



CovaU is a small energy retailer that sells electricity and gas. CovaU underwent an audit by RSM on the following topics.

| Grade | What the auditors found and recommended |
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| | <p>Compliance and performance reporting</p> <p>CovaU’s controls failed to ensure it was compliant in meeting its obligations for managing compliance and performance reporting.</p> <p> The auditor found that CovaU didn’t have an adequate process in place to show that the data it provided to the commission was complete and accurate. CovaU was unable to provide its supporting data to the auditor on its payment difficulty, disconnection and reconnection indicators.</p> <p>The auditor recommended CovaU ensure all performance indicator data is maintained and can be made accessible. The auditor also recommended CovaU introduce data validation processes.</p> |
| | <p> Life support</p> <p>CovaU’s life support controls were assessed as adequate and effective.</p> |
| | <p>Marketing</p> <p> CovaU’s controls failed to ensure it was fully compliant in meeting its obligations for marketing. The auditors found one sale where the script was not followed by the agent, and an explicit “yes” was not given from the customer.</p> <p>The auditor recommended CovaU improve its quality assurance, and provide staff with refresher training on error identification and explicit informed consent.</p> |
| | <p> Billing</p> <p>CovaU’s billing controls were assessed as adequate and effective.</p> |
| | <p> Advanced metering infrastructure</p> <p>CovaU’s advanced metering infrastructure controls were assessed as adequate and effective.</p> |



Financial hardship

CovaU's financial hardship controls were assessed as adequate and effective.

Disconnections and reconnections

CovaU's controls failed to ensure it was compliant in meeting its obligations for managing disconnections.



The auditor found that during the audit period, CovaU's disconnection warning notices did not have all required information, for example that customers with a smart meter could be disconnected remotely. Furthermore, the notices did not provide customers with the correct details for the Energy and Water Ombudsman. CovaU had previously self-identified and reported the potential breach to the commission.

CovaU has since reviewed and updated its disconnection warning notices and provided remediation to affected customers.



Complaints and dispute resolution

CovaU's complaints and dispute resolution controls were assessed as adequate and effective.



Tariff variation determination

CovaU's tariff variation controls were assessed as adequate and effective.



Deemed customer arrangements

CovaU's controls for deemed customer arrangements were assessed as adequate and effective.

Commission's response: The audit found that CovaU had strong controls in place regarding life support, billing, complaint handling and payment plans.

The auditor identified a need for improvement in the way CovaU manage its compliance and performance reporting, marketing and disconnection obligations.

We consider compliance and performance data to be integral in determining a licensee's ability to operate compliantly. We will audit CovaU's compliance and performance reporting obligations, as well as its controls for marketing and disconnection in 2019.

CovaU has accepted the audit findings and provided commission staff with a plan to address the audit recommendations.

The commission would like to thank CovaU and RSM for their collaborative and co-operative approach to the audit.