regional Reference Node (RRN) prior to the bi-directional flow meter installation. As such, Shell Energy Retail has processes related to these activities. This was confirmed through a review of 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			operator within 2 business days.		<p>customers on the Western Power web portal.</p> <ul style="list-style-type: none"> ▪ If a customer told Shell Energy Retail that it had installed solar, resulting in bi-directional electricity flows at a metering point, Shell Energy Retail would inform Western Power to start the process to verify. ▪ However, this would not be expected to occur as Western Power is the meter owner for Shell Energy Retail's customers' meters. The work to reconfigure any meters or install new meters would be undertaken by Western Power. As a result, Western Power would be aware of any changes to the meter and would inform Shell Energy Retail of these changes to allow invoicing. ▪ Therefore, this obligation has not been rated. 			
339	Retail 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	<ul style="list-style-type: none"> ▪ As owners of the meters, Western Power are responsible for the management and monitoring of its meters. ▪ The management of meter outages and malfunctions is driven by AEMO metrology procedure and the Market Rules. ▪ The meter data sources that are made available to Shell Energy Retail through 	<ul style="list-style-type: none"> ▪ Interview with General Manager Retail Operations, Product Owner and Compliance Advisor ▪ Western Power Metering Service Centre web portal ▪ Shell Energy Retail CRM 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>the Western Power Web Portal are actual data, substitute data, estimated data and missing data. Shell Energy Retail is able to invoice its customers using substituted meter data but not on estimated or missing data. The Market Rules specify how substituted data can be determined, based on the period of time that can be substituted and rules about the methods that can be used. Where required, the substituted meter data is provided by Western Power. Estimated data is used for basic meters where there are no similar days that can be used for substituted data.</p> <ul style="list-style-type: none"> ▪ If a missing data record is created, it is automatically sent to Western Power to inform them of the issue. ▪ If a customer queries their invoiced usage or an issue is identified by Shell Energy Retail prior to a customer invoice being issued, Shell Energy Retail uses the established meter data rules (related to missing data and the use of substitute data) to create an exceptions report for Western Power. ▪ Shell Energy Retail has a series of different data checks/reports that are run in the system to determine if there is missing data. These reports escalate within the system if the issue cannot be resolved. The order of the 	<ul style="list-style-type: none"> ▪ Correspondence with Western Power 		



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>checks/reports is PMD1, PMD2, VMD, Exemption and C4 (config data).</p> <ul style="list-style-type: none"> Correspondence related to meter installation issues and missing data records are recorded in the CRM against the customer's account. During the audit, we reviewed a sample of missing data records. The records show dates and processes used to validate the data, e.g., meter data provided and checked against rules set up in CRM. As per the rules, a manual check for a verified meter data status is required. If this is not resolved, then an exception report is created in order to directly approach Western Power to investigate and resolve the issue. Based on our observations at audit, we consider that Shell Energy Retail has established processes for advising Western Power of meter installation outages or malfunctions as soon as practicable. Typically, missing data is due to communications issues with the smart meters that Shell Energy Retail customers have installed. As meter owners and the provider of the meter data, Western Power are more likely to become aware of an outage or 			



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>malfunction of a metering installation before Shell Energy Retail.</p> <ul style="list-style-type: none"> No outages or malfunctions were identified during the audit period, therefore, this obligation has not been rated. 			
371	Retail 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	<ul style="list-style-type: none"> Discrepancies between the energy data held in a metering installation and in the metering database are not considered to be an issue for Shell Energy Retail as all of its customer meters are smart meters, which allow for direct update of meter data from the meter to the database that Shell Energy Retail accesses through the Western Power web portal. As a result, there are unlikely to be any data discrepancies. As noted for Obligation 339, there are established automated system checks and reports to allow customer queries and Shell Energy Retail-identified meter data issues to be escalated until resolved. As there are not any known discrepancies between energy data held in a metering installation and in the metering database during the audit period, we have not rated this obligation. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	A	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
372	Retail 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	<ul style="list-style-type: none"> As owners of the meters, Western Power are responsible for the management and monitoring of its meters. As Shell Energy Retail does not maintain the standing registry, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal 	NP	N/R
373	Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 4.5(2)	Subject to subclause 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.	3	<ul style="list-style-type: none"> Regular discussions are held between Shell Energy Retail and the Western Power Account Manager. If any meter installation inaccuracies or discrepancies are identified, Shell Energy Retail can request that Western Power investigate. These requests are made through the Western Power web portal. The portal is also used to monitor progress and completed actions. Shell Energy Retail provided an example from within the audit period where changes to the standing data have been required and where Shell Energy Retail has provided this information to Western Power. This was due to a low voltage customer mistakenly being set-up in the Western Power portal as a high voltage customer. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM Correspondence with Western Power 	A	1
388	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	5	<ul style="list-style-type: none"> As owners of the meters, Western Power are responsible for the management and monitoring of its meters. This includes meter reading and 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			network operator's obligation under subclause 5.4(1).		<p>the provision of this information to Shell Energy Retail through the Web Portal to allow for Shell Energy Retail to invoice the customers.</p> <ul style="list-style-type: none"> All of Shell Energy Retail's retail customers have smart meters installed, which allows Western Power to remotely read the meters without needing to go to site. However, if access to a customer meter is required, this is set out in the Retail Electricity Agreement (REA) between Shell Energy Retail and the customer. Western Power provide customer meter data on a daily basis. This data is provided based on consumption from midnight to midnight for the day before and is received by Shell Energy Retail in Brisbane by 10am each day. Shell Energy Retail was not asked to assist the network operator to comply with the network operator's obligation under subclause 5.4(1) of the Metering Code during the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM Correspondence with Western Power 		
401	Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.16	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 accordance with the	4	<ul style="list-style-type: none"> As owners of the meters, Western Power are responsible for the management and monitoring of its meters. This includes meter reading and the provision of this information to Shell Energy Retail through the Web Portal to 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			communication rules) within the timeframes prescribed.		<p>allow for Shell Energy Retail to invoice their customers. Shell Energy Retail does not collect any energy data from its customers.</p> <ul style="list-style-type: none"> Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Western Power Metering Service Centre web portal Shell Energy Retail CRM Correspondence with Western Power 		
402	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	<ul style="list-style-type: none"> As owners of the meters, Western Power are responsible for the management and monitoring of its meters. This includes meter reading and the provision of this information to Shell Energy Retail through the Web Portal to allow for Shell Energy Retail to invoice the customers. Shell Energy Retail does not collect any energy data from its customers. Shell Energy Retail is required to supply meter data to the customer on request and at no charge. This obligation is facilitated through access to the Western Power web portal. Shell Energy Retail is also able to provide a .CSV file of the standing and energy data to the customer if requested. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	A	1
405	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	4	<ul style="list-style-type: none"> As owners of the meters, Western Power are responsible for the management and monitoring of its meters. This includes management of the energisation status of a metering point. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor 	A	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			prescribed information, including the stated attributes, within the timeframes prescribed.		<ul style="list-style-type: none"> Although Shell Energy Retail does not collect or receive information related to energisation status, it informs Western Power if a retail customer requests a change in energisation status. The energisation status of a metering point can be Active (A), De-energised (D) or Extinct/Demolished (X). Shell Energy Retail has an established process for informing Western Power when a customer requests a change in status. An automatic system report in the Western Power web portal is run daily to check the energisation status of each point, resulting in a daily Inactive NMI Report being generated. In addition, Western Power also provide a daily report of any changes that have taken place in the customer information in the web portal overnight. However, as the data is provided from Western Power, Western Power would already be aware of any change in status. If the Inactive NMI Report shows a meter becoming inactive, this is likely to have been expected because a de-energisation was requested in order to change the contract. Shell Energy Retail ceases billing of a customer if it is no longer the retailer to that customer or if the site has been de-energised or made extinct. 	<ul style="list-style-type: none"> Western Power Metering Service Centre web portal Shell Energy Retail CRM Example of an NMI Configuration Status Report 		



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<ul style="list-style-type: none"> However, as Western Power manage the energisation status of its metering points and provide this information to Shell Energy Retail, this obligation has not been rated. 			
406	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	<ul style="list-style-type: none"> Customer Detail Notifications (CDN) are managed through the Western Power web portal, which allows Western Power to request and collect information through the system. If Shell Energy Retail receives a request from a customer, it has to provide the customer's name to Western Power. If this is not what is recorded on Western Power's system, Western Power makes a request to provide information to update the incorrect or out-of-date information. Shell Energy Retail provided an example of a CDN and we confirmed that it had been correctly submitted and provided to Western Power. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM Example of a Customer Detail Notification 	A	1
407	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	<ul style="list-style-type: none"> Shell Energy Retail's CRM records the prescribed information required under this obligation through a series of predetermined fields and drop-down menus. We reviewed a sample of customers in the CRM and confirmed that all of the prescribed information was recorded in relation to the site of each connection 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					point for which the customer is associated. These records are maintained in the system.			
408	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.	4	<ul style="list-style-type: none"> Shell Energy Retail's customers are able to inform the business of any changes in an attribute described in subclause 5.19(2) via a Customer Detail Notification (CDN). If any changes are made, Shell Energy Retail provides updates to Western Power overnight. Although Shell Energy Retail considers that this is not a common occurrence, it has occurred during the audit period. Shell Energy Retail provided an example of a CDN and we confirmed that it had been correctly submitted and provided to Western Power. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM Example of a Customer Detail Notification 	A	1
410	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	<ul style="list-style-type: none"> The standing data includes the status of the NMI, energisation status, loss factors, metering information, and physical address. The standing data is maintained in a separate table to the meter data and other attributes and so doesn't update the customer data in the CRM. As a result, this prevents a loop going back and forth between Shell Energy Retail and Western Power that continually updates the standing data between the two entities. This ensures that Shell 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					Energy Retail complies with this obligation.			
416	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 subclause 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	<ul style="list-style-type: none"> Shell Energy Retail has not made any requests to test or audit a meter under subclause 5.21(1) during the audit period. If Shell Energy Retail wants to request a test or an audit under subclause 5.21(1), it has a Western Power customer metering request team that it can contact. Requests are stored in the shared drive but not in the CRM against the customer account. As no requests have been made in the audit period, we have not rated this obligation. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	NP	N/R
417	Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.21(6)	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.	4	<ul style="list-style-type: none"> No request to test or audit a Shell Energy Retail customer meter has been made within the audit period. Therefore, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM 	NP	N/R
435	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	4	<ul style="list-style-type: none"> Shell Energy Retail has received requests from Western Power to provide the network operator with customer attribute information that it reasonably 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.		<p>believes are missing or incorrect during the audit period.</p> <ul style="list-style-type: none"> Requests received are actioned through Western Power's web portal, with compliance with the obligation essentially built into the system. Shell Energy Retail provided an example where the incorrect business name had been recorded in the customer attributes in the web portal. 	<p>Owner and Compliance Advisor</p> <ul style="list-style-type: none"> Western Power Metering Service Centre web portal Shell Energy Retail CRM 		
448	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	<ul style="list-style-type: none"> Shell Energy Retail complies with the rules, agreements and criteria prescribed in relation to the Western Power network on which it has an access contract. The systems viewed and documentation reviewed during the audit confirmed this. Access to the Western Power web portal is dependent on an access contract and there is an Electricity Transfer Access Contract (ETAC) between Western Power and Shell Energy Retail. Western Power has an access arrangement across all of the retail businesses it services. The arrangement sets out the services that customers can be allocated in terms of tariffs, contract demand, etc. Shell Energy Retail has a specific Retail Relationship Manager at Western Power that manages the contract between the 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Western Power Metering Service Centre web portal Shell Energy Retail CRM Electricity Transfer Access Contract Western Power Metering Code Model Service Level Agreement Western Power Metrology Procedure for Metering Installations on the 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>two businesses. As noted previously, there have not been any disputes between Shell Energy Retail and Western Power during the audit period.</p> <ul style="list-style-type: none"> ▪ The Metering Code Model Service Level Agreement is a Western Power document based on the 2012 Metering Code that forms a service level agreement with retailers where no other agreement has been set up. This document can be downloaded from Western Power's website. ▪ Processes with Western Power are embedded in Shell Energy Retail through the use of the Western Power web portal as the primary data management tool. The portal is the main interface between Western Power and Shell Energy Retail and Shell Energy Retail complies with the requirements of this system. ▪ Shell Energy Retail relies on Western Power's metrology procedure for invoicing its customers. This procedure is available on Western Power's website. ▪ The system rules in Shell Energy Retail's CRM that set out how long to wait until different transactions for meter data are created and submitted to Western Power are based on the Western Power's metrology procedure, the AEMO requirements and the Level of 	Western Power Network, Version 2.0, 28 June 2022		



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
					<p>Service contract between Shell Energy Retail and Western Power.</p> <ul style="list-style-type: none"> Under the Service Level Agreement between Western Power and Shell Energy Retail, Western Power are required to provide meter data within two days if there are no communication issues with the meters. 			
451	Retail 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	<ul style="list-style-type: none"> Shell Energy Retail has in place the necessary means of sending and receiving communication by post, facsimile and electronic communication. Generally Shell Energy Retail communicates with Western Power using phone and email. Western Power has been notified of all of Shell Energy Retail's communication details related to the acquisition of ERM Power and the subsequent name change. At the audit we confirmed evidence of communication between Shell Energy Retail and Western Power. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Examples of correspondence between Shell Energy Retail and Western Power 	A	1
453	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	<ul style="list-style-type: none"> Western Power has not requested Shell Energy Retail provide its contact details under the clause 7.2(4) of the Electricity Industry Metering Code during the audit period. As a result, we have not rated this obligation. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Correspondence with Western Power 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
454	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 subclause 7.2(4) at least 3 business days before the change takes effect.	4	<ul style="list-style-type: none"> Shell Energy Retail's contact details have changed during the audit period as a result of the acquisition of ERM Power Retail Pty Ltd, the previous licensee. Shell Energy Retail prepared a Communications Plan as part of the acquisition process and subsequent rebranding. Due to email archiving, Shell Energy Retail was not able to access the actual email that was sent to Western Power with the updated contact details. However, Shell Energy Retail was able to provide details of its rebranding communications. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Confirmation of communications with Western Power with regard to the rebranding of ERM Power to Shell Energy Retail 	A	1
455	Retail 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	<ul style="list-style-type: none"> Shell Energy Retail has quality management procedures for retaining confidential information. The Privacy Policy covers personal information. Confidential data, e.g., meter data, is provided in accordance with requirements under the Code. If a potential customer engages a broker for obtaining pricing information or receiving meter data from Shell Energy Retail, Shell Energy Retail requires a Letter of ERA before releasing any information. There have been no instances of non-compliance identified in relation to this requirement during the audit period. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Privacy Policy – Business Customers, Suppliers and Business Partners Shell Energy Retail CRM Example of consent for release of information to a broker 	A	1



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
456	Retail 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	<ul style="list-style-type: none"> As noted above, confidential data, e.g., meter data, is provided in accordance with requirements under the Code. If a potential customer engages a broker for obtaining pricing information or receiving meter data from Shell Energy Retail, Shell Energy Retail requires a Letter of ERA before releasing any information. 	<ul style="list-style-type: none"> Correspondence with customers Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Privacy Policy – Business Customers, Suppliers and Business Partners Shell Energy Retail CRM Example of consent for release of information to a broker Correspondence with customers 	A	1
457	Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 8.1(1)	If any dispute arises between any Code participants then (subject to subclause 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	<ul style="list-style-type: none"> No disputes between Code participants have occurred during the audit period. As a result, this obligation has not been rated. There are communication channels in place between Shell Energy Retail and Western Power should any disputes occur. Rules regarding dispute processes are set out in Section 29 of the Electricity Transfer Access Contract (ETAC). 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM Electricity Transfer Access Contract Correspondence with Western Power 	A	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
458	Retail 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	<ul style="list-style-type: none"> No disputes between Code participants have occurred during the audit period. As a result, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM Electricity Transfer Access Contract Correspondence with Western Power 	NP	N/R
459	Retail 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	<ul style="list-style-type: none"> No disputes between Code participants have occurred during the audit period. As a result, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM Electricity Transfer Access Contract Correspondence with Western Power 	NP	N/R
460	Retail 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	5	<ul style="list-style-type: none"> No disputes between Code participants have occurred during the audit period. As a result, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM 	NP	N/R



Ref no.	Licence condition	Obligations under condition	Description	Audit priority	Observations and recommendations	Evidence (include contact)	Controls rating	Compliance rating
			resolution and adhere to the resolution.			<ul style="list-style-type: none"> Electricity Transfer Access Contract Correspondence with Western Power 		
461	Retail 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	<ul style="list-style-type: none"> No disputes between Code participants have occurred during the audit period. As a result, this obligation has not been rated. 	<ul style="list-style-type: none"> Interview with General Manager Retail Operations, Product Owner and Compliance Advisor Shell Energy Retail CRM Electricity Transfer Access Contract Correspondence with Western Power 	NP	N/R



6 Recommendations

6.1 Performance audit

Table 11: Table of current non audit compliances and recommendations

A. Resolved during current audit period				
Licence obligation reference no. / Recommendation reference from previous audit (if applicable)	Non-compliance / Controls improvement (Rating / Licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation or action undertaken	Date resolved and action taken by the licensee	Auditor's comments
Nil	-	-	-	-

B. Unresolved at end of current audit period			
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Action taken by the licensee by end of audit period
Nil	-	-	-



7 Confirmation of the audit

I confirm that the audit carried out at Shell Energy Retail Pty Ltd on 14 November 2023 and recorded in this report is an accurate presentation of our findings and opinions.



Justin Edwards PhD MEng
Stantec Australia Pty Ltd
515 St Paul's Terrace
Fortitude Valley QLD 4006

07 December 2023



Appendices

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Appendix A Risk management framework

A.1 Types of Compliance Risk

Type of Risk	Examples
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.
Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

A.2 Risk Assessment Rating Scales

The consequence, likelihood, inherent risk and adequacy of internal controls are assessed using a 3-point rating scale as described below. The rating scale is as per the Audit and Review Guidelines: Electricity and Gas Licences, (Economic Regulation ERA), April 2014.

A.3 Consequence Rating

The consequence rating scale is outlined below.

Rating		Supply Quality and Reliability	Consumer Protection	Breaches of Legislation or Other Licence Conditions
1	Minor	<ul style="list-style-type: none"> Breaches of supply quality or reliability standards – affecting small number of customers. Delays in providing a small proportion of new connections. 	<ul style="list-style-type: none"> Customer complaints procedures not followed in a few instances. Small percentage of disconnections or reconnections not completed on time. Small percentage of bills not issued on time. 	<ul style="list-style-type: none"> Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties. Compliance framework generally fit for purpose and operating effectively.
2	Moderate	<ul style="list-style-type: none"> Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment. Supply interruptions affecting significant proportion of customers on the network for up to one day. Significant number of customers experiencing excessive number of interruptions per annum. Significant percentage of new connections not provided on time/ some customers experiencing extended delays 	<ul style="list-style-type: none"> Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills not issued on time. Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection. 	<ul style="list-style-type: none"> More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards.
3	Major	<ul style="list-style-type: none"> Supply interruptions affecting significant proportion of customers on the network for more than one day. Majority of new connections not completed on time/ large number of customers experiencing extended delays. 	<ul style="list-style-type: none"> Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection. 	<ul style="list-style-type: none"> Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. Compliance framework not fit for purpose, requires significant improvement.



A.4 Likelihood Ratings

The likelihood rating scale is described below.

Level	Description
A	Likely Non-compliance is expected to occur at least once or twice a year
B	Probable Non-compliance is expected to occur once every three years
C	Unlikely Non-compliance is expected to occur once every 10 years or longer

A.5 Inherent Risk Assessment Rating and Description

The inherent risk rating is based on the combined consequence and likelihood rating. The inherent risk assessment rating scale and descriptions are outlined below.

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Level	Description
High	Likely to cause major damage, disruption or breach of licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of service
Low	Unlikely to occur and consequences are relatively minor

A.6 Adequacy Ratings for Existing Controls

The adequacy of existing internal controls is also assessed based on a 3-point scale as indicated below.

Level	Description
Strong	Controls that mitigate the identified risks to an appropriate level
Moderate	Controls that only cover significant risks; improvement required
Weak	Controls are weak or non-existent and have minimal impact on the risks

A.7 Assessment of Audit Priority

The assessment of audit priority is used to determine the audit objectives, the nature of audit testing and the extent of audit testing required. It combines the inherent risk and risk control adequacy rating to determine the priority level.

Inherent Risk	Adequacy of Existing Controls		
	Weak	Moderate	Strong
High	Audit Priority 1	Audit Priority 2	
Medium	Audit Priority 3	Audit Priority 4	
Low	Audit Priority 5		



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