

# 1st Energy – retail audit fact sheet



1st Energy is a small energy retailer that sells electricity. 1st Energy underwent an audit by Deloitte on the following topics.

## Grade What the auditors found and recommended

### Compliance and performance reporting

1st Energy's controls failed to ensure it was fully compliant in managing its compliance and performance reporting obligations.



1st Energy was unable to provide auditors with information on the number of hardship customers, due to manual processes for managing hardship customer accounts.

1st Energy was also late in publishing its 2016 tariff information, reporting this to the commission during the audit period in 2017.

The auditor recommended that 1st Energy create a centralised database to improve its records of customers in hardship and also implement a tariff change checklist



### Life support

1st Energy's life support controls were assessed as adequate and effective.



### Marketing

1st Energy's marketing controls were assessed as adequate and effective.

The auditor recommended 1st Energy update its staff training on payment plans to further enhance its controls.



### Billing

1st Energy's billing controls were assessed as adequate and effective.

The auditor recommended that 1st Energy update its billing template to ensure that the term "estimate" was printed in full on relevant bills, to further enhance its controls.



### **Advanced metering infrastructure**

1st Energy's advanced metering infrastructure controls were assessed as adequate, and effective.



### **Financial hardship**

1st Energy's financial hardship controls were assessed as adequate and effective.



### **Disconnections and reconnections**

1st Energy's disconnection and reconnection controls were assessed as adequate and effective.



### **Complaints and dispute resolution**

1st Energy's complaints and dispute resolution controls were assessed as adequate and effective.



### **Tariff variation determination**

1st Energy's tariff variation controls were assessed as adequate and effective..



### **Deemed customer arrangements**

1st Energy's controls failed to ensure it was fully compliant for managing deemed customer arrangements.

The auditor recommended that 1st Energy set up a control to prevent letters from being sent multiple times to a customer who has switched to another retailer.

**Commission's response:** The audit found that 1st Energy generally had strong controls in place to ensure compliance with the relevant regulatory obligations.

The auditor identified a need for improvement in the way 1st Energy manage its compliance and performance reporting, implement tariff variations and manage its deemed customer arrangements.

We consider compliance and performance data to be integral in determining a licensee's ability to operate compliantly. We will audit 1st Energy's compliance and performance reporting and deemed customer obligations in 2019.

1st Energy accepted the audit findings and provided commission staff with a plan to address the audit recommendations. We will closely monitor 1st Energy's compliance with compliance and performance reporting and deemed customer arrangements.



The commission would like to thank 1st Energy and Deloitte for their collaborative and co-operative approach to the audit.

