

Customer Hardship and Disconnections Compliance Audit

In July 2021, the Australian Energy Regulator (AER) required Alinta Energy to carry out a reasonable assurance compliance audit in connection with its disconnection and hardship obligations under the National Energy Retail Law and Rules, and its obligation to submit compliance information and data to the AER under the AER Compliance Procedures and Guidelines.

Alinta Energy was required to assess the adequacy and effectiveness of their disconnection, hardship and compliance policies, procedures and systems.

Below is a summary of the key findings and recommendations made by Alinta Energy's nominated auditor, KPMG. Alinta Energy has considered the recommendation/s and an implementation plan has been undertaken.

Findings	Recommendations
Partial compliance – not applicable	
Finding 1:	Recommendation 1:
Finding 2:	Recommendation 2:

Non-compliance – not applicable

Finding 1:

Recommendation 1:

Finding 2:

Recommendation 2:

Improvement opportunity

Finding 1:

We noted inconsistency between managements stated policies in Work Instructions (Wis) and the operation of the process in regard to payment plans:

- quarterly review of payment plans: AE's WI state that any account with a payment plan is subject to a quarterly review, however our sample testing found that a quarterly review was only conducted on Hardship customers (not other types of customers who may be on a payment plan). Management have advised the intention of the policy was that only Hardship payment plan customers in the NECF states are subject to review.
- Provision of letters to customers post completion of reviews: AE's WI/call script state that customers will receive a letter after the quarterly review phone call, however based on our sample testing we noted a letter is only generated and sent to customers where there is a change in their payment plan.

Recommendation 1:

We recommend management update WIs to reflect management's intention and the actual operation of the controls.

Finding 2:

Quality Assurance: While management were able to demonstrate how QA scorecards are traced to individual interactions no individual customer reference number is included.

Recommendation 2:

We would recommend including a unique reference number (eg. customer ID) to facilitate review and evidencing of monitoring activities undertaken by the QA team and provide an efficient audit trail

Finding 3:

In our testing we noted that while agents had completed their mandatory training and there are systems and processes in place which can monitor training completion there is no policy which assign responsibilities for follow up and disciplinary action in relation to agent training completion.

Recommendation 3:

Implement a policy to assign responsibilities to monitor agent training completion to ensure that mandatory training (related to hardship and disconnections obligations) is completed by all agents within a reasonable timeframe and disciplinary actions where agents have not complied with the mandatory training policy

Finding 4:

During testing we noted that there was no formal documented policy for regular review of the hardship policy for regulatory reform changes.

Recommendation 4:

We recommend management document a policy and/or process for regular review of the hardship policy for regulatory reform changes.

Finding 5:

The Retail Markets Event Management Procedure document maintained by AE to document their processes and procedures relating to compliance and breach reporting obligations and responsibilities is in draft.

Recommendation 5:

Formalise the draft 'Retail Markets Event Management Procedure' to ensure staff are aware of regulatory reporting requirements in relation to breaches of obligations. Furthermore, we recommend AE include within their policy timelines for reporting and responsibilities for review to ensure staff are aware of AER reporting requirements and timelines for reporting including for immediate reports, quarterly reports and half yearly reports.