



Evoenergy – electricity

Life Support

Compliance Audit

In June 2019 the Australian Energy Regulator (AER) required Evoenergy to carry out a compliance audit in connection with its life support obligations under the National Energy Retail Law and Rules.

Evoenergy was required to assess the adequacy and effectiveness of their compliance policies, procedures and systems in a number of key areas and to assign an overall grading of:

- **Adequate/Effective:** Minimal or no action required, with only minor and low risk findings. Improvement opportunities exist to achieve best practice in meeting the relevant obligations.
- **Partially adequate/effective:** Improvement is required to some key processes and controls, and is likely to require substantial effort in order to support compliance with the relevant obligations.
- **Inadequate/Ineffective:** Significant improvement is required, and may require urgent revision to or implementation of processes and controls in order to support compliance.

Findings

Registration of life support equipment

The audit identified there was not a consistently applied control for exception reporting, training/work instruction that was inconsistent with the requirements of the obligation, and process weaknesses related to life support register reconciliation.

Recommendations focused on developing a structured exception reporting process, life support training and process revision, and developing effective life support register reconciliation through process enhancement and communication with retailers.

Confirmation of premises as requiring life support equipment

The audit identified instances where training/work instruction was inconsistent with the requirements of the obligation.

Recommendations focused on updating life support training and work instructions.

Ongoing retailer and distributor obligations

The audit identified weaknesses in completeness and accuracy controls, which impacted process effectiveness, and process weaknesses related to life support register

Findings

reconciliation.

Recommendations focused on strengthening internal controls and improved life support register reconciliation through process enhancement and communication with retailers.

Deregistration of premises

The audit identified weaknesses in completeness and accuracy controls, which increases the risk of life support customer disconnections.

Recommendations focused on strengthening internal controls.

Registration and deregistration details kept by retailers and distributors

The audit identified weaknesses in completeness and accuracy controls, which undermine process effectiveness, and process weaknesses related to life support register reconciliation.

Recommendations focused on strengthening internal controls and developing effective life support register reconciliation through process enhancement and communication with retailers.

Reporting requirements for regulated entities – AER Compliance Procedures and Guidelines

The audit identified instances where the processes in effect for the immediate reporting of life support breaches to the AER were not well established.

Recommendations focused on the AER reporting guidelines requirement pertaining to life support customers.

Next steps

Evoenergy is currently completing a remediation plan to address the audit recommendations.