



# Diamond Energy – retail audit fact sheet



Diamond Energy is a small energy retailer that sells electricity. Diamond Energy underwent a baseline audit by BDO on the following topics.

Grade	What the auditors found and recommended
	<p><b>Compliance and performance reporting</b></p> <p>Diamond Energy’s controls failed to ensure it was fully compliant in meeting its obligations for compliance and performance reporting.</p> <p> The auditor found discrepancies between the figures provided to the commission, and that insufficient quality assurance checks had been performed on the data. The reports provided to the commission showed inaccurate payment plan and instalment plan statistics. The auditors recommended an additional review of accuracy and completeness before providing data to the commission.</p>
	<p><b>Life support</b></p> <p>Diamond Energy’s controls failed to ensure it was fully compliant in meeting its obligations for managing life support customers.</p> <p> The auditor found that Diamond Energy had been notified by a customer of their life support status, but could not show that information had been given to the distributor until 11 days after receiving the notification. The auditor recommended Diamond Energy formally capture timeframes for notifying distributors of life support customers in training manuals and retain evidence of doing so. The auditor also recommended that Diamond Energy ensure it maintains evidence of its phone calls to distributors’ notifications for life support customers.</p>



### **Marketing**



Diamond Energy's controls failed to ensure it was fully compliant in meeting its obligations for marketing.

The auditor found some staff had not undergone full induction training. Furthermore, the auditor found some staff had not attended refresher training.

The auditor recommended Diamond Energy identifies the mandatory training modules required for certain roles and improve the records of training provided to staff.



### **Billing**

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



### **Advanced metering infrastructure**

Diamond Energy's advanced metering infrastructure controls were assessed as adequate and effective.



### **Financial hardship**

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

The auditor recommended Diamond Energy staff participate in formal refresher training and ensure that customers' payment plan details are captured in call notes.



### **Disconnections and reconnections**

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

The auditor recommended Diamond Energy consider updating its guidance and training documents, and review the wording of its disconnection notices.



### **Complaints and dispute resolution**

Diamond Energy's complaint and dispute resolution controls were assessed as adequate and effective.



### **Tariff variation determination**



Diamond Energy's controls failed to ensure it was compliant in meeting its obligations for tariff variations.

The auditor found that Diamond Energy was unable to show a tariff variation had been published in the government gazette.

The auditor recommended that Diamond Energy update its processes for tariff variations and ensure that management review changes to prevent potential non-compliance.

### **Deemed customer arrangements**



Diamond Energy's controls failed to ensure it was compliant in meeting its obligations for managing deemed customers.

The auditor found Diamond Energy's notification to deemed customers did not include all required details during the audit period however, the template for such notifications has since been updated.

The auditor recommended that Diamond Energy monitors its obligations to identify any changes.

**Commission's response:** The audit found that Diamond Energy required a range of control improvements to ensure its compliance with the relevant regulatory obligations

The auditor identified a need for improvement in the way Diamond Energy manage its obligations for compliance and performance reporting, life support notification, marketing, tariff variations, and deemed customer arrangements.

We consider compliance and performance data to be integral in determining a licensee's ability to operate compliantly. We will audit Diamond Energy's compliance and performance reporting, life support, marketing, tariff variation, and deemed customer obligations in 2019.

Diamond Energy accepted the audit findings and provided commission staff with a plan to address the audit recommendations.

We will closely monitor Diamond Energy's compliance with all obligations.

In addition, the commission will refer the potential breach of life support provisions to the Australian Energy Market Operator for review.

The commission would like to thank Diamond Energy and BDO for their collaborative and co-operative approach to the audit.