



ActewAGL Retail

Energy Efficiency Improvement Scheme – 2019 Compliance Report

Independent Audit Report

For the year ended 31 December 2019

31 March 2020



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EXECUTIVE SUMMARY

Introduction

The Energy Efficiency Improvement Scheme (EEIS) is a compulsory scheme for electricity retailers. It works by placing a requirement on electricity retailers to achieve energy savings in households and small-to-medium businesses. A Priority Household Target ensures that a proportion of the savings are delivered in low income households. The scheme was established under the *Energy Efficiency (Cost of Living) Improvement Act 2012 (Act)*.

This report details the nature and scope of procedures conducted by RSM with the objective of expressing an opinion on the accuracy and completeness of the 2019 Compliance Report lodged by ActewAGL Retail under the Act. The audit was conducted as outlined in the EEIS Compliance Report engagement letter dated 10 December 2019 and Commercial Lighting Audit Engagement Letter dated 14 January 2019.

This report should be read in conjunction with the Independent Audit report issued on 30 September 2019 for Commercial Lighting Activities for the period period 01 January 2019 to 30 June 2019.

Engagement Scope and Objective

The engagement scope was limited to the Compliance Report for 2019 as requested under section 19(3)(a) of the *Energy Efficiency (Cost of Living) Improvement Act 2012*. Information audited included (but was not limited to) the following:

- The number of activities completed;
- The amount of abatement claimed;
- The quantity of electricity sold;
- The achievement of the priority household target and retailer energy savings obligation; and
- The on-ground delivery of activities, consistent with the EEIS code of practice.

The engagement was performed in line with *ASAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ISO 14064 - 3:2006 Greenhouse Gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*. Our procedures were designed to provide reasonable assurance, as defined by ASAE 3000.

Methodology

Audit procedures reviewed and evaluated the following:


- EEIS control environment;
- Systems used to capture data and value reported;
- Processes around commercial lighting activities (Activity 4.2);
- Processes around ducted gas heating and ductwork upgrade activities (Activity 2.1, 2.2, 2.3, 2.4);
- Processes around hot water heater upgrade activities (Activity 3.1(c) and 3.2 (c));
- Fridge buy back scheme (Activity 5.1); and
- Education and training to employees, contractors and assessors.

Reasonable Assurance Opinion

Our Independent Audit Report for the period 1 January 2019 through 31 December 2019, containing our opinion, has been included in **Part A** of this report.

Detailed Findings and Recommendations are set out in **Part B** of this report.

The Audit Procedures are set out in **Part C** of this report as outlined in the below audit objectives:

- 
- C1: Number of activities completed;
 - C2: Amount of Abatement claimed;
 - C3: Quantity of electricity sold;
 - C4: Priority Household Targets and Retailer Energy Savings Obligations;
 - C5: Financial Information; and
 - C6: On ground delivery of activities.

PART A – INDEPENDENT AUDIT REPORT

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RE: INDEPENDENT AUDITOR'S REPORT ON ENERGY EFFICIENCY IMPROVEMENT SCHEME COMPLIANCE PERIOD REPORT FOR 2019 (COMPLIANCE REPORT) TO ACT GOVERNMENT ON BEHALF OF ACTEWAGL RETAIL

We have audited the accompanying ActewAGL ACT Energy Efficiency Improvement Scheme Compliance Period Report for 2019, which comprises:


- Number of activities completed;
- Amount of abatement claimed;
- Quantity of electricity sold;
- Achievement of the priority household target and retailer energy savings obligation; and
- On-ground delivery of activities, consistent with the EEIS code of practice.

The purpose of the compliance report is to provide information to the EEIS Administrator for Compliance Period 2019 as required by the *Energy Efficiency (Cost of living) Improvement Act 2012* (EEIS Act), as well as those detailed in the *Energy Efficiency (Cost of Living) Improvement (Record Keeping and Reporting) Code of Practice 2013 (No1)*.

The compliance report contains the following sections:

- Estimated Electricity Sales and Abatement Factors;
- Carried forward surplus;
- Retailer Energy Savings Obligations including Priority Household Targets;
- Financial Information; and
- Declaration from General Manager Retail.

Our audit was conducted as outlined in the EEIS Compliance Report engagement letter dated 10 December 2019 and Commercial Lighting Audit Engagement Letter dated 14 January 2019. The audit was conducted as an engagement under *ASAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ISO*



14064 - 3:2006 Greenhouse Gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions. Our procedures were designed to provide reasonable assurance, as defined by ASAE 3000.

Audit procedures, as outlined in the engagement letter, undertaken included evaluation of:

- EEIS Control Environment;
- Systems used to capture data and value reported;
- Processes around commercial lighting activities;
- Processes around ducted gas heating and ductwork upgrade activities;
- Processes around hot water heater upgrade activities;
- Fridge buy back scheme; and
- Education and training.

Management's Responsibility for the Compliance Report

Management of ActewAGL Retail are responsible for the preparation of the compliance report, and have determined that the basis of preparation, is appropriate to meet the needs of the Environment and Planning Directorate. Management's responsibility also includes such internal control as Management determine is necessary to enable the preparation of a compliance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compliance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the compliance report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the compliance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the compliance report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of internal policies used and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the compliance report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

This report is intended solely for ActewAGL Retail and the Administrator as defined by *Energy Efficiency (Cost of Living) Improvement Act 2012*.

Quality Control

RSM Australia applies Australian Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Independence

In conducting our audit, we have complied with the independence and other relevant ethical requirements relating to assurance engagements, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Opinion

In our opinion, the 2019 Compliance Report presents fairly, in all material respects, for the period 1 January 2019 through 31 December 2019 in relation to:

- the number of activities completed;
- the amount of abatement claimed;
- the quantity of electricity sold;
- the achievement of the priority household target and retailer energy savings obligation; and
- confirmation that the delivery of on-ground activities were consistent with the EEIS code of practice.

Canberra, Australian Capital Territory
Dated: 31 March 2020

RSM Australia Pty Ltd



G M STENHOUSE FCA

Director
Registered Company Auditor - 165294



PART B – DETAILED FINDINGS AND RECOMMENDATIONS

There were no findings or recommendations identified throughout this audit that would impact on our ability to issue the audit opinion as outlined in Part A of this report.

The standard of controls and records provided for audit purposes has been to a high standard.

We would like to thank ActewAGL Retail for their diligence and commitment to assisting us throughout the conduct of this audit.

PART C – AUDIT PROCEDURES

The following procedures were conducted, and findings noted, in line with the scope described in **Part A**.

Audit Objective C1: Number of activities completed

Audit testing overview	Audit procedures & findings	Conclusion/issues
<p>RSM performed analysis to confirm over the Compliance Period:</p> <ul style="list-style-type: none"> • that ActewAGL processes in place are operating effectively; and • the number of activities completed are valid and accurate. <p>This has included consideration of the following:</p> <ul style="list-style-type: none"> • Signed Activity Record Forms (ARF); • Signed Fridge Buyback Run Manifest, Degas and Recycle forms; • Photographic evidence where required by the EEIS Code of Practice (EEIS COP); • Credits applied to eligible customers; • Commercial lighting site visits; and 	<p>Procedures undertaken:</p> <p>Eight eligible activities were completed by ActewAGL in the 2019 compliance period. RSM carried out detailed testing to ensure eligible activities were valid, accurate and complete by performing the following audit procedures:</p> <ul style="list-style-type: none"> • Reviewed a sample of ARF forms signed by the customer (Tier 1 Activity) to verify the data recorded in the Compliance Report for 2019 is accurate, specifically confirmation of: <ul style="list-style-type: none"> ○ installation details; ○ eligible products installed; ○ customer and installer declarations completed; ○ activities undertaken (activities 2.1, 2.2, 2.3, 2.4, 3.1(c), 3.2 (c), 4.2, and 5.1); and ○ quantities of activities undertaken. <p>Refer to the table below outlining volumes of audit procedures undertaken;</p> <ul style="list-style-type: none"> • Reviewed a sample of Fridge Buyback Run Manifest, Degas and Recycle forms to confirm that they have been: <ul style="list-style-type: none"> ○ signed by the installer, ○ the Degasser and the Recycler have verified the activity has been completed (activity 5.1); and ○ the appliance has been released to the recycler. • Reviewed a sample of activities to photographic evidence (Tier 2 Activity) to ensure compliance with the EEIS COP where required. This included confirming the quantity of activities undertaken, the removal and installation requirements of the commercial lighting and ducted gas heating programs (activities 2.1, 2.2, 2.3 and 4.2). 	<p>Conclusion: Based on the testing performed, ActewAGL Retail is accurately reporting the number of activities carried out.</p>



Audit testing overview	Audit procedures & findings	Conclusion/issues																
<ul style="list-style-type: none"> Quarterly reporting processes to the ACT Government. 	<p>Refer to the table below outlining volumes of audit procedures undertaken;</p> <table border="1" data-bbox="584 304 1733 1145"> <thead> <tr> <th data-bbox="584 304 1196 491">Eligible Activity</th> <th data-bbox="1196 304 1368 491">Total Population</th> <th data-bbox="1368 304 1554 491">Total Sample Selected (Tier 1) *</th> <th data-bbox="1554 304 1733 491">Total Sample Selected (Tier 2) *</th> </tr> </thead> <tbody> <tr><td data-bbox="584 491 1196 563">2.1 - Install a high efficiency central air conditioning heat pump</td><td colspan="3" data-bbox="1196 491 1733 1145" rowspan="10"></td></tr> <tr><td data-bbox="584 563 1196 635">2.2 - Replace a ducted gas heater with high efficiency ducted gas heater</td></tr> <tr><td data-bbox="584 635 1196 707">2.3 - Install a high efficiency room air conditioning heat pump</td></tr> <tr><td data-bbox="584 707 1196 754">2.4 - Install insulated space conditioning ductwork</td></tr> <tr><td data-bbox="584 754 1196 858">3.1 (c) - Decommission an electric resistance water heater and install a specified high efficiency water heater</td></tr> <tr><td data-bbox="584 858 1196 970">3.2 (c) Decommission a gas or liquefied petroleum gas water heater and install a specified high efficiency water heater</td></tr> <tr><td data-bbox="584 970 1196 1018">4.2 - Commercial lighting upgrade activities</td></tr> <tr><td data-bbox="584 1018 1196 1090">5.1 - Decommissioning and disposal of refrigerator or freezer</td></tr> <tr><td data-bbox="584 1090 1196 1145">Total</td></tr> </tbody> </table> <p>* Samples have been selected proportionate to the number of transactions and abatement claimed across the different eligible activities. Refer to appendix A – Sampling plan for details of sample selection methodology and strategy.</p> <ul style="list-style-type: none"> Performed a site visit to undertake a walkthrough of a commercial lighting installation activity; Performed a walkthrough of quarterly reporting updates to ensure compliance with relevant legislation; 	Eligible Activity	Total Population	Total Sample Selected (Tier 1) *	Total Sample Selected (Tier 2) *	2.1 - Install a high efficiency central air conditioning heat pump				2.2 - Replace a ducted gas heater with high efficiency ducted gas heater	2.3 - Install a high efficiency room air conditioning heat pump	2.4 - Install insulated space conditioning ductwork	3.1 (c) - Decommission an electric resistance water heater and install a specified high efficiency water heater	3.2 (c) Decommission a gas or liquefied petroleum gas water heater and install a specified high efficiency water heater	4.2 - Commercial lighting upgrade activities	5.1 - Decommissioning and disposal of refrigerator or freezer	Total	
Eligible Activity	Total Population	Total Sample Selected (Tier 1) *	Total Sample Selected (Tier 2) *															
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2.4 - Install insulated space conditioning ductwork																		
3.1 (c) - Decommission an electric resistance water heater and install a specified high efficiency water heater																		
3.2 (c) Decommission a gas or liquefied petroleum gas water heater and install a specified high efficiency water heater																		
4.2 - Commercial lighting upgrade activities																		
5.1 - Decommissioning and disposal of refrigerator or freezer																		
Total																		



Audit testing overview	Audit procedures & findings	Conclusion/issues
	<ul style="list-style-type: none">• Reviewed the samples against the following, where applicable:<ul style="list-style-type: none">○ recycling evidences,○ certificate of electrical safety,○ AS/NZ 1680 declarations,○ Customer electricity bills.• Reviewed and tested that \$30 credits had been applied to eligible customers as part of the fridge buy back scheme. <p>Findings: No findings have been identified.</p>	

PART C – AUDIT PROCEDURES (cont'd)

Audit Objective C2: Amount of abatement claimed

Audit testing overview	Audit procedures & findings	Conclusion/issues
<p>RSM performed analysis over the following areas to confirm that ActewAGL Retail's processes in place are operating effectively over the Compliance Period. Areas reviewed include:</p> <ul style="list-style-type: none"> • Abatement calculations; • Data verification and timing of claiming processes; • Verification of product specification against external product registers; • System based walkthroughs of abatement for commercial lighting installations. 	<p>Procedures undertaken included the following:</p> <ul style="list-style-type: none"> • Confirmation that the abatement factor used for each activity agreed to the appropriate <i>Energy Efficiency (Cost of Living) Improvement (Eligible Activities) Determination</i>; • Agreed sample items to supporting documentation previously outlined in procedures outlined in Audit Objective C1; • Performance of system-based walkthroughs in AAR Data force system to ensure that the abatement calculations for commercial lighting installations are correct, and in line with the COP legislation requirements; • Recalculation of the abatement factor to ensure accuracy and completeness of Compliance Report items; and • Product specification of activities were also verified against <i>Victorian Energy Efficiency Target (VEET) scheme VEET product register, IPART Product Registry</i> and Greenhouse and Energy Minimum Standards Regulator to confirm the activities are valid. <p>Findings:</p> <p>Activity 2.1</p> <ul style="list-style-type: none"> • There were two (2) instances noted where the an incorrect "ACOP" value was used for the abatement calculations for the installation of the following products, resulting in an incorrect abatement amount being claimed in the quarterly compliance data submission: <ul style="list-style-type: none"> ○ [REDACTED] ○ [REDACTED] <p>This was subsequently addressed by AAR whereby the correct "ACOP" value and abatement amount claimed have been reported in the final compliance data for all affected transactions pertaining to the products identified above.</p>	<p>Issues: The observations noted have mitigating controls and evidence to support the activity claimed, therefore do not impact on the accuracy of the 2019 Compliance Report.</p> <p>Conclusion: Based on the testing performed, ActewAGL is accurately reporting the abatement claimed.</p>

PART C – AUDIT PROCEDURES (cont'd)

	<p>Activity 2.2, 2.4</p> <ul style="list-style-type: none">• There were eight (8) instances noted where the abatement was calculated using an incorrect heating capacity (29KW instead of 30KW) for the model [REDACTED] being installed, as agreed with VEET Product Register. This has been subsequently addressed by AAR where the abatement claimed in the 2019 Compliance Period Report had been corrected to reflect the 30kW heating capacity for all the affected items across the 2019 Compliance Period Report. <p>Commercial Lighting Program (Activity 4.2)</p> <ul style="list-style-type: none">• <i>System based verification of abatement claimed:</i> System-based walkthroughs were completed in AAR Dataforce system to verify the abatement calculations for commercial lighting installations. This was completed through recalculations of output report values and abatement values using the NSW ESS Commercial Lighting Calculation Tool and validation of input variables from the Dataforce system for all lighting models installed by AAR in the 2019 lighting upgrades. These values were then agreed back to the 2019 Compliance Period Report. There were twenty-five (25) types of commercial lighting product models installed in the 2019 commercial lighting, the abatement values for each of the product types have been reviewed. <p>Fridge Buyback Program (Activity 5.1)</p> <p>The Fridge Buy back forms have not been updated with the current abatement values stipulated in EEIS Code of Practice. However, audit testing confirmed that abatement values claimed in the Compliance Period Report to be consistent with the values stipulated in the legislation.</p> <p>These findings are considered as improvement opportunities and does not impact on our audit opinion in Part A.</p>	
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PART C – AUDIT PROCEDURES (cont'd)

Audit Objective C3: Quantity of electricity sold

Audit testing overview	Audit procedures & findings	Conclusion/issues
<p>RSM performed analysis to confirm that ActewAGL processes in place are operating effectively over the Compliance Period.</p> <ul style="list-style-type: none"> • Analysis and sample testing around key aspects of data capture processes; and • Review of calculations to support quantities noted. 	<p>Procedures undertaken: To provide a reasonable assurance conclusion, RSM has undertaken a risk-based approach in line with RSM's Global Sampling methodology to confirm quantity of electricity sold is materially correct.</p> <p>Refer to Appendix A for Sampling approach and strategy undertaken. This resulted in a total sample size of 15 from the Australian Energy Market Operator (AEMO), Energy Development and Solar invoices.</p> <p>Using the above sample, the following procedures were undertaken:</p> <ul style="list-style-type: none"> • Validation that the AEMO sales reconciled to the AGL Settlement report. Note the total electricity sold was calculated using the total amount of electricity ActewAGL purchased from the Grid (via AEMO); • Recalculation for balances to confirm accuracy of the compliance report. <p>Findings:</p> <p>No findings have been identified.</p>	<p>Conclusion: Based on the testing performed, ActewAGL is accurately reporting the quantity of electricity sold.</p>

PART C – AUDIT PROCEDURES (cont'd)

Audit Objective C4: Priority household targets and retailer energy savings obligations

Audit testing overview	Audit procedures & findings	Conclusion/issues
<p>RSM performed analysis to ensure that ActewAGL processes in place are operating effectively. Areas reviewed include:</p> <ul style="list-style-type: none"> Ensuring the reported priority household target and retailer energy savings obligations was accurately reported and calculated; and Confirming that the customer is correctly classified as a priority household. 	<p>Procedures undertaken: The following procedures were undertaken in conjunction with testing previously outlined above:</p> <ul style="list-style-type: none"> Confirmation that the customer was a Priority Household between AR form and internal ActewAGL systems; Confirmed customer was entitled to participate in the program; Ensured Priority Household Target, Energy Savings Target and Emissions Multiplier is in line with the EEIS metrics provided by ACT EPD¹; and Recalculated the total reported priority household target and retailer energy savings obligation figures. <p>Note: It is noted that ActewAGL has a contract with Housing ACT for the supply and install of energy efficient heating and removal of existing heating units in selected Housing ACT properties through the “<i>Energy Efficient Heater Replacement Program in Public Properties</i>”.</p> <p>Note: It was also noted that properties are also referred by referring organisations e.g. ACT Civil and administrative Tribunal (ACAT) and Care Inc for the supply and install of energy efficient heating and removal of existing heating units.</p> <p>ActewAGL has claimed the abatement value for these activities under the priority household program.</p> <p>Findings:</p> <p>No findings have been identified.</p>	<p>Conclusion: Based on the testing performed ActewAGL is accurately reporting the priority household targets and retailer energy savings obligations appropriately.</p>

¹ https://www.environment.act.gov.au/energy/smarter-use-of-energy/energy_efficiency_improvement_scheme_eeis

PART C – AUDIT PROCEDURES (cont'd)

Audit Objective C5: Financial Information

Audit testing overview	Audit procedures & findings	Conclusion/issues
<p>RSM performed analysis to ensure that ActewAGL are appropriately reporting financial information in the 2019 Compliance Report.</p>	<p>Procedures undertaken: RSM has undertaken a risk-based approach in line with RSM's Global Sampling methodology to confirm the financial information presented in the 2019 Compliance Period Report 2019.</p> <p>RSM performed detailed analytical procedures over the financial information through analysis of plausible relationships among the financial data, the number of eligible activities undertaken, and the amount of abatement claimed. Refer to Appendix 3 that has a pictorial representation of the analytics performed on the Financial Information.</p> <p>The total monetary value of all contributions and payments for eligible activities made by consumers were tested as part of Tier 1 sample testing.</p> <p>Findings: No findings have been identified.</p>	<p>Conclusion: Based on the testing performed ActewAGL is accurately reporting the financial information.</p>

PART C – AUDIT PROCEDURES (cont'd)

Audit Objective C6: On ground delivery of activities

Audit testing overview	Audit procedures & findings	Conclusion/issues
<p>RSM performed analysis to ensure that ActewAGL processes in place are operating effectively. Areas reviewed include:</p> <ul style="list-style-type: none"> Selected activities have been tested to ensure compliance with the EEIS COP; and Ensure contractor education and training is appropriate. 	<p>Procedures undertaken: The following procedures were undertaken in conjunction with testing previously outlined above:</p> <ul style="list-style-type: none"> Verification of transaction details against ARF to ensure transactions were adequately supported and valid; Verification that the ARF was signed by the customer and authorised installer/electrician/gasfitter; Verification that the installer/electrician/gasfitter was an approved and active installer for AAR as confirmed by the Authorised Installer Register; Verification that the activity was supported by an Electrical Safety Compliance Certificate where applicable; Ensure signed declarations stating that the installation met all relevant requirements of AS/ANZ 1680 were attached for each job ID; Verification that the activity was supported by a statutory certification where applicable; Verification that decommissioning of all removed lighting equipment had occurred through a destruction certificate / recycling certificate. Verification of occurrence of activities to photographic evidence and commercial lighting diagrams (Tier 2), where required; Verification of a valid tax invoice showing the address, name and contact details of the business billed for the installation, and the amount charged for the installation. Agreed details of transactions back to an AR Form to ensure the transaction is adequately supported and valid; Reviewed the complaints register to identify any potential systematic issues that remain unresolved by ActewAGL; Reviewed a sample of authorised installers against supporting training and license documentation and ensured contractors had completed the required education and training; and Confirmed a sample of authorised installers to ensure they had been included in the Authorised Installer register. 	<p>Issues: These are observations made during the conduct of the audit, with mitigating controls and evidence in place that were not found to impact on our audit opinion in Part A.</p> <p>Conclusion: Based on the testing performed, ActewAGL is compliant with the EEIS COP.</p>

PART C – AUDIT PROCEDURES (cont'd)

	<p>Refer to Appendix A for Sampling approach and strategy undertaken.</p> <p>Findings:</p> <p>Results from testing have been categorised across the following themes and included in Appendix 2 of this Report:</p> <ul style="list-style-type: none">• Data Quality• Data Correction• Observations. <p>The results from testing of commercial lighting activities from 1 January – 30 June 2019 have been outlined in Independent Audit report for 2019 Commercial Lighting Activities issued on 30 September 2019.</p> <p>The results of testing of commercial lighting activities have been reported to the EEIS Administrator on a quarterly basis. Refer to Appendix 4 for the quarterly Audit Feedback provided to EEIS Administrator. Where instances were noted as “general observation only” in the quarterly feedback, no further comments have been made in this report.</p> <p>For the instances that had been identified and resolved to be followed up as part of the final component of the audit, the results have been categorised across the above-mentioned themes as included in Appendix 2 of this report.</p>	
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APPENDIX 1 – AUDIT SAMPLING PLAN

To provide a reasonable assurance conclusion, RSM has undertaken a risk based approach to the audit.

The total abatement factors for a total number of 8 eligible activities undertaken by ActewAGL during Compliance Period 2019 were [REDACTED] ActewAGL total electricity sales in the ACT for Compliance Period 2019 was [REDACTED]

The testing of each sample Tier has been summarised below:

Activity Description	Activities/Focus area	Assurance provided in sampling	Activities covered	Compliance Report disclosure
Tier 1 Level of Testing: Desktop review of Eligible Activities.	Eight (8) eligible activities (2.1, 2.2, 2.3, 2.4, 3.1 (c), 3.2 (c), 4.2, 5.1).	95% confidence level with a margin error at 5%, as required by NSW Energy Savings Scheme Compliance Audit Guideline November 2015.	[REDACTED]	[REDACTED]
Tier 2 Level of Testing: Detailed review of photographic evidences.	3 eligible activities (2.1, 2.2, 2.3, 3.1 (c), 3.2 (c), 4.2).	90% confidence level with a margin error at 10%.		
Tier 2 Level of Testing: Detailed Review of Installer Education and Training.	10 eligible activities (2.2, 2.3, 2.4, 3.1 (c), 3.2 (c), 4.2, 5.1).	90% confidence level with a margin error at 10%.		
Detailed review of Quantity of Electricity Sold using Attribute sampling in accordance with RSM's global sampling methodology.	55 invoices covering 53 weekly invoices from AEMO, 2 monthly invoices from embedded and solar generation.	RSM used attribute sampling consistent with RSM's global sampling methodology.		
Analytical procedures in accordance with RSM's sampling methodology.	EEIS administration costs.	RSM utilised analytical procedures consistent with RSM's global sampling methodology.		

APPENDIX 1 – AUDIT SAMPLING PLAN (cont'd)

The basis of sample selection was as follows:

Tier 1 - Desktop review – RSM utilised Tier 1 approach that incorporated detailed transactional testing to ensure significant documentation is available, complete and correct including evidence and supporting information and calculations performed by ActewAGL. In order to obtain adequate confidence that no material misstatements exist and that ActewAGL meets all regulatory requirements, sample sizes have been calculated based on statistical sampling using 95% confidence Level and 5% margin of error, The sample size selector <http://www.raosoft.com/samplesize.html>, was used to calculate the sample based on a 95% confidence level. Note we have assumed a response distribution of 95%, as we expect the results to be skewed to “compliant” based on previous audit results, and consistent with our understanding of how the sample was selected on prior audits of ActewAGL.

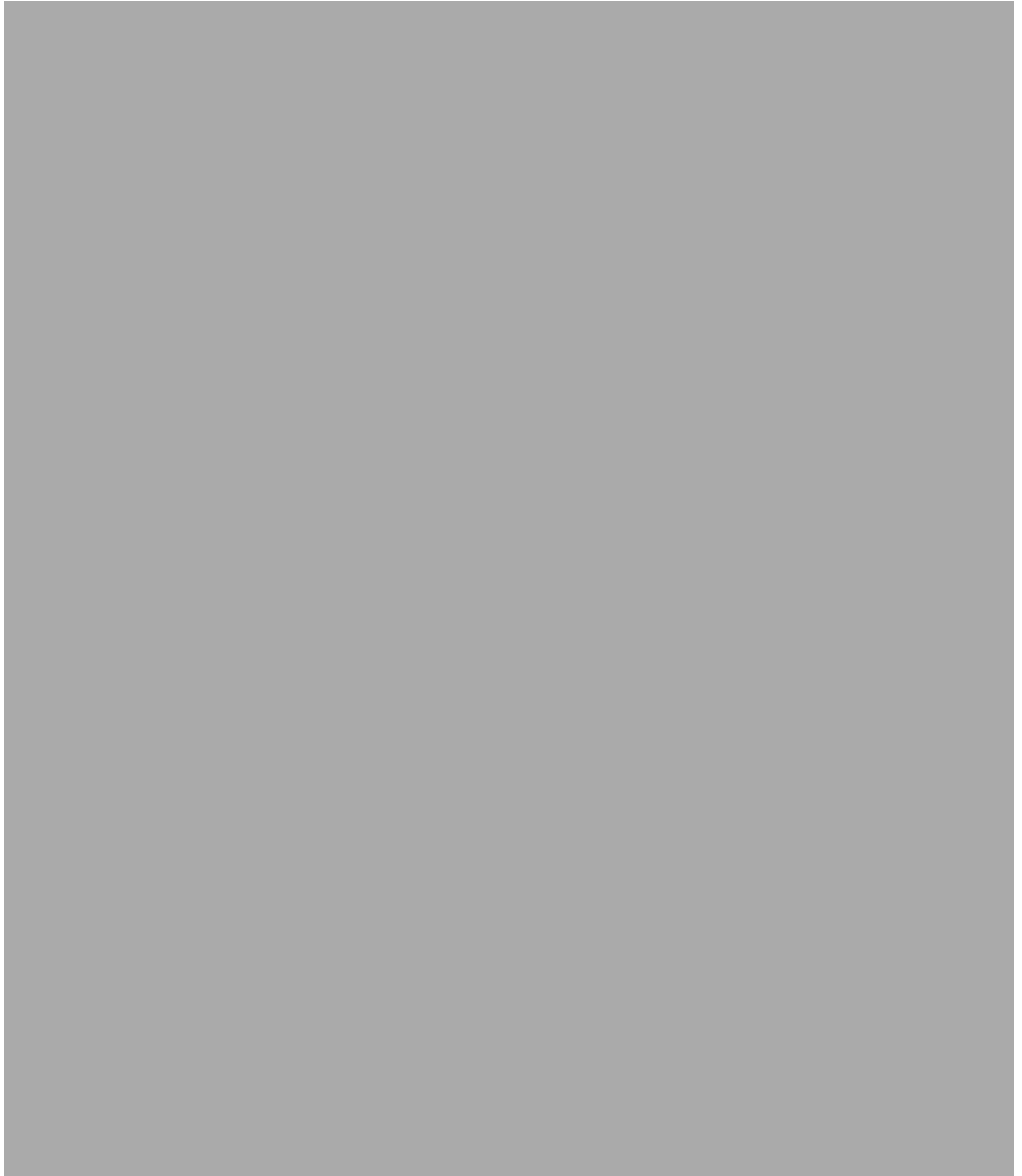
Tier 2 - Detailed review – ActewAGL undertakes photographic evidences for eligible activities undertaken for Commercial lighting activities (4.2), High efficiency central Air-conditioning heat pump (2.1), Ducted Gas Heating Program (2.2), High Efficiency Electric Room Heater program (2.3), and Hot Water Heater upgrade activities (3.1 (c) and 3.2 (c)). For testing of photographic evidences, RSM utilised Tier 2 approach to validate records supporting the same transactions selected in Tier 1 approach. Sample selection was performed to provide a completeness and accuracy sample with 90% confidence level and 10% margin error. The sample size selector <http://www.raosoft.com/samplesize.html>, was used to calculate the sample based on a 90% confidence level.

Attribute Sampling - Attribute sampling selects a number of transactions and making assumptions about how their characteristics represent the full population of which the selected items are a part. Attribute sampling was used to test quantity of electricity sold against supporting invoices.

Analytical Procedures –Analytical Procedures consist of evaluations of financial information through analysis of plausible relationships among both financial and non-financial data. They also encompass such investigation as is necessary of identified fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount.



APPENDIX 2 – Observations - on ground delivery of eligible activities

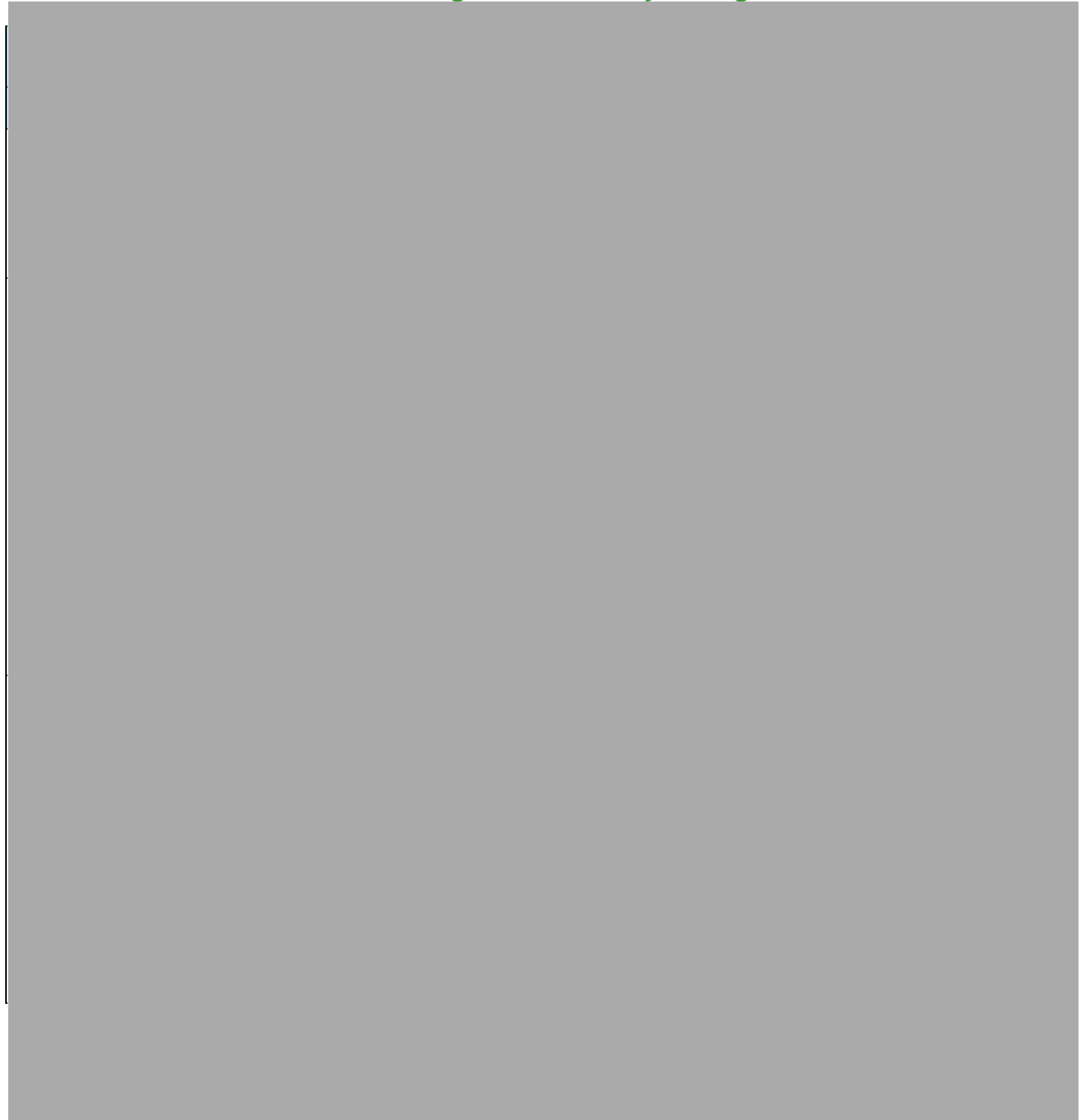




APPENDIX 2 – Observations - on ground delivery of eligible activities



APPENDIX 2 – Observations - on ground delivery of eligible activities





APPENDIX 2 – Observations - on ground delivery of eligible activities





APPENDIX 3 – Financial Information Analytics by Activity and Abatement Claimed



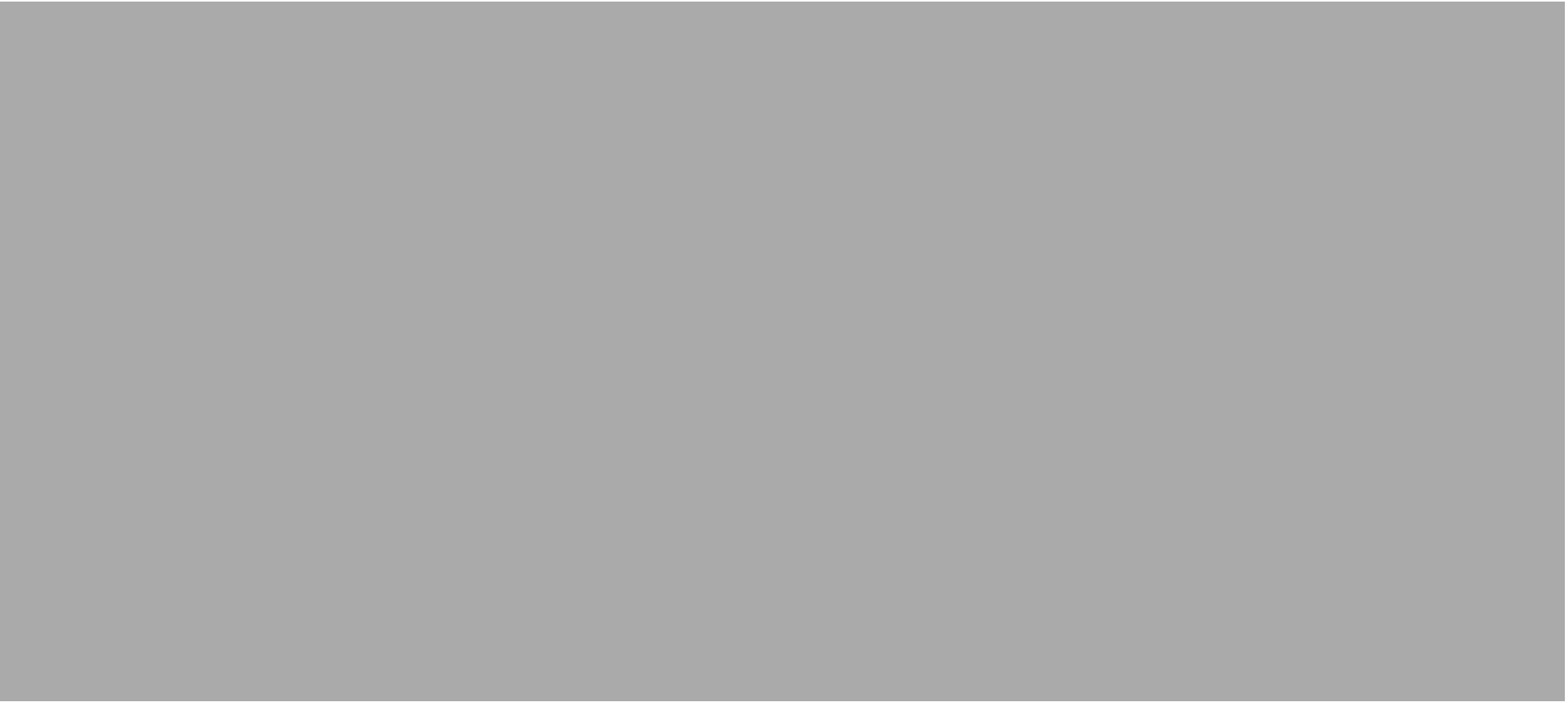


APPENDIX 4 – Quarterly Informal Feedback Provided to EEIS Administrator (July – December 2019)





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