



Private & Confidential

The Directors

IPower Pty Ltd & IPower 2 Pty Ltd (trading as ENGIE)

Independent assurance report on ENGIE's Performance Indicator Reporting to the Essential Services Commission of Victoria

Scope

In accordance with the terms of engagement letter dated 10 May 2024, we were engaged by IPower Pty Ltd and IPower 2 Pty Ltd (trading in partnership as 'ENGIE' ABN 67 269 241 237), to perform an independent reasonable assurance engagement in respect of ENGIE's Performance Indicator Reporting to the Essential Services Commission of Victoria (ESC) ("Performance Indicator Submissions") for the period 1 July 2023 to 31 March 2024 (the "Period"). The criteria (the "Criteria") against which we assessed the performance indicators is Section 3 of the Compliance and Performance Reporting Guideline (Version 8, 2023) ("the Guidelines").

The Performance Indicator Submissions for the purposes of our assessment comprise:

- Quarter 1 (Q1) and Quarter 2 (Q2) re-submission (dated 1 March 2024)
- Quarter 3 (Q3) submission (dated 30 April 2024).

Director's responsibilities

ENGIE is responsible for compliance with the Guidelines and for the preparation of performance indicator reporting information in alignment with the requirements set out in Section 3 of the Guidelines utilising the ESC performance indicator submission templates.

ENGIE is also responsible for establishing and maintaining systems of internal control relevant to the preparation of performance indicator reporting, to ensure that the information is free from material misstatement, whether due to fraud or error.

Our Independence and quality management

We have complied with the ethical requirements, of the Accounting Professional and Ethical Standard Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

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That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Performance Indicator Submissions have been prepared, in all material respects, in accordance with the Criteria, for the Period.

The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Performance Indicator Submissions. In making those risk assessments, we considered internal controls relevant to ENGIE's preparation of the Performance Indicator Submissions. Our procedures included:

- inquiry and observation of management and staff to understand ENGIE's controls relevant to the preparation of performance indicators
- undertaking procedures to understand the design of key controls
- performing sample testing on the operating effectiveness of key controls
- sample testing and reperformance to assess the reliability and accuracy of reported performance indicators.

Our procedures did not include:

- review of internal controls over the completeness and accuracy of transaction processing or data input into ENGIE's source systems
- review of Information Technology General Controls for key systems and databases.

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

Use of report

This report was prepared for the Directors of ENGIE for the sole purpose of expressing an opinion on whether ENGIE's Performance Indicator Submissions have been prepared, in all material respects, in accordance with the requirements of Section 3 of the Guidelines, and may not be suitable for any other purpose. We do not accept any responsibility to anyone other than ENGIE or for any purpose other than for which it is prepared.

Except as required by law, this report may not be disclosed nor its contents published in any way (including on an internet website) without the prior written approval of PricewaterhouseCoopers.

To the extent permitted by law, we do not accept any responsibility to anyone other than ENGIE for our work, our report or the opinion we have formed, or for the consequences of any use of or reliance on our report by ESC, or by any other party.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance of the Performance Indicator Submissions with the Criteria as it is not performed continuously throughout the Period and the assurance procedures performed in respect of compliance with the Guidelines as measured by the Criteria are undertaken on a test basis. The reasonable assurance opinion expressed in this report has been formed on the above basis. Further, ENGIE's source systems (from which outputs have been used in the preparation of the ENGIE Performance Indicator Submissions that we have assured) were not subject to our assurance procedures and no opinion is expressed on the ENGIE source systems.



Basis for qualified opinion

Our procedures identified instances of non-compliance and areas where ENGIE was not able to provide sufficient appropriate evidence to demonstrate that the Performance Indicator Submissions were prepared in accordance with the Criteria throughout the period 1 July 2023 to 31 March 2024, as detailed below:

Finding
<p>A snapshot of underlying data for historical performance indicator submissions is not maintained to demonstrate that performance indicators for Q1 and Q2 were prepared in an accurate manner</p> <p>ENGIE's performance indicator resubmission reports are generated based on underlying data from a Virtual Datamart (VDM), which retrieves data from several source systems. Inquiry of management noted that ENGIE do not maintain a snapshot of the underlying data for each performance indicator to support historical performance indicator submissions (i.e. prior to Q3). Given data snapshots are not maintained at a point in time, management were required to regenerate data extracts for Q1 – Q2 data from VDM to provide evidence for our testing procedures.</p> <p>Review noted discrepancies between the final ESC reporting template when compared to the underlying regenerated VDM data for Q1 and Q2 performance indicators. Inquiry of management noted that this may be attributable to instances where data extraction scripts have since been updated and/or timing differences for the extraction of historical performance indicator data.</p>
<p>There is insufficient evidence to demonstrate that performance indicator technical definitions have been reviewed / approved in all instances, and to demonstrate that data extraction scripts have been updated</p> <p>ENGIE has developed an 'ESC Reporting Tracker' to document the regulatory interpretation, Data Team and Responsible Person (RP) review and sign off of performance indicator technical definitions.</p> <p>Inspection of the ESC Reporting Tracker identified:</p> <ul style="list-style-type: none">• 28 of 91 (31%) indicators where there was no evidence of RP review and sign off of the indicator technical definition• 11 of 91 (12%) indicators where there is no evidence to confirm that the data team formal logic (i.e. technical definition) has been updated in the latest version of the data extraction script. <p>The above exceptions may impact the reliability and accuracy of selected performance indicators.</p>
<p>Instances where performance indicators have not been prepared in accordance with the Guidelines</p> <p>We were unable to obtain sufficient and appropriate evidence to demonstrate that the performance indicators were prepared in a complete and accurate manner, for the following areas:</p> <p><i>Section 3.6 – Complaints indicators</i></p> <p>Reperformance of complaints indicators for Q1 and Q2 and inquiry of management noted that some sub-categories of complaints were not captured within the data extraction for Q1 and Q2. This has led to inaccurate reporting of customer complaints indicators (C010; C020; C040). It was noted that the complaint sub-categories and corresponding data extraction scripts were reviewed by the RPs and the Data Team as part of the Q3 submission.</p> <p><i>Section 3.1 – Background indicators 'Small business & business electricity' & 'Business Gas'</i></p> <p>For small business & business electricity background indicators, as part of the Q1 and Q2 re-submission, management identified discrepancies in relation to the underlying datamart extract (provided by the Data team) when compared to source system records. There was insufficient evidence to demonstrate how these queries / discrepancies were resolved. In addition, the current technical definition for these indicators did not capture all key source systems.</p> <p>The technical definition for the business gas MIRNs indicator was not aligned to the regulatory definition. In addition, only large business customers have been included for reporting during the resubmission period (Q1-Q3) rather than business premises on any contract type.</p> <p><i>Section 3.5 – Call Centre Indicators</i></p> <p>Discrepancies were noted in the preparation of selected Call Centre Indicators. Sample testing identified two (out of 16) source system records for call centre metrics that did not reconcile to the underlying datamart (i.e. record not accurately captured in performance reporting).</p>

The matters noted above impact the reliability and accuracy of ENGIE's Performance Indicator Submissions, for the period 1 July 2023 to 31 March 2024. We were unable to satisfy ourselves by alternate procedures, therefore qualify our opinion in this regard.



Qualified opinion

In our opinion, except for the matters noted in the *Basis for Qualified Opinion* paragraph, in all material respects, ENGIE has prepared the Performance Indicator Submissions in accordance with the Criteria for the period 1 July 2023 to 31 March 2024.

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N. Burjorjee

Nick Burjorjee
Partner

Melbourne
17 June 2024