



Performance Reporting Compliance Audit

In March 2020 the Australian Energy Regulator (AER) required EnergyAustralia to carry out a limited assurance compliance audit in connection with its performance reporting obligations under the National Energy Retail Law and the *AER (Retail Law) Performance Reporting Procedures and AER Guidelines*.

EnergyAustralia was required to assess the adequacy and effectiveness of their compliance policies, procedures and systems in a number of key areas.

Below is a summary of the key findings and recommendations made by EnergyAustralia's nominated auditor, PricewaterhouseCoopers (PwC). EnergyAustralia has considered the recommendations and is implementing remediation plans to improve on each of the key areas.

Findings

Recommendations

Reporting requirements for regulated entities

EnergyAustralia identified and previously reported to the AER on inaccurate payment plan indicators

EnergyAustralia's interpretation for performance indicators relating to payment plans and system logic used to report on these indicators were not aligned to the AER's definition per Section 2 of the AER (Retail Law) Performance Reporting Procedures and Guidelines (Version 3, April 2018). As a result, the AER submission included inaccurate customer payment plan data for the specified period (Q2, FY2020). EnergyAustralia has subsequently identified and self-reported this finding to the AER prior to the audit engagement.

Agreed actions focused on reviewing data reported for other periods to identify whether they had been similarly affected and the implementation of a periodic script review process.

EnergyAustralia reported this action had been undertaken and was considered closed.

Findings

Opportunity to strengthen quality assurance processes and controls

An improvement opportunity was noted whereby the quality assurance controls procedures requirements could be consistently documented and applied across accountable business units.

No non-compliances were reported as a result of this improvement opportunity.

Recommendations

Agreed actions focused on defining and formalising a standardised methodology for quality assurance procedures across EnergyAustralia to confirm compliance with the requirements of performance reporting obligations.

EnergyAustralia reported this action as in progress. Accountability and resolution dates have been defined.

Opportunity to formalise training in relation to performance reporting

An improvement opportunity was noted whereby the performance reporting training program should be further formalised by management. Currently the key team members involved in the performance reporting process receive regular on the job training.

No non-compliances were reported as a result of this improvement opportunity

Agreed actions focused on finalising the training program to ensure that the training provided to key team members is fit for purpose, current, effective and regularly reviewed.

EnergyAustralia reported this action as in progress. Accountability and resolution dates have been defined.

Simulation activity: Q2 1 October to 31 December 2019 Quarterly Report

EnergyAustralia identified and previously reported to the AER on incomplete customer complaint data

53 customer complaints were incorrectly excluded in the AER submission for the specified period (Q2, FY2020). This was due to an error in migration of data from a legacy system to a new complaints management system. EnergyAustralia has subsequently identified and reported this finding to the AER.

Agreed actions focused on reviewing customer complaint data reported for subsequent periods to identify whether they had been similarly affected and the implementation of a periodic review process for new system implementations.

EnergyAustralia reported this action had been undertaken and was considered closed.

One customer was incorrectly reported in the performance indicator S3.27 – Number of residential customers referred to external credit collection agency for debt recovery with energy debt up to \$500

As part of the production verification tests of a new system implementation, a customer account was manually referred to a third-party collection agency to be recalled within the same day. As such, one (1) customer account was

Agreed actions focused on continuing to perform reconciliations with third-party collection agencies to ensure customer accounts are not referred and/or reported in error.

EnergyAustralia reported this action had been undertaken as was considered closed.

Findings

inaccurately included in the AER submission for the specified period (Q2, FY2020).

Recommendations

One customer was incorrectly reported in performance indicator S2.3 – Number of small business customers who have moved from standard to market retail contracts

A transposition error was made during the preparation of the report resulted in One (1) customer was inaccurately included in the AER submission for the specified period (Q2, FY2020).

Agreed actions focused on re-training the peer reviewer and ensuring more rigour in the peer review process to mitigate human error.

EnergyAustralia reported this action had been undertaken and was considered closed.