



Report

Electricity Retail Licence Performance Audit

Southern Energy WA Pty Ltd

07 March 2024

➔ **The Power of Commitment**



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Executive Summary

Southern Energy WA Pty Ltd is a Western Australian electricity retailer licenced to sell electricity to customers, excluding small use customers who consume 160 MWh or less of electricity per annum.

GHD conducted an Electricity Retail Licence Performance Audit to assess Southern Energy WA Pty Ltd's compliance with the conditions of their electricity retail licence ERL27 for the period 1 December 2019 to 30 November 2023.

The objective of the audit was to assess the effectiveness of measures taken by the licensee, Southern Energy WA Pty Ltd, to meet the conditions of their licence.

The audit was undertaken via documentation reviews and interviews with Southern Energy WA Pty Ltd representatives. No site visits were undertaken, as Southern Energy WA Pty Ltd do not own or manage any assets and all their activities are office-based.

Changes to the business

Southern Energy WA Pty Ltd's previous performance audit was conducted in 2019/2020. The key changes to the business since the previous audit are:

- A change of Director
- The addition of three new customers (which are owned by the same parent company as the Southern Energy WA Pty Ltd and the existing customer)

A deed of variation to the Electricity Transfer Access Contract with Western Power to extend the term of the agreement was also executed during the audit period.

Response to recommendations from the previous report

In response to the recommendations from the previous audit report, Southern Energy WA Pty Ltd has:

- Developed and implemented a Compliance Policy – Communications, which states that communication with ERA will be in writing and notices will be in writing and delivered electronically
- Emailed their accountants to request that future financial and accounting reports be compliant with Australian Accounting Standards Board Standards
- Developed an obligations & deadlines tracking spreadsheet, which includes the requirement for ERA compliance reporting

However, Southern Energy WA Pty Ltd did not develop two of the procedures recommended by the previous audit report, i.e.

- A procedure where financial and accounting reports are in accordance with AASBS
- A procedure where annual compliance reports are submitted on time to ERA

Summary of findings and recommendations

Table 1, overleaf, provides a summary of the findings and recommendations for the licence obligations where Southern Energy WA Pty Ltd were identified as being non-compliant or where control deficiencies were identified (controls rated C or D).

Table 1 Summary of findings and recommendations

Obligation No.	Licence obligation	Findings	Recommendation
105	Retail Licence, condition 4.2.1 A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	A2 Southern Energy WA Pty Ltd did not pay the prescribed fees to ERA for the period 30 November 2020 to 29 November 2021 within one month of the anniversary of the day on which the licence was granted.	<i>As Southern Energy WA Pty Ltd reported the non-compliance, addressed the cause and implemented additional controls during the audit period, no recommendation has been made.</i>
119	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.	C1 Southern Energy WA Pty Ltd have no system or procedure in place to ensure accounting records, including financial reports, will continue to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards	01/2024 Develop and implement a procedure that requires Southern Energy WA Pty Ltd's accounting records, including financial reports, to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards in line with Retail Licence condition 4.3.1.
124	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.	B2 Southern Energy WA Pty Ltd have no procedure in place to support on time submission of annual compliance reports to ERA.	02/2024 Develop and implement a procedure for obligations and deadlines for use in combination with the existing obligations & deadlines tracking spreadsheet to assist in achieving timely submission of annual compliance reports to ERA.

Control environment

The document reviews and interviews conducted for the audit indicate that Southern Energy WA Pty Ltd, in general, have basic controls in place to manage their licence obligations, commensurate with their situation as a small company with a single employee (Accounts Manager) and a small number of customers (4), which are all owned by the same parent company as Southern Energy WA Pty Ltd.

Southern Energy WA Pty Ltd do not own or manage any assets (including meters) which, combined with the contractual arrangements in place with Western Power, means Southern Energy WA Pty Ltd had no relevant activity during the audit period for a number of metering code related obligations such as those relating to reading meters and maintaining the register.

Overall assessment of compliance

The audit assessed the 70 licence obligations applicable for this audit period as defined by the Audit Plan [4], and rated Southern Energy WA Pty Ltd:

- Compliant with 23 obligations
- Non-compliant with two obligations

Forty-five (45) obligations were not rated, as no relevant activity took place during the audit period.

The obligations that were determined to be non-compliant were largely administrative in nature and had no effect on customers and minor to no effect on the network operator and/or the ERA.

This report is subject to, and must be read in conjunction with, the limitations set out in section 1.3 and the assumptions and qualifications contained throughout the Report.

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1. Introduction

1.1 Context

Southern Energy WA Pty Ltd is a Western Australian electricity retailer licenced to sell electricity to customers, excluding small use customers who consume 160 MWh or less of electricity per annum. Southern Energy WA Pty Ltd's licence number is ERL27. Southern Energy WA Pty Ltd do not manage any assets and all their activities are office-based.

An Electricity Transfer Access Contract is in place between Southern Energy WA Pty Ltd and Electricity Networks Corporation (known as Western Power), the network operator.

Under the requirements of the *Electricity Industry Act 2004* [1], each licensee must provide the Economic Regulation Authority (ERA) with a performance audit completed by an independent auditor every 24 months (or a longer period if the Authority allows).

Southern Energy WA Pty Ltd's previous performance audit was conducted in 2019/2020. The key changes to the business since the previous audit are:

- A change of Director
- The addition of three new customers (which are owned by the same parent company as the Southern Energy WA Pty Ltd and the existing customer)

A deed of variation to the Electricity Transfer Access Contract with Western Power to extend the term of the agreement was also executed during the audit period.

Southern Energy WA Pty Ltd engaged GHD, as an independent auditor, to undertake a performance audit for the period **1 December 2019 to 30 November 2023**. The appointment of GHD to conduct the audit was approved by ERA [2].

This report presents the findings of the performance audit conducted on Southern Energy WA Pty Ltd's electricity licence. The report has been completed in accordance with the Audit Plan [4] (approved by ERA on 16 January 2024 [3]) and ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences [5].

1.2 Purpose of this report

The purpose of this report is to:

- Describe the scope and objectives of the audit
- Present the audit findings, including the:
 - Auditor's observations
 - Auditor's recommendations
 - Status of the recommendations from the previous audit

1.3 Limitations

This report: has been prepared by GHD for Southern Energy WA Pty Ltd and may only be used and relied on by Southern Energy WA Pty Ltd for the purpose agreed between GHD and Southern Energy WA Pty Ltd as set out in section 1.2 of this report.

GHD otherwise disclaims responsibility to any person other than Southern Energy WA Pty Ltd arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report (including those listed in section 1.4 of this report). GHD disclaims liability arising from any of the assumptions being incorrect.

GHD has prepared this report on the basis of information provided by Southern Energy WA Pty Ltd and others who provided information to GHD (including Government authorities), which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report which were caused by errors or omissions in that information.

Audits by nature create a picture by collecting evidence based on a sample of the available information. It is therefore possible that non-compliance with one or more obligations may occur and go undetected.

Accessibility of documents

If this report is required to be accessible in any other format, this can be provided by GHD upon request and at an additional cost, if necessary.

1.4 Assumptions

The audit has been completed based on the following assumptions:

- Southern Energy WA Pty Ltd representatives interviewed during the audit provided, to the best of their ability, an accurate picture of their knowledge and understanding of Southern Energy WA Pty Ltd’s operations and activities for the audit period
- The documents provided by Southern Energy WA Pty Ltd are currently in use (e.g. Communications Policy [15]) and/or are authentic samples (e.g. Customer Transfer Requests [35])

1.5 Auditor’s Statement

This report is an accurate presentation of my findings and opinions.

Signature	
Date	06 March 2024
Lead Auditor	Katrina Cook
Contact details	180 Lonsdale St Melbourne, 3000 +61 3 8687 8421

2. Scope and methodology

2.1 Objective

The objective of the audit is to assess the effectiveness of measures taken by the licensee, Southern Energy WA Pty Ltd, to meet the conditions of their licence (ERL27).

2.2 Scope of Work

The scope of the audit is to perform a reasonable assurance engagement on Southern Energy WA Pty Ltd's compliance with the requirements of their electricity retail licence ERL27 for the period **1 December 2019 to 30 November 2023**, in line with the ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences [5].

An asset management system review is excluded from the scope as this is not required for Southern Energy WA Pty Ltd's licence.

Southern Energy WA Pty Ltd's previous compliance audit, completed in 2020, covered the period 30 November 2017 to 30 November 2019.

2.3 Approach

The audit was conducted using on the approach defined in the audit plan and in line with ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences (ERA Guidelines), as summarised in Figure 1 and Table 2.

Figure 1 Audit procedure

Conduct audit

- Evaluate documentation
- Interviews
- Review previous recommendations

Audit reporting

- Prepare draft report, including findings and recommendations
- Prepare final report addressing ERA feedback

Table 2 Audit procedure for each audit priority

Audit or Review Priority		Examples of possible audit procedures
1	High Priority	Not applicable for this audit
2		
3	Moderate Priority	Interview Accounts Officer and Director Desktop review of relevant documents Obtain evidence that policies, procedures and controls are in place and controls are working effectively (optional for audit priority 4) Examine compliance reports and, if applicable, breach register
4		
5	Low Priority	Interview Accounts Officer and Director High level desktop review of relevant documents Desktop review of policies, procedures and controls in place View compliance reports and, if applicable, breach register

2.4 Site visits

As Southern Energy WA Pty Ltd do not own or manage any assets, and all their activities are office-based, no sites were visited and the audit was completed as a desktop exercise with interviews carried out virtually via MS Teams.

2.5 Licensee personnel

The Southern Energy WA Pty Ltd representatives who participated in the audit are listed in Table 3.

Table 3 Licensee personnel

Name	Title	Role	Interview date/s
Jo Stan-Bishop	Accounts Officer	Primary contact, interviewee	17 January 2024 14 February 2024
Lorella Lionetti	Director	Interviewee	19 January 2024

2.6 Documentation

The documentation and information sources examined during the audit are listed in Section 5, and include the annual financial reports, the annual compliance reports and the electricity transfer access contract.

2.7 Work Schedule

The audit was undertaken over the period 12 January 2024 to 14 February 2024. The audit team members, the activities performed and the hours used by each team member are shown in Table 4.

Table 4 Work schedule and hours

Name	Role	Hours per activity	
		Conduct audit	Reporting
Katrina Cook	Lead Auditor	32	25
Riley Coleman	Auditor	5	3
Fiona Duncan	Report Reviewer	-	1.5
Greg Burkhalter	Report Approver	-	1

2.8 Deviations from the audit plan

There were no deviations from the audit plan required when conducting the audit.

3. Findings

3.1 Performance summary

Southern Energy WA Pty Ltd's performance in meeting each applicable licence obligation, as assessed during the audit, is summarised in Table 7 which shows:

- The licence obligation reference number and obligation, as defined by the Electricity Compliance Reporting Manuals applicable during the auditing period ([7], [8], [9], [10] and [11])
- The audit priority, as defined in the Audit Plan using a scale of 1 (highest priority) to 5 (lowest priority)
- The controls and compliance ratings, which use the rating scales defined by the ERA Guidelines and shown in Table 5 and Table 6 below :
 - Compliance is not rated for obligations where Southern Energy WA Pty Ltd did not perform the activity during the audit period
 - A control rating is required for licence obligations with an audit priority of 1 to 3 or if the obligation has been assessed as non-compliant

Licence obligations that were assessed as 'not applicable' in the Audit Plan have not been rated nor included in the performance summary.

Further detail on the basis for the ratings, auditor's observations and recommendations is provided in Table 12 of Appendix A.

A further summary of Southern Energy WA Pty Ltd's performance is provided in the form of a compliance and controls rating summary table in Table 8 on Page 10, following the performance summary table.

Table 5 Control ratings scale

Level	Description
A	Adequate controls – no improvement needed
B	Generally adequate controls – improvement needed
C	Inadequate controls – significant improvement required
D	No controls evident
N/P	Not performed – A controls rating was not required

Table 6 Compliance ratings scale

Level	Description
1	Compliant
2	Non-compliant – minor effect on customers or third parties
3	Non-compliant – moderate effect on customers or third parties
4	Non-compliant – major effect on customers or third parties
N/R	Not rated – No activity took place during the audit period

Table 7 Performance summary table

Licence obligation reference no.	Licence Obligation	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
Electricity Industry Customer Transfer Code – licence conditions and obligations												
6	Electricity Industry Customer Transfer Code, clause 3.2(2)	4					✓	✓				
7	Electricity Industry Customer Transfer Code, clause 3.4(1)	4					✓	✓				
8	Electricity Industry Customer Transfer Code, clause 3.5(3)	4					✓					✓
9	Electricity Industry Customer Transfer Code, clause 3.6(2)	4					✓					✓
16	Electricity Industry Customer Transfer Code, clause 3.9(1)	4					✓	✓				
17	Electricity Industry Customer Transfer Code, clause 3.9(2)	4					✓					✓
18	Electricity Industry Customer Transfer Code, clause 3.9(3)	4					✓	✓				
19	Electricity Industry Customer Transfer Code, clause 3.9(4)	4					✓	✓				
23	Electricity Industry Customer Transfer Code, clause 4.2(2)	4					✓	✓				
24	Electricity Industry Customer Transfer Code, clause 4.3	4					✓	✓				
25	Electricity Industry Customer Transfer Code, clause 4.4(1)	4					✓	✓				
26	Electricity Industry Customer Transfer Code, clause 4.4(2)	4					✓					✓
27	Electricity Industry Customer Transfer Code, clause 4.5(1)	4					✓	✓				
28	Electricity Industry Customer Transfer Code, clause 4.6(3)	4					✓					✓
29	Electricity Industry Customer Transfer Code, clause 4.7	4					✓	✓				
30	Electricity Industry Customer Transfer Code, clause 4.8(2)	4					✓					✓
34	Electricity Industry Customer Transfer Code,	4					✓					✓

Licence obligation reference no.	Licence Obligation	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
	clause 4.9(6)											
37A	Electricity Industry Customer Transfer Code, clause 4.10(4)	4					✓					✓
39	Electricity Industry Customer Transfer Code, clause 4.11(3)	4					✓					✓
40	Electricity Industry Customer Transfer Code, clause 4.12(3)	5					✓	✓				
43	Electricity Industry Customer Transfer Code, clause 4.15	5					✓					✓
44	Electricity Industry Customer Transfer Code, clause 4.16	4					✓	✓				
45	Electricity Industry Customer Transfer Code, clause 4.17	4					✓					✓
48A	Electricity Industry Customer Transfer Code, clause 6.1	3	✓					✓				
49	Electricity Industry Customer Transfer Code, clause 6.2	4					✓	✓				
52	Electricity Industry Customer Transfer Code, clause 6.4(1)	3	✓									✓
53	Electricity Industry Customer Transfer Code, clause 6.4(2)	3	✓									✓
54	Electricity Industry Customer Transfer Code, clause 6.6	4					✓	✓				
55	Electricity Industry Customer Transfer Code, clause 7.1(1)	5					✓					✓
56	Electricity Industry Customer Transfer Code, clause 7.1(2)	5					✓					✓
57	Electricity Industry Customer Transfer Code, clause 7.1(3)	4					✓					✓
58	Electricity Industry Customer Transfer Code, clause 7.2(4)	4					✓					✓
59	Electricity Industry Customer Transfer Code, clause 7.3(2)	5					✓					✓

Electricity Industry Act – Licence conditions and obligations

Licence obligation reference no.	Licence Obligation	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
101	Electricity Industry Act, section 13(1)	4					✓	✓				
105	<u>From 08/06/2020</u> Economic Regulation Authority (Licensing Funding) Regulations 2014	4	✓						✓			
	<u>Before 08/06/2020</u> Electricity Industry Act, section 17(1)											
106	Electricity Industry Act, section 31(3)	5					✓					✓
107	Electricity Industry Act, section 41(6)	4					✓					✓
Electricity licences – Licence conditions and obligations												
119	Retail Licence, condition 4.3.1	3			✓			✓				
121	Retail Licence, condition 5.3.2	4					✓	✓				
123	Retail Licence, condition 4.4.1	4					✓					✓
124	Retail Licence, condition 4.5.1	3		✓					✓			
125	Retail Licence, condition 3.8.1 and 3.8.2	4					✓					✓
126	Retail Licence, condition 3.7.1	4					✓	✓				
Electricity Industry Metering Code – Licence conditions and obligations												
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)	4					✓					✓
388	Electricity Industry Metering Code, clause 5.4(2)	4					✓					✓
401	Electricity Industry Metering Code, clause 5.16	4					✓					✓
402	Electricity Industry	4					✓					✓

Licence obligation reference no.	Licence Obligation	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
	Metering Code, clause 5.17(1)											
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)	3	✓									✓
454	Electricity Industry Metering Code, clause 7.2(5)	3	✓									✓
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	5					✓					✓

Licence obligation reference no.	Licence Obligation	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
	8.1(3)											
460	Electricity Industry Metering Code, clause 8.1(4)	4					✓					✓
461	Electricity Industry Metering Code, clause 8.3(2)	5					✓					✓

Table 8 Compliance and controls rating summary table

		Compliance rating					Total
		1	2	3	4	N/R	
Controls rating	A	1	1	-	-	4	6
	B	-	1	-	-	-	1
	C	1	-	-	-	-	1
	D	-	-	-	-	-	0
	N/P	21	-	-	-	41	62
	Total	23	2			45	70

3.2 Recommendations from the previous audit

The status of recommendations from the previous audit is provided in Table 9, overleaf.

Table 9 Status of recommendations addressing non-compliances from the previous audit

Recommendation reference	Non-compliance / Controls improvement	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not Applicable)
no./year	Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls			Details of further action required (including current recommendation reference, if applicable)
A. Resolved during current audit period				
01/2020	<p>D1 (48A) Electricity Industry Customer Transfer Code, clause 6.1</p> <p>Southern Energy do not have any procedures which ensure that notices are to be sent electronically to customers.</p>	<p>Southern Energy are to develop a procedure for notices to be in writing and delivered electronically.</p>	December 2020	No
02/2020	<p>D2 (53 & 454) Electricity Industry Customer Transfer Code, clause 6.4(2) & Electricity Industry Metering Code, clause 7.2(5)</p> <p>Southern Energy do not have any procedures in place which ensure that change in contact details are notified to Western Power.</p>	<p>Southern Energy are to develop a communications procedure to notify the network operator if there is a change in its contact details.</p> <p>Southern Energy to ensure that Western Power are notified in the event that there is change of contact details. This recommendation has been also raised for Obligation 53.</p>	December 2020	No
B. Unresolved at end of current audit period				
03/2020	<p>D2 (119) Retail Licence, condition 4.3.1</p> <p>Southern Energy do not have any procedures in place to ensure that accounting records are compliant with AASBS. Financial reports have been prepared by a third party chartered accountant (Adamo Accounting). The financial reports state that they do not comply with Australian Accounting Standards.</p>	<p>Southern Energy are to develop a procedure where financial and accounting reports are in accordance with AASBS.</p> <p>Southern Energy are to ensure that financial and accounting reports have been prepared to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.</p>	-	<p>Yes</p> <hr/> <p>Refer to recommendation 01/2024 in Table 11</p>

Recommendation reference	Non-compliance / Controls improvement	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not Applicable)
no./year	Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls			Details of further action required (including current recommendation reference, if applicable)
04/2020	<p>D2</p> <p>(124) Retail Licence, condition 4.5.1</p> <p>Southern Energy do not have any procedures in place to ensure that annual compliance reports are submitted on time to ERA. Southern Energy submits annual compliance reports to ERA via Dropbox. Compliance Reports from 2017 to 2018 were not submitted on time and was noted in the 2018 to 2019 report.</p>	<p>Southern Energy are to develop a procedure where annual compliance reports are submitted on time to ERA.</p> <p>Southern Energy to ensure that compliance reports are submitted on time to the ERA.</p>	-	<p>Yes</p> <hr/> <p>Refer to recommendation 02/2024 in Table 11</p>

3.3 Recommendations

The recommendations arising from the audit are provided in Table 10, for those resolved during current audit period, and Table 11 for those unresolved during current audit period.

Table 10 Recommendations to address current non-compliances and control deficiencies – resolved during current audit period

Licence obligation reference no.	Non-compliance / Controls improvement	Date resolved & action taken by the licensee	Auditor's comments
Recommendation reference from previous audit, if applicable	Rating / Licence obligation / Details of non-compliance or inadequacy of controls		
105	<p>A2</p> <p>Retail Licence, condition 4.2.1</p> <p>Southern Energy WA Pty Ltd did not pay the prescribed fees to ERA for the period 30 November 2020 to 29 November 2021 within one month of the anniversary of the day on which the licence was granted</p>	<p>2021</p> <p>Southern Energy WA Pty Ltd:</p> <ul style="list-style-type: none"> – Requested and obtained another copy of the invoice from ERA and made the payment – Updated their email system to prevent invoices being filter to spam – Developed and implemented a spreadsheet of obligations and deadlines, which includes the ERA licence fees – Recorded a reminder in the company desk diary (hard copy) which is used for tracking key dates 	<p>The action taken by Southern Energy WA Pty Ltd to resolve the non-compliance and prevent reoccurrence is considered suitable. No further action required.</p>
-			

Table 11 Recommendations to address current non-compliances and control deficiencies – unresolved during current audit period

<p>Recommendation reference</p> <p>No./year</p>	<p>Non-compliance / Controls improvement</p> <p>Rating / Licence obligation reference number & licence obligation / Details of non-compliance or inadequacy of controls</p>	<p>Auditor's recommendation</p>	<p>Action taken by the license by end of audit period</p>
<p>01/2024</p>	<p>C1 (119) Retail Licence, condition 4.3.1 Southern Energy WA Pty Ltd have no system or procedure in place to ensure accounting records, including financial reports, will continue to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.</p>	<p>Develop and implement a procedure that requires Southern Energy WA Pty Ltd's accounting records, including financial reports, to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards in line with Retail Licence condition 4.3.1.</p>	<p>Southern Energy WA Pty Ltd emailed their accountants to request that future financial and accounting reports be compliant with Australian Accounting Standards Board Standards.</p>
<p>02/2024</p>	<p>B2 (124) Retail Licence, condition 4.5.1 Southern Energy WA Pty Ltd have no procedure in place to support on time submission of annual compliance reports to ERA.</p>	<p>Develop and implement a procedure for obligations and deadlines for use in combination with the existing obligations & deadlines tracking spreadsheet to assist in achieving timely submission of annual compliance reports to ERA.</p>	<p>Southern Energy WA Pty Ltd developed an obligations & deadlines tracking spreadsheet, which includes the requirement for ERA compliance reporting.</p>

4. Terms and abbreviations

AASBS	Australian Accounting Standards Board Standards
ERA	Economic Regulation Authority
ERL27	Southern Energy WA Pty Ltd's Licence Number
ERA Guidelines	Reference [5]
GHD	GHD Pty Ltd, ABN: 39 008 488 373
MS Teams	Microsoft Teams, business communication software
MWh	Megawatt hour
N/P	(Controls rating) not performed, refer to Table 5 on Page 5
N/R	(Compliance) not rated, refer to Table 6 on Page 5
Southern Energy	Southern Energy WA Pty Ltd, ABN: 41 620 464 815
WA	Western Australia
Western Power	Electricity Networks Corporation, ABN 18 540 492 861

5. References and audit documentation

References

- [1] Legislation WA 2020, *Electricity Industry Act 2004*, ver. 03-b0-00 as at 07/04/2020, Perth (available at www.legislation.wa.gov.au).
- [2] Letter from Sara O'Connor (ERA) to Joanne Stan-Bishop (Southern Energy WA Pty Ltd), *Approval of auditor – 2023 performance audit*, sent by email 26 October 2023.
- [3] Letter from Sara O'Connor (ERA) to Joanne Stan-Bishop (Southern Energy WA Pty Ltd), *Approval of audit plan – 2023 performance audit*, sent by email 16 January 2024.
- [4] GHD 2024, *Audit Plan: Electricity Retail Licence Performance Audit: Southern Energy WA Pty Ltd*, rev. 0, GHD, Perth.
- [5] Economic Regulation Authority 2022, *2019 Audit and Review Guidelines: Electricity and Gas Licences*, Economic Regulation Authority, Perth.
- [6] Electricity Networks Corp (undated), *Electricity Industry Act 2004: Electricity Licence Area Retail: Licensee: Southern Energy WA Pty Ltd* (plan number ERA-EL-149), accessed from <https://www.erawa.com.au/electricity/electricity-licensing/licence-holders#S>.
- [7] Economic Regulation Authority 2018, *Electricity Compliance Reporting Manual: Electricity Industry Act 2004: July 2018*, Economic Regulation Authority, Perth.
- [8] Economic Regulation Authority 2020, *Electricity Compliance Reporting Manual: Electricity Industry Act 2004: June 2020* (D214851), Economic Regulation Authority, Perth
- [9] Economic Regulation Authority 2022, *Electricity Compliance Reporting Manual: Electricity Industry Act 2004: 7 February 2022* (D242791), Economic Regulation Authority, Perth.
- [10] Economic Regulation Authority 2023a, *Electricity Compliance Reporting Manual: Electricity Industry Act 2004: 03 January 2023* (D242791), Economic Regulation Authority, Perth.
- [11] Economic Regulation Authority 2023b, *Electricity Compliance Reporting Manual: Electricity Industry Act 2004: 20 February 2023* (D257714), Economic Regulation Authority, Perth.
- [12] Letter from Nicola Cusworth (ERA) to Joanne Stan-Bishop (Southern Energy WA Pty Ltd), *Southern Energy WA Pty Ltd – 2019 performance audit*, sent 28 April 2020.

Audit documentation and information sources

- [13] *Electricity Transfer Access Contract between Electricity Networks Corporation ABN 18 540 492 861 and Southern Energy WA Pty Ltd ACN 620 464 815*, executed on 12 February 2018.
- [14] *Deed of Variation to Electricity Transfer Access Contract between Electricity Networks Corporation ABN 18 540 492 861 and Southern Energy WA Pty Ltd ACN 620 464 815*, executed on 31 January 2023.
- [15] Southern Energy WA Pty Ltd 2020, *Compliance Policy – Communications*, ver. 21 December 2020, Southern Energy WA Pty Ltd, South Perth.
- [16] Email from Haydn Hesford (Adamo Accounting Group) to Joanne Stan-Bishop (Southern Energy WA Pty Ltd), *RE: Licence Compliance for Southern Energy*, sent 3 July 2020.
- [17] Adamo Accounting Group 2024, *Financial Statements: Southern Energy WA Pty Ltd: For the year ended 30 June 2023*, Adamo Accounting Group, Perth.
- [18] Adamo Accounting Group 2023, *Financial Statements: Southern Energy WA Pty Ltd: For the year ended 30 June 2022*, Adamo Accounting Group, Perth.
- [19] Adamo Accounting Group 2022, *Financial Statements: Southern Energy WA Pty Ltd: For the year ended 30 June 2021*, Adamo Accounting Group, Perth.

- [20] Adamo Accounting Group [undated], *Southern Energy WA Pty Ltd ABN 41 620 464 815: Financial Report For The Year Ended 30 June 2020*, Adamo Accounting Group, Perth.
- [21] GHD 2020, *Electrical Retail Licence Performance Audit Report: Southern Energy WA Pty Ltd*, rev. 0, GHD, Perth.
- [22] Letter from Paul Kelly (ERA) to Joanne Stan-Bishop (Southern Energy WA Pty Ltd), *Approval of auditor – 2019 performance audit*, sent by email 30 October 2019.
- [23] Southern Energy WA Pty Ltd 2020, *Annual Compliance Report, Time period: 1 July 2019 to 30 June 2020*, Southern Energy WA Pty Ltd, South Perth.
- [24] Southern Energy WA Pty Ltd 2021, *Annual Compliance Report, Time period: 1 July 2020 to 30 June 2021*, Southern Energy WA Pty Ltd, South Perth.
- [25] Southern Energy WA Pty Ltd 2022, *Annual Compliance Report, Time period: 1 July 2021 to 30 June 2022*, Southern Energy WA Pty Ltd, South Perth.
- [26] Southern Energy WA Pty Ltd 2023, *Annual Compliance Report, Time period: 1 July 2022 to 30 June 2023*, Southern Energy WA Pty Ltd, South Perth.
- [27] Extract from Southern Energy WA Pty Ltd's *Obligations and Deadlines* tracking spreadsheet, provided by Joanne Stan-Bishop.
- [28] Photo of Southern Energy WA Pty Ltd's physical desk diary used for tracking of key dates.
- [29] Sample of ERA invoices and transaction records for Southern Energy WA Pty Ltd's annual licence fee under the section 6(2)(c) of the Economic Regulation Authority (Licensing Funding) Regulations 2014.
- [30] Sample of email between ERA and Southern Energy WA Pty Ltd regarding standing data and performance reports.
- [31] Sample of emails from Southern Energy WA Pty Ltd to external parties providing notification of change of contact details in 2023.
- [32] Email from Joanne Stan-Bishop (Southern Energy WA Pty Ltd) to Sarah Lyons (ERA), *Southern Energy WA Contacts*, sent 20 September 2019.
- [33] Sample of emails between ERA and Southern Energy WA Pty Ltd regarding the progress towards implementing the actions from the 2019 Performance Audit Post Audit Implementation Plan.
- [34] Sample of completed Verifiable Consent to Access Standing Data and Historical Meter Data forms.
- [35] Sample of customer transfer requests as submitted by Southern Energy WA Pty Ltd via the Western Power online portal.
- [36] Sample of customer information and attribute records.

Appendices

Appendix A

Observations & recommendations

Table 12 Detailed observations & recommendations

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
Electricity Industry Customer Transfer Code – licence conditions and obligations								
6	<p><u>From 07/02/2022</u> Retail Licence, condition 4.1.1</p> <p><u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)</p>	Electricity Industry Customer Transfer Code, clause 3.2(2)	A retailer must submit a separate data request for each connection point, unless otherwise agreed.	4	<p>Based on the interviews with the Accounts Officer, data requests are completed via Western Power's online portal. The portal is set up such that each request is associated with a single connection point.</p> <p>Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.</p>	N/P	1	-
7	<p><u>From 07/02/2022</u> Retail Licence, condition 4.1.1</p> <p><u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)</p>	Electricity Industry Customer Transfer Code, clause 3.4(1)	A retailer must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day, unless otherwise agreed.	4	<p>Based on the interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd submitted data requests electronically via Western Power's online portal and did not exceed the prescribed number of standing (100) or historical (100) data requests in a business day.</p> <p>Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.</p>	N/P	1	-
8	<p><u>From 07/02/2022</u> Retail Licence, condition 4.1.1</p> <p><u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)</p>	Electricity Industry Customer Transfer Code, clause 3.5(3)	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	4	<p>Based on the interviews with the Accounts Officer, there were no verifiable consents withdrawn during the audit period.</p> <p>Therefore, compliance for this obligation is not rated as no relevant activity occurred during the audit period.</p>	N/P	N/R	-
9	<p><u>From 07/02/2022</u> Retail Licence, condition 4.1.1</p> <p><u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)</p>	Electricity Industry Customer Transfer Code, clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn.	4	<p>Based on the interviews with the Accounts Officer, there were no requests withdrawn during the audit period.</p> <p>Furthermore, Western Power do not charge Southern Energy WA Pty Ltd for accessing data via the Western Power Portal.</p> <p>Therefore, compliance for this obligation is not rated as no relevant activity occurred during the audit period.</p>	N/P	N/R	-
16	<p><u>From 07/02/2022</u> Retail Licence, condition 4.1.1</p> <p><u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)</p>	Electricity Industry Customer Transfer Code, clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the retailer; or to initiate a transfer of that customer.	4	<p>Based on document reviews ([34], [35]) and interviews with the Accounts Officer and the Director:</p> <ul style="list-style-type: none"> - Customer data was obtained during the audit period for the purposes of quotation and customer transfer and used for that purpose only - Customer data is stored securely and accessible only to authorised Southern Energy WA Pty Ltd personnel <p>Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.</p>	N/P	1	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
17	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	Based on the interviews with the Accounts Officer and the Director, no relevant activity occurred during the audit period, therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
18	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	4	Based on document reviews [34] and interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd did not disclose customer data to any party without verifiable consent. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
19	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	4	Based on a sample of documents [34] and the interviews with the Accounts Officer, Southern Energy WA Pty Ltd keep a copy of the verifiable consent forms from customers for at least the required period. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
23	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.2(2)	A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed.	4	Based on document reviews [35] and the interviews with the Accounts Officer, customer transfer requests are submitted via Western Power's online portal and a separate transfer request was submitted for each relevant connection point. The portal is set up such that each request is associated with a single connection point. It is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
24	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer that submitted the customer transfer request or to reverse an erroneous transfer.	4	Based on document reviews [35] and the interviews with the Accounts Officer, transfer requests are completed via Western Power's online portal, which requires that the appropriate information is included in the request. Transfer requests for customer transfer only were submitted during the audit period, and it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
25	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.4(1)	<u>From 20/02/2023</u> A retailer may only submit a customer transfer request if it has an access contract for the network unless it is to reverse an erroneous transfer.	4	Based on document reviews ([13], [14], [35]) and interviews with the Accounts Officer and the Director: – Customer transfer requests were submitted to Western Power during the audit period – An Electricity Transfer Access Contract was in place between Southern Energy WA Pty Ltd and Western Power at the commencement of the audit period and, prior to the termination date of that contract, a Deed of Variation was executed to extend the contract Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)		<u>Before 20/02/2023</u> 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.					
26	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	4	Based on information provided by the Accounts Officer, no relevant activity (transfer request reversals) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
27	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.5(1)	A retailer must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date, unless otherwise agreed.	4	Based on document reviews [35] and the interviews with the Accounts Officer, Southern Energy WA Pty Ltd submitted data requests electronically via Western Power's online portal and did not exceed the prescribed number of requests in a business day (20) or with the same nominated transfer data (20). Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
28	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	4	Based on information provided by the Accounts Officer, no relevant activity (withdrawal of transfer requests) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
29	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	4	Based on a sample of customer transfer requests [35], the nominated transfer dates were in accordance with the specified timeframes. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
30	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	Based on information provided by the Accounts Officer, no relevant activity (withdrawal of transfer requests) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
34	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	Based on information provided by the Accounts Officer, no relevant activity (network operator objection to transfer request) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
37A	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 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	Interviews with the Accounts Officer and the Director indicate no relevant activity (transfer of a Southern Energy WA Pty Ltd customer to another retailer) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
39	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	4	Based on information provided by the Accounts Officer, no relevant activity (failure to read customer's meter on the transfer date) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
40	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	5	A Deed of Variation to Electricity Transfer Access Contract between Southern Energy WA Pty Ltd and Western Power was executed during the audit period (in 2023) [14]. Interviews with the Accounts Officer and the Director did not provide evidence that there was any lack of good faith from either party during the contract negotiations. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
43	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and, if applicable, AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.	5	Based on information provided by the Accounts Officer, no relevant activity (erroneous transfer) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
44	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.16	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	4	Based on a sample of documents [34] and the interviews with the Accounts Officer, Southern Energy WA Pty Ltd keep a copy of the verifiable consent forms from customers for at least the required period. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
45	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	4	Interviews with the Accounts Officer and the Director indicate no relevant activity (transfer of a Southern Energy WA Pty Ltd customer to another retailer) occurred during the audit period. Therefore compliance with this obligation is not rated.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
48A	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	3	Southern Energy WA Pty Ltd implemented a Compliance Policy – Communications [15] in 2020, which states that Southern Energy WA Pty Ltd will communicate with the network operator (and other relevant bodies) via written mediums, including email, which is aligned to this obligation. Based on a sample of documents [35] and interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd's notices during the audit period (including customer transfer requests) have been in writing. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	A	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
49	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	4	Based on a sample of documents [35] and the interviews with the Accounts Officer, data requests and customer transfer requests are completed via Western Power's online portal. The portal is set up such that each request is associated with a single connection point. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
52	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	3	Southern Energy WA Pty Ltd implemented a Compliance Policy – Communications [15] in 2020, which is aligned to this obligation. Based on the interviews with the Accounts Officer, Western Power did not make any contact detail requests during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	A	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
53	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 6.4(2)	A retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect.	3	In response to findings and recommendations from the 2019 audit (refer to Table 9), Southern Energy WA Pty Ltd implemented a Compliance Policy – Communications [15] in 2020, which is aligned to this obligation. Based on document reviews ([31], [25], [26], [32]) and on interviews with the Accounts Officer and the Director, there were no changes to Southern Energy WA Pty Ltd's notified contact details during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred.	A	N/R	
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
54	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	4	Document reviews ([31], [35]) and the interviews with the Accounts Officer indicate that electronic communications between Southern Energy WA Pty Ltd and Western Power are working effectively via the Western Power portal and via email. Therefore, it is concluded that Southern Energy WA Pty Ltd complied with this obligation during the audit period.	N/P	1	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
55	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 7.1(1)	For a dispute in respect of a matter under, or in connection with, the Electricity Industry Customer Transfer Code, the disputing parties must meet, within five business days of a request by one of those parties, and attempt to resolve the dispute through negotiations that are conducted in good faith.	5	Based on interviews with the Accounts Officer and the Director, there were no disputes under, or in connection with, the Electricity Industry Customer Transfer Code during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
56	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute through negotiations that are conducted in good faith.	5	Based on interviews with the Accounts Officer and the Director, there were no disputes under, or in connection with, the Electricity Industry Customer Transfer Code during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
57	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	Based on interviews with the Accounts Officer and the Director, there were no disputes under, or in connection with, the Electricity Industry Customer Transfer Code during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
58	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 7.2(4)	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	4	Based on interviews with the Accounts Officer and the Director, there were no disputes under, or in connection with, the Electricity Industry Customer Transfer Code during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
59	<u>From 07/02/2022</u> Retail Licence, condition 4.1.1	Electricity Industry Customer Transfer Code, clause 7.3(2)	A disputing party must, at all times, conduct itself in a manner that is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	5	Based on interviews with the Accounts Officer and the Director, there were no disputes under, or in connection with, the Electricity Industry Customer Transfer Code during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
	<u>Before 07/02/2022</u> Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
Electricity Industry Act – Licence conditions and obligations								
101	Retail Licence, condition 5.3.1	Electricity Industry Act, section 13(1)	<u>From 07/02/2022</u> 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 (or any longer period that the ERA allows).	4	The previous (and first) performance audit for Southern Energy WA Pty Ltd in 2019/2020 was conducted by GHD [21]. This appointment was approved by ERA [22]. Following this audit, the ERA notified Southern Energy WA Pty Ltd that they had achieved an adequate level of compliance with the licence and increased the audit period from 24 to 48 months [12]. GHD have been appointed, with ERA approval [2], to conduct the current audit for the period 1 December 2019 to 30 November 2023 to a timeline acceptable to ERA.	N/P	1	-
			<u>Before 07/02/2022</u> 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.					

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
105	Retail Licence, condition 4.2.1	<p><u>From 08/06/2020</u> Economic Regulation Authority (Licensing Funding) Regulations 2014</p> <p><u>Before 08/06/2020</u> Electricity Industry Act, section 17(1)</p>	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	4	<p>Based on document reviews ([23], [24], [25], [26], [29]) and the interviews with the Accounts Officer the prescribed fees were paid to ERA during the audit period.</p> <p>However, the licence fees for the period 30 November 2020 to 29 November 2021 were paid late, i.e. were not paid within one month of the anniversary of the day on which the licence was granted, as required by the Economic Regulation Authority (Licensing Funding) Regulations 2014, clause 6.3.</p> <p>Therefore, it is concluded that Southern Energy WA Pty Ltd were non-compliant during the audit period.</p> <p>Southern Energy WA Pty Ltd determined that the payment was initially missed as the invoice from ERA was erroneously identified as spam by their email system.</p> <p>To avoid recurrence of this issue, Southern Energy WA Pty Ltd took the following action:</p> <ul style="list-style-type: none"> - Requested another copy of the invoice from ERA and made the payment - Updated their email system - Developed and implemented a spreadsheet of obligations and deadlines, which includes the ERA licence fees [27] - Recorded a reminder in the company desk diary (hard copy) which is used for tracking key dates [28] <p>Based on these updates, the controls currently in place are rated as adequate.</p>	A	2	<i>As Southern Energy WA Pty Ltd reported the non-compliance [24], addressed the cause and implemented additional controls during the audit period, no recommendation has been made.</i>
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.	5	<p>Based on interviews with the Accounts Officer and the Director, the electricity supply is managed by the network operator (Western Power) and Southern Energy WA Pty Ltd has no control over the extent, or duration, of any interruption, suspension or restriction of the supply of electricity.</p> <p>Therefore, compliance with this obligation is not rated.</p>	N/P	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	<p>Based on interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd did not take an interest in land or an easement over land during the audit period.</p> <p>Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.</p>	N/P	N/R	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
Electricity licences – 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.	3	<p>Document reviews demonstrated that the Financial Statements for the audit period ([17], [18], [19] and [20]) state that they comply with the Australian Accounting Standards Board.</p> <p>Therefore, it has been concluded that Southern Energy WA Pty Ltd complied with this obligation</p> <p>The previous audit in 2020 [21] found that the financial reports for that audit period stated that they did not comply with Australian Accounting Standards and a recommendation was made to develop a procedure for financial and accounting reports in accordance with the standards and to ensure reports are prepared to comply with the standards (refer to Table 9).</p> <p>To address this recommendation, Southern Energy WA Pty Ltd emailed their accountants to request that future financial and accounting reports be compliant with Australian Accounting Standards Board Standards, which was acknowledged by the accountants [16].</p> <p>However, the procedure recommended in the previous audit and included in the post implementation plan has not been developed. Based on the evidence provided, compliance with this requirement was achieved due to the email request and the awareness of individual personnel rather than effective ongoing controls. Should the current Accounts Officer leave Southern Energy WA Pty Ltd and/or new accountants be engaged, there is no system or documentation in place to provide confidence that compliance with this obligation would be maintained. As a result, the controls have been assessed as inadequate.</p>	C	1	01/2024 Develop and implement a procedure that requires Southern Energy WA Pty Ltd's accounting records, including financial reports, to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards in line with Retail Licence condition 4.3.1.
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 guidelines for a performance audit.	4	<p>The previous audit report in 2020 [21], approved by ERA, states that it followed the methodology defined in the 2019 Audit Review Guidelines – Electricity and Gas Licences.</p> <p>The Audit Plan [4] for this audit, approved by ERA [3], states that the audit will be conducted in line with the ERA guidelines [5].</p> <p>Therefore, it has been concluded that Southern Energy WA Pty Ltd complied with this obligation.</p>	N/P	1	-
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	<p>Based on interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd is not under external administration and there has been no significant change in the circumstances under which the licence was granted.</p> <p>Therefore, compliance with this obligation is not rated.</p>	N/P	N/R	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
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.	3	<p>Based on documentation reviews ([23], [24], [25], [26], [30]) and interviews with the Accounts Officer:</p> <ul style="list-style-type: none"> Annual Compliance Reports were submitted to ERA each year during the audit period Emails regarding standing data were provided to ERA (i.e. number of customers for the purposes of calculating standing data charge) Performance reports were not required as Southern Energy WA Pty Ltd do not supply small use customers <p>However, the Annual Compliance Report for the period 1 July 2019 to 30 June 2020 was submitted late, therefore, it is concluded that Southern Energy WA Pty Ltd were non-compliant during the audit period.</p> <p>Southern Energy WA Pty Ltd attributed the missed compliance report deadline to dealing with COVID disruptions and an audit taking place and:</p> <ul style="list-style-type: none"> Submitted the compliance report to ERA Developed an obligations & deadlines tracking spreadsheet, which includes the requirement for ERA compliance reporting <p>The procedure recommended in the previous audit has not been developed.</p> <p>Based on the evidence provided, the tracking spreadsheet is a useful tool, however the compliance report process remains heavily reliant on the knowledge and experience of the existing Accounts Officer. Without further documentation, the current controls do not appear sufficient to assure compliance should there be a change in personnel. Therefore, the controls have been rated as requiring improvement.</p>	B	2	02/2024 Develop and implement a procedure for obligations and deadlines for use in combination with the existing obligations & deadlines tracking spreadsheet to assist in achieving timely submission of annual compliance reports to ERA.
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	<p>Based on the interviews with the Accounts Officer, the ERA did not direct Southern Energy WA Pty Ltd to publish any information during the audit period.</p> <p>Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.</p>	N/P	N/R	-
126	Electricity Industry Act, section 11	Retail Licence, condition 3.7.1	All notices must be in writing, unless otherwise specified.	4	<p>Southern Energy WA Pty Ltd implemented a Compliance Policy – Communications [15] in 2020, which states that communication with ERA will be in writing.</p> <p>Based document reviews ([31], [33]) and the interviews with the Accounts Officer, Southern Energy WA Pty Ltd communication with ERA in connection with the licence is conducted in writing.</p> <p>Therefore, it has been concluded that Southern Energy WA Pty Ltd complied with this obligation.</p>	N/P	1	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
Electricity Industry Metering Code – Licence conditions and obligations								
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 operator within 2 business days.	4	Southern Energy WA Pty Ltd don't have any meters; meters are owned and operated by Western Power. Based on the interviews with the Accounts Officer, Southern Energy WA Pty Ltd did not detect any bi-directional electricity flows at a metering point during the audit period (and it is unlikely that they would do so before Western Power). Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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	Based on the interviews with the Accounts Officer, Southern Energy WA Pty Ltd did not identify any outage or malfunction of a metering installation during the audit period (and it is unlikely that they would do so before Western Power). Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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	Based on the interviews with the Accounts Officer, Southern Energy WA Pty Ltd are not aware of any discrepancies between energy data held in a metering installation and in the metering database during the audit period. Therefore, compliance with this obligation is not rated.	N/P	N/R	-
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	Based on the interviews with the Accounts Officer, the metering database is managed by Western Power and Southern Energy WA Pty Ltd did not detect any inaccuracies in the registry during the audit period. Therefore, compliance with this obligation is not rated.	N/P	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.	4	Based on the interviews with the Accounts Officer, the metering database is managed by Western Power and Southern Energy WA Pty Ltd did not detect any changes to or inaccuracies in the registry during the audit period. Therefore, compliance with this obligation is not rated.	N/P	N/R	-
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 network operator's obligation under subclause 5.4(1).	4	Based on the interviews with the Accounts Officer, Western Power did not request assistance from Southern Energy WA Pty Ltd with meter readings during the audit period. Therefore, compliance with this obligation is not rated.	N/P	N/R	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
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 communication rules) within the timeframes prescribed.	4	Based on the interviews with the Accounts Officer, the collection of energy data is managed by Western Power and Southern Energy WA Pty Ltd is not involved in this process. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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	Based on the interviews with the Accounts Officer, the collection of standing data and energy data is managed by Western Power and Southern Energy WA Pty Ltd is not involved in this process. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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 prescribed information, including the stated attributes, within the timeframes prescribed.	4	Based on the interviews with the Accounts Officer, the collection of energisation status data is managed by Western Power and Southern Energy WA Pty Ltd is not involved in this process. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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	Based on the interviews with the Accounts Officer, Western Power did not request that Southern Energy WA Pty Ltd collect information from customers during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
407	Retail Licence, condition 4.1.1	Electricity Industry Metering Code, clause 5.19(2)	<p><u>From 07/02/2022</u> 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. Note: The prescribed information listed in clause 5.19(2) was changed by the <i>Electricity Industry (Metering) Amendment Code 2018</i>.</p> <p><u>Before 07/02/2022</u> 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.</p>	5	Based on documentation reviews ([36], [35], [34]) Southern Energy WA Pty Ltd have collected and maintained the prescribed information during the audit period. Therefore, it has been concluded that Southern Energy WA Pty Ltd complied with this obligation	N/P	1	-
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	Based on documentation reviews [36] and the interviews with the Accounts Officer, no relevant activity (change in attribute) occurred during the audit period, therefore compliance with this obligation is not rated.	N/P	N/R	-
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	Based on the interviews with the Accounts Officer, no relevant activity (change in attribute) occurred during the audit period, therefore compliance with this obligation is not rated.	N/P	N/R	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
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	Based on interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd did not request Western Power undertake any tests or audits during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	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	Based on interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd did not request Western Power undertake any tests or audits during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	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 with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	Based on interviews with the Accounts Officer and the Director, no relevant activity (request from the network operator) occurred during the audit period, therefore compliance with this obligation is not rated	N/P	N/R	-
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	Based on interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd are not aware of any instances where they were non-compliant with the rules, procedures, agreements and criteria under clause 6.1(2). Therefore, it has been concluded that Southern Energy WA Pty Ltd complied with this obligation	N/P	1	-
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	Based on document reviews ([31], [32]) and interviews with the Accounts Officer, Southern Energy WA Pty Ltd has the ability to send and receive notices by post, fax, and electronic communications, and have notified the network operator of the telephone numbers for voice communication. Therefore, it has been concluded that Southern Energy WA Pty Ltd complied with this obligation	N/P	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.	3	Southern Energy WA Pty Ltd implemented a Compliance Policy – Communications [15] in 2020, which is aligned to this obligation. Based on the interviews with the Accounts Officer, Western Power did not make any contact detail requests during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	A	N/R	-
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.	3	Based on document reviews ([31], [25], [26], [32]) and on interviews with the Accounts Officer and the Director there were no changes to Southern Energy WA Pty Ltd's notified contact details during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred.	A	N/R	-
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	Based on interviews with the Accounts Officer and the Director, Southern Energy WA Pty Ltd did not disclose, or permit the disclosure of, confidential information nor use it for any purpose other than that for which it was disclosed during the audit period.	N/P	1	-

No.	Obligations under licence condition	Licence obligation	Summary description	Audit priority	Observations	Controls rating	Compliance rating	Recommendations
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	Based on interviews with the Accounts Officer and the Director, there was no requirement for standing data and energy data or other confidential information to be disclosed by Southern Energy WA Pty Ltd during the audit period. Therefore this obligation is not rated as no relevant activity occurred.	N/P	N/R	-
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	Based on interviews with the Accounts Officer and the Director, there were no disputes between Southern Energy WA Pty Ltd and any other Code participants during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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	Based on interviews with the Accounts Officer and the Director, there were no disputes between Southern Energy WA Pty Ltd and any other Code participants during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	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	Based on interviews with the Accounts Officer and the Director, there were no disputes between Southern Energy WA Pty Ltd and any other Code participants during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	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 resolution and adhere to the resolution.	4	Based on interviews with the Accounts Officer and the Director, there were no disputes between Southern Energy WA Pty Ltd and any other Code participants during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-
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	Based on interviews with the Accounts Officer and the Director, there were no disputes between Southern Energy WA Pty Ltd and any other Code participants during the audit period. Therefore, compliance with this obligation is not rated as no relevant activity occurred during the audit period.	N/P	N/R	-



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