

COMPLIANCE PLAN 2019

TOP ENERGY LTD

Non-compliance	Description		
Audit Ref: 2.1 With: <i>Clause 11.2(1) and 10.6(1)</i> From: 16-Aug-18 To: 01-Sep-19	Registry information missing for a small number of distributed generation and unmetered load ICPs. Potential impact: Low Actual impact: Low Audit history: Last audit Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are moderate. Exception reporting captures most incorrect data. It appears these two issues are difficult to identify with the current process. There is low risk of market settlement being affected with these small numbers.		
Actions taken to resolve the issue		Completion date	Remedial action status
We continue to work on ensuring registry information is accurate. Some actions include: - Ongoing work with councils and road authorities to improve unmetered records (significant work has already been done but dependant on 3rd parties) - Work through and correct ICP's identified with missing data in this audit		Ongoing	Identified
		Dec 2019	
Preventative actions taken to ensure no further issues will occur		Completion date	
- Inclusion of requirements in specification of new IT system for ICP management - Ongoing continual improvement of processes of investment of training of new staff members to enhance knowledge.		Mar 2020	
		Ongoing	

Non-compliance	Description		
<p>Audit Ref: 3.5 With: <i>Clause 7(2A) of Schedule 11.1</i></p> <p>From: 16-Aug-18 To: 01-Sep-19</p>	<p>11 ICPs out of 332 created during the audit period had Initial Electrical Connection dates populated in the registry later than 10 days.</p> <p>Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are moderate. Exception reporting captures incorrect data. There is low risk of market settlement being affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
Continual effort to ensure Initial Electrical Connection Dates are populated within the timeframe.		Ongoing	Identified
Will look at whether changing the frequency of reports to identify issues is viable		Mar 2020	
Investigation of automatic population of the Initial Electrical connection date		Mar 2020	
Preventative actions taken to ensure no further issues will occur		Completion date	
Implement periodic review of the new EA Audit compliance reports to ensure ongoing compliance with existing processes		Dec 2019	
Ongoing continual improvement of processes of investment of training of new staff members to enhance knowledge.		Ongoing	

Non-compliance	Description		
<p>Audit Ref: 3.14</p> <p>With: <i>Clause 15</i> <i>Schedule 11.1</i></p> <p>From: 16-Aug-18</p> <p>To: 01-Sep-19</p>	<p>65 ICPs that have remained in the ready status for more than 24 months.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are weak. The established process has not been followed. It is acknowledged that effort has been put into addressing this non-compliance since the last audit.</p> <p>There is low risk of market settlement being affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Continue to review the current manual decommissioning process and implement improvements to regain compliance in this area		Mar 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ongoing continual improvement of processes of investment of training of new staff members to enhance knowledge.		Ongoing	

Non-compliance	Description		
<p>Audit Ref: 4.1</p> <p>With: <i>Clause 8</i> <i>Schedule 11.1</i></p> <p>From: 16-Aug-18</p> <p>To: 01-Sep-19</p>	<p>A number of registry information updates were greater than 3 business days from the event date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are moderate. The diligence of trying to correct and maintain historical registry records appears to have had the unintended consequence of contributing to this non-compliance</p> <p>There is low risk of market settlement being affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Our objective remains that of achieving an accurate Registry.</p> <p>Change our internal process for updating the registry to ensure all updates meet the required timeframe e.g. 3 days</p>		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Our aim is for compliance however where ensuring the registry is accurate causes a non-compliance, we believe this is acceptable. We do however wish to minimise this as much as possible.</p> <p>Implement periodic reviews of the new EA Audit compliance reports to ensure ongoing compliance with existing processes</p>		Dec 2019	

Non-compliance	Description		
Audit Ref: 4.4 With: <i>Clause 2</i> <i>Schedule 11.1</i> From: 16-Aug-18 To: 01-Sep-19	81 ICPs identified where address and or GPS information do not meet the code requirements. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are moderate. There are suitable reports available that provide visibility to this problem. There has been some improvement since the last audit. There is a low risk to market settlement		
Actions taken to resolve the issue		Completion date	Remedial action status
As per previous audits, we are continuing to apply GPS coordinates to new ICP's or when they are visited for maintenance. Will review the list of ICP's identified by the auditor so we can update and correct where possible		Ongoing Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Non-compliance	Description		
<p>Audit Ref: 4.6</p> <p>With: <i>Clause 7(1)</i> <i>Schedule 11.1</i></p> <p>From: 16-Aug-18</p> <p>To: 01-Sep-19</p>	<p>The registry contains incorrect information for a number of ICPs with respect to Initial Electrical Connection Date, solar installations and unmetered load.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are moderate. There is diligent regular but manual exception reporting and correction of information taking place, but discrepancies are still occurring. It is suggested that using the new Audit Compliance Report may be helpful and continuing to refine the exception reports. There is low risk of market settlement being affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>This is very similar to the issues identified in 2.1 as it is the same information and as such are penalised twice.</p> <p>- Same actions as 2.1.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Non-compliance	Description		
<p>Audit Ref: 4.9</p> <p>With: <i>Clause 14</i> <i>Schedule 11.1</i></p> <p>From: 16-Aug-18</p> <p>To: 01-Sep-19</p>	<p>Retailer/trader acceptance of responsibility for ICPs is not received by Top Energy Ltd prior to assigning the ready status in the registry.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are moderate, there is a well-documented and followed process. It works well for the retailer and customer; however, it is non-compliant because the new status is by passed and a retailer/trader has not taken responsibility for the ICP prior to the ready status being updated in the registry. There is a low risk that this non-compliance will impact on market settlement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>We will re-engage with retailers to obtain a blanket acceptance.</p> <p>If this is not achievable, we will look at alternative processes internally where all ICP's are created following a request from the retailer and not after a customer accepts/pays a quote as is the current practice.</p>		31 March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above			

Non-compliance	Description		
<p>Audit Ref: 4.12</p> <p>With: <i>Clause 23</i> <i>Schedule 11.1</i></p> <p>From: 16-Aug-18</p> <p>To: 01-Sep-19</p>	<p>New price category codes were entered into the registry tables less than the 2 months required by the code.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls recorded as moderate as Top Energy during discussions on this area demonstrated they are well aware of the required timeline for entering price category updates into the registry, they also said there had been a previous non-compliance in this area. The trial nature of this event appears to have contributed to the delayed update. The potential and actual impacts are set as low because they impact only a small number of informed parties. Consequently, the risk to market settlement is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Include action into our companywide automated compliance process tool (Assura). This is an online system where actions are loaded and managed. This includes assignment to staff, deadlines, reminder notifications and escalation if not completed by predefined dates.</p>		Dec 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above			