

City of Kalgoorlie–Boulder
Water Services Operating Licence

Operational Audit and Asset
Management System Review

Report
12 May 2017

PAXON GROUP

Table of Contents

1	Executive Summary	3
1.1	Operational Audit.....	3
1.2	Asset Management System Review.....	5
2	Scope of Work	10
2.1	Objectives.....	10
2.2	Scope.....	10
2.3	Audit/Review Methodology.....	11
2.4	Time Interval Covered in Audit/Review	12
2.5	Audit/Review Dates.....	12
2.6	Licensee’s Representatives.....	12
2.7	Key Documents and Other Information Sources.....	13
2.8	Audit/Review Team Members and Hours Utilised	15
3	Licensee’s Response to Previous Recommendations	16
3.1	Previous Audit: Non-Compliances and Recommendations	16
3.2	2011-2012 Operational Audit: Issues and Recommendations Unresolved at	
	End of Previous Audit Period	49
3.3	Previous Review: Deficiencies and Recommendations	51
4	Operational Audit: Comprehensive Report	69
4.1	Audit Compliance and Controls Rating Scales.....	69
4.2	Audit: Obligation Ratings Summary – Water Services Act 2012.....	70
4.3	Audit Observations and Recommendations: Water Services Act 2012	83
4.4	Current Audit: Non-Compliances and Recommendations.....	172
5	Asset Management System Review: Comprehensive Report	178
5.1	Asset Management System Rating Scales.....	178
5.2	Asset Management System: Effectiveness Ratings Summary	180
5.3	Review Observations and Recommendations	188
5.4	Current Review: Deficiencies and Recommendations.....	202
6	Audit Opinion	209

1 Executive Summary

1.1 Operational Audit

Audit Objective

The operational audit (Audit) was conducted to assess the City of Kalgoorlie-Boulder's ("CKB") level of compliance with the conditions of its licence.

The Audit covered the period from the 1st January 2015 to the 31st December 2016 ("Audit Period") inclusive.

Licence, Business and Major Changes

CKB provides water services under the provisions of a Water Services (Operating) Licence issued by the Economic Regulation Authority ("ERA").

CKB was granted a Water Services Operating Licence ("WSOL") by the ERA. The WSOL commenced on the 29th April 1996 and authorises CKB to provide non-potable water supply services and sewerage services.

The legislation that governs the licensing of water service providers is the Water Services Act 2012 ("Act"). On 18 November 2013, the Act repealed and replaced the licensing provisions in the Water Services Licensing Act 1995. An 'amendment by substitution' was made to the WSOL, dated 18 November 2013, to take account of the provisions of the Act.

No major change in the business of CKB took place during the Audit Period.

CKB's Actions on Previous Audit Report Recommendations

The previous Audit was conducted by the Paxon Group ("Paxon") in 2015. The 2015 Audit Report, dated the 5th of May 2015, identified 73 non-compliances and provided detailed recommendations to resolve all those issues identified.

This Audit assessed the actions taken by CKB in response to the non-compliances included in the Audit Report dated the 5th of May 2015. This Audit determined that out of the 73 previous non-compliances, 46 has been resolved.

Details of the non-compliances and recommendations included in the previous Audit Report, its status and any further action required is included in Table 6 entitled: "*Previous Audit: Non-Compliances and Recommendations*".

This Audit also assessed the actions taken by CKB in response to the non-compliances and recommendations identified during the Audit for 2011-2012, which were still outstanding at the end of the previous Audit (Audit for period 1 January 2013 to 31 December 2014). Paxon has noted both non-compliance is still outstanding.

Details of the non-compliances and recommendations included in the previous Audit Report, its status and any further action required is included in Table 7 entitled: "*2011-*

2012 Operational Audit: Issues and Recommendations Unresolved at End of Previous Audit Period”.

Summary of Non-Compliances and Recommendations Arising from the Current Audit

The Audit identified a few incidences of non-compliance with the conditions of CKB’s WSOL.

Detailed information as to the compliance issues and recommendations arising from the current Audit are contained in Table 12 entitled: *“Current Audit: Non-Compliances and Recommendations”* as in section 4 of this Report.

Control environment

The control environment operated by CKB to help ensure compliance with its Licence conditions is assessed to be unsatisfactory.

Detailed information as to the control environment issues and recommendations arising from the current Audit are contained in Table 11 entitled: *“Audit Observations and Recommendations”* as in section 4 of this Report.

Licence Compliance

In the auditor’s professional view, apart from the issues (unresolved from the previous Audit) and incidences (current Audit) referred to above, CKB is complying with the conditions of its Licence.

The Table on the next page provides a summary of the findings of the Audit from the perspective of the Audit priority applied across each individual compliance obligation. Further information, for each individual compliance obligation, is available as follows:

- Summarised assessment per obligation is disclosed in Table 10 entitled: *“Audit: Obligation Ratings Summary – Water Services Act 2012”* as in section 4 of this Report; and
- Detailed findings, including observations and recommendations, per obligation are disclosed in Table 11 entitled: *“Audit Observations and Recommendations: Water Services Act 2012”* as in section 4 of this Report.

Audit	Adequacy of Controls Rating					Compliance Rating					
	Adequate Controls	Generally Adequate Controls	Inadequate Controls	No Controls Evident	Not Performed	Compliant	Non-compliant – Minor Impact	Non-compliant – Moderate Impact	Non-compliant – Major Impact	Not Rated	Not Applicable
Audit Priority Applied	A	B	C	D	NP	1	2	3	4	NR	NA
1 (Highest)	6			3		1	1			7	
2	4				1	3	1			1	
3	6	25	8	6	4	22	5	4	4	13	1
4	4	2			9	7	1		1		6
5 (Lowest)	49	9	1	10	9	17	3			57	1
Not applicable					29						29
Not used					5						5
Total	69	36	9	19	57	50	11	4	5	78	42

Table 1: Summary of Audit Findings

1.2 Asset Management System Review

Review Objective

The Water Services Licensing Act 1995 and the current Act each requires that CKB provides for and maintains an asset management system. The system should set out the processes to be taken by CKB to ensure the proper planning, operation, financing, maintenance, repair and renewal of its assets and for monitoring of its water services. The Act requires that CKB provide the ERA with a report by an independent expert on the effectiveness of the system.

This asset management system effectiveness review (“Review”) will provide the ERA with an independent opinion on whether or not CKB has in place the appropriate systems for the planning, construction, operation and maintenance of its water services assets.

A detailed description of the scope of the Review and the methodology adopted is provided in Section 2 of this report.

The Review covered the period from the 1st January 2015 to the 31st December 2016 inclusive.

Summary of conclusions

This review concludes that CKB operates all areas of its sewage collection, treatment, storage and non-potable reticulation system in a professional and competent manner. Its asset management system is broad ranging, practical and uses up to date computer software in its application.

CKB is consistently achieving or exceeding the standards required of its various licences and agreements related to collection and treatment of sewage, storage of effluent and delivery of a non-potable water supply. Its personnel are a well-trained and focussed coherent group.

Recently appointed senior managers, the Team Leader Waste and Compliance (TLWC) and Team Leader Parks and Reserves (TLPR) are addressing the recommendations of the previous Audit / Review. Consequently, several of the major asset management documents provided for review were in draft form and are currently being completed.

The highest "A 1" rating was assigned to four of the twelve key processes reviewed. Three were assigned the second highest "B 1" rating. Of the remaining five processes, four were assigned the third highest rating of "B 2", and the fifth was assigned a "C 2" rating.

Reviewer reduced the number of A1 ratings due mainly to the CKB's failure to include the Recycled Water System in the AMP and/or SOP documentation. This matter - which is currently being addressed, was recommended in the previous review.

CKB's Actions on Previous Review Report Recommendations

The previous Review was conducted by Paxon in 2015. The Review Report, dated the 5th of May 2015, identified a number of issues and provided twenty-two detailed recommendations to resolve the issues identified.

This Review concluded that of the twenty-two recommendations of the 5th of May 2015, report on the Asset Management System, four have been resolved. Of the remaining eighteen recommendations not assessed as resolved, nine were actually assessed as partly or mainly resolved – but require further minor document editing as a result of this review. Nine previous recommendations were listed as unresolved due to a lack of adequate response to the previous recommendations and / or a requirement for further improvement.

Details of actions taken by CKB in response to the recommendations, together with the Reviewer's assessment are provided in Table 8 entitled: "*Previous Review: Deficiencies and Recommendations*" as in section 3 of this Report.

The recommendations of the above Review and subsequent status related to each recommendation are provided in Table 8, summarised as follows:

- **Asset Planning**
 - *Recommendation No.1 - Resolved* –Current system capacity and the earliest year (2033) in which inflow is expected to reach maximum capacity is stated in the draft AMP;
 - *Recommendation No.2 - Mainly Resolved* – Both the AMP and SOP have been re-drafted, but require minor editing;
 - *Recommendation No.3 - Resolved* - Both the AMP and SOP have been re-drafted and item titles adequately aligned with those of Table 22 of ERA Guidelines; and
 - *Recommendation No.4 - Mainly Resolved* - The draft AMP now contains an organisation chart and a description of staff duties and responsibilities. A line diagram of the sequence of recording test results is required. Although both the AMP and SOP have now been re-written in draft form, some minor editing and cross referencing between the documents is required.
- **Asset Creation / Acquisition**
 - *Recommendation No.5 - Resolved* – CKB’s procurement policies and procedures are now stated in the draft AMP.
- **Environmental Analysis**
 - *Recommendation No. 6 -Mainly Resolved* –Relevant sections of the AMP have now been consolidated in the draft AMP as recommended; and
 - *Recommendation No.7 – Mainly Resolved* – The Environmental section of the draft AMP now contains an adequate statement of the cultural, commercial and legislative environment in which the water systems function.
- **Asset Operations**
 - *Recommendation No.8 - Resolved* – The annual rate of CCTV inspections has been increased to 8,500 metres of sewers assessed with Priority 1 and Priority 2 requirement for inspection. Management is hopeful of being able to increase the inspections to 10,000 metres annually in future. Asset condition results are entered in “Confirm”;
 - *Recommendation No.9 - Partly Resolved* – The new Throssell St. pumping station is fitted with an electronic fault alarm. A similar alarm has not been fitted to the Androvich St. pumping station;
 - *Recommendation No.10 – Mainly Resolved* – The draft AMP and SOP documents contain details of procedures for addressing blockages and other failures etc. More cross-referencing between the documents is required;
 - *Recommendation No.11 – Unresolved* – The Re-cycled water operation and maintenance manuals have not been upgraded; and
 - *Recommendation No.12 – Unresolved* – CKB Parks and Reserves division have not submitted annual reports to the Health Department.
- **Asset Maintenance**
 - *Recommendation No.13 – Unresolved* – Scheduled maintenance has not been confirmed and dated; and
 - *Recommendation No.14 – Resolved* – Both drafts of the new AMP and SOP contain relevant protocol and procedures for Maintenance.

- **Asset Management Information System**
 - *Recommendation No.15 – Partly Resolved* – The AMIS has been successfully mounted on CKB’s computer system. However, no staff member has been trained in its use;
 - *Recommendation No.16 – Unresolved* – Unrelated generic column headings have not been removed from the AMIS spreadsheets;
 - *Recommendation No.17 – Unresolved* – Asset materials have not been included in all asset registers; and
 - *Recommendation No.18 – Unresolved* – Maintenance of the re-cycled water system is not included in the AMP or SOP.
- **Risk Management**
 - *Recommendation No.19 – Unresolved* – The risk management documentation has received only minimal change since the previous review.
- **Contingency Planning**
 - *Recommendation No.20 - Resolved* – Procedures and duties of staff are well set out in both the draft AMP and SOP documents. A single list of all contacts should be added.
- **Capital Expenditure Planning**
 - *Recommendation No. 21 – Partly Resolved* - Estimates in the AMIS financial spread sheet have been upgraded where possible. Estimates in the CAPEX plan are reasonable. The CAPEX plan does not include CAPEX expenditure for the re-cycled water scheme.
- **Review of AMS**
 - *Recommendation No.22 – Mainly Resolved* – Detailed procedures for the timing, recording and updating the AMS and SOP are well set out, but require minor editing to correct conflicting statements.

Licence Compliance

Tables 8 & 9 of the ERA’s: “*Audit and Review Guidelines: Water Licences – July 2014*” provided the basis for assessment of the effectiveness rating levels associated with “*Asset Management Process and Policy Definition*” and “*Asset Management Performance*” during the Review.

The Reviewer’s assessment (based on the above tables) of the effectiveness of CBK’s Asset Management System is summarised in Table 2 entitled: “*Summary of Review Findings*” on the following page:

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
Asset Planning		✓			✓			
Asset Creation and Acquisition	✓				✓			
Asset Disposal	✓				✓			
Environmental Analysis		✓			✓			
Asset Operations		✓				✓		
Asset Maintenance		✓				✓		
Asset Management Information System		✓			✓			
Risk Management		✓				✓		
Contingency Planning			✓			✓		
Financial Planning	✓				✓			
Capital Expenditure Planning	✓				✓			
Review of Asset Management System		✓				✓		

Table 2: Summary of Review Findings

2 Scope of Work

2.1 Objectives

2.1.1 Operational Audit

The objective of the Audit was to assess the effectiveness of measures taken by CKB to meet the conditions referred to in the Licence including the legislative obligations called up by the Licence.

This Audit Report identifies areas where improvement is required and recommends corrective action (see Table 12 entitled: *“Current Audit: Non-Compliances and Recommendations”* as in section 4 of this Report).

2.1.2 Asset Management System Review

The objective of the Review was to assess the measures taken by CKB for the proper management of assets used in the provision and operation of services and, where appropriate, the construction or alteration of relevant assets.

This Review Report identifies areas where improvement is required and recommends corrective action (see Table 17 entitled: *“Current Review: Deficiencies and Recommendations”*).

2.2 Scope

2.2.1 Operational Audit

The Audit focused on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by the Licence. The scope of the Audit included the adequacy and effectiveness of performance against the requirements of the Licence and considered:

- **Process compliance** – the effectiveness of systems and procedures in place throughout the Audit Period, including the adequacy of internal controls;
- **Outcome compliance** – the actual performance against standards prescribed in the Licence throughout the Audit Period;
- **Output compliance** – the existence of output from systems and procedures throughout the Audit Period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained);
- **Integrity of reporting** – the completeness and accuracy of the compliance and performance reports provided to the ERA; and
- **Compliance with any individual licence conditions** – the requirements imposed on the specific licensee by the ERA or specific issues that are advised by the ERA.

Further references to the Audit scope is covered in detail in this section of the Report.

2.2.2 Asset Management System Review

The Review focused on the asset management system, including asset management plans, which set out the measures that are to be taken by CKB for the proper operation and maintenance of assets. The plans must convey CKB's business strategies to ensure the effective management of assets over at least a five-year period.

The scope of the Review included an assessment of the adequacy and effectiveness of the asset management system by evaluation of the 12 key asset management processes mandated, being;

- Asset planning;
- Asset creation/acquisition;
- Asset disposal;
- Environmental analysis;
- Asset operations;
- Asset maintenance;
- Asset management information system;
- Risk management;
- Contingency planning;
- Financial planning;
- Capital expenditure planning; and
- Asset management system.

Further references to the Review scope is covered in detail in this section of the Report.

2.3 Audit/Review Methodology

2.3.1 Audit Plan

A risk-based approach was used to develop an Audit and Review Plan, to assess the appropriate risk factors to focus the Audit and Review on higher risk areas, with less intensive coverage of medium and lower risk areas.

2.3.2 Fieldwork

- Conducted an initial meeting with relevant staff at CKB and reviewed processes to obtain an understanding of procedures, systems and controls in place to ensure compliance with license conditions;
- Evaluated the adequacy of the controls to cover the identified risks and performed more extensive audit/review testing of higher risk areas to provide sufficient assurance and confirmed lower risk areas by discussion and observation;
- Assessed compliance with License conditions over the Audit/Review Period as well as at the time of the Audit/Review;
- Followed up and confirmed action taken on any previous Audit/Review issues and recommendations;
- Researched the issues, weaknesses and potential improvements noted from our

discussions and review of the existing processes; and

- Developed appropriate recommendations for improvement for discussion with management.

2.3.3 Audit Reporting

- Prior to the conclusion of the Audit/Review visit, discussed any observations and recommendations with the representative of CKB to confirm understanding of the issues and to agree upon the action to be taken;
- Provided a draft Audit and Review Report to the ERA for review. The ERA provided comments on the Draft Audit and Review Report to Paxon. Paxon considered the ERA’s comments and made amendments to the Draft Audit and Review Report, as appropriate; and
- Provided the final Audit and Review Report to the ERA.

The ERA will forward the draft Audit and Review Report, with the ERA’s comments to CKB for their comment. The ERA will procure the post-audit implementation plan from CKB.

2.4 Time Interval Covered in Audit/Review

The Audit/Review covered the period from the 1st January 2015 to the 31st December 2016. The previous Audit/Review covered the period from the 1st January 2013 to the 31st December 2014.

2.5 Audit/Review Dates

The Audit/Review was conducted during February 2017.

2.6 Licensee’s Representatives

CKB’s employees who participated in the Audit were as follows:

Staff Member	Position
David de Jager	Team Leader: Waste and Compliance
Louis Paloicamporeale	Team Leader: Parks and Reserves
Andrew Wright	Manager: Finance, Assets & Procurement
Michelle Martin	City Accountant
Jocelyn Power	Coordinator Rates
Lauren Bowie	Rates Officer: Finance

Table 3: CKB’s Employees Who Participated in the Audit

CKB's employees who participated in the Review were as follows:

Staff Member	Position
David de Jager	Team Leader: Waste and Compliance
Louis Paloicamporeale	Team Leader: Parks and Reserves
Michelle Martin	City Accountant
Paul Sheriff	Manager – Information Systems
Cody Curtin	Waste Services Officer
Emil Saule	Waste Services Officer

Table 4: CKB's Employees Who Participated in the Review

2.7 Key Documents and Other Information Sources

2.7.1 Operational Audit

Details of key documents and other information sources examined during the Audit are as follows:

- Water Services Act 2012;
- Water Services Code of Conduct (Customer Service Standards) 2013;
- Water Services Regulations 2013;
- Audit and Review Guidelines: Water Licences – July 2014;
- Water Compliance Reporting Manual – Water Services Act 2012 – April 2014;
- Water Compliance Reporting Manual – Water Services Act 2012 – July 2016;
- Water Services Operating Licence – City of Kalgoorlie-Boulder – WL 4, Version 5, 18 November 2013 (WSOL – Version 5);
- Water Services Licence – City of Kalgoorlie-Boulder – WL 4, Version 6, 1 July 2016 (WSOL – Version 6);
- City of Kalgoorlie-Boulder - Audit and Review Plan - Operational Audit and Asset Management System Effectiveness Review of the Water Services (Operating) Licence for 2015 - 2016;
- City of Kalgoorlie-Boulder – Water Services Operating Licence – Operational Audit and Asset Management System Review – Report - 5 May 2015;
- City of Kalgoorlie-Boulder – Annual Report – 2014-2015;
- City of Kalgoorlie-Boulder – Annual Report – 2015/2016;
- City of Kalgoorlie-Boulder – Asset Management Plan – Sewerage Scheme – Version 141110;
- Compliance Report – 1 July 2014 to 30 June 2015;
- Compliance Report – 1 July 2015 to 30 June 2016;
- City of Kalgoorlie-Boulder – Policy: EXEC-OD-001 – Complaints Handling;
- City of Kalgoorlie-Boulder – Rates Procedure Manual;

- City of Kalgoorlie-Boulder – Debtors Procedure Manual – 15/03/2017;
- City of Kalgoorlie-Boulder – Financial Hardship Policy for Water Services – April 2014;
- Rate Notice Tax Invoices and Tax Invoices;
- Reporting Matrix;
- City of Kalgoorlie-Boulder – Planning, Development and Regulatory Services – Waste and Compliance Services - Standard Operating Procedures (SOP) Manual Version 9.0 – 2017;
- Performance Report 2014/2015 and 2015/2016; and
- City of Kalgoorlie-Boulder – Wastewater Collection & Treatment Service – Customer Service Charter – March 2011.

2.7.2 Asset Management Information System

Details of key documents and other information sources examined during the Review are as follows:

- Water Services Licence – City of Kalgoorlie-Boulder – WL 4, Version 6, 1 July 2016 (WSOL – Version 6);
- Department of Environmental Regulation – Licence No. L5860/2011/2 for South Boulder WWTP dated 20th June 2016;
- Department of Health WA – approval and Conditions associated with the City of Kalgoorlie Boulder Recycled Water Scheme – 12th November 2010;
- City of Kalgoorlie-Boulder – Water Services Operating Licence – Operational Audit and Asset Management System Review – Report - 5 May 2015;
- Monthly Water Analysis Certificates - January 2015 to September 2016;
- Draft Asset Management Plan - Version 1 - 14th January 2017;
- City of Kalgoorlie-Boulder – Planning, Development and Regulatory Services – Waste and Compliance Services - Standard Operating Procedures (SOP) Manual Version 9.0 – 2017;
- City of Kalgoorlie-Boulder – Annual Report – 2014-2015;
- City of Kalgoorlie-Boulder – Annual Report – 2015/2016;
- South Boulder Wastewater Treatment Plant (WWTP) – Annual Reports to Department of Environmental Regulation for 2014/15 and 2015/16;
- WWTP Annual Compliance Certificate to Department of Environmental Regulation - 2015/16;
- City of Kalgoorlie Boulder – Annual Flow and Nutrient Data – 2014/15 and 2015/16;
- City of Kalgoorlie Boulder Contract Documents for:
 - Electrical Support at WWTP – TIS Engineering Pty Ltd – 18th December 2014;
 - Mechanical Support at WWTP – Kalpumps PTY Ltd – 18th December 2014;
 - Sewer Maintenance and AD Hoc Works – DWE Plumbing Pty Ltd – 30th April 2015; and
 - CCTV Inspections – Riverjet Pty Ltd – 5th May 2016.
- GHD – optimization Review – 2013;

- Water Corporation of WA – South Boulder WWTP – Operations and Maintenance Handbook – Revision 6 – 2003;
- AMP Budget Estimates Workings (Maintenance, Capital and Financial) – 2012 to 2027;
- Sewer Blockage Sheets for 2014/15, 2015/16 and 2016/17;
- Classification of Asset Condition / Defects;
- City of Kalgoorlie Boulder Pro-forma document for Procurement; and
- City of Kalgoorlie Boulder Parks and Reserves - Recycled Water Operational and Maintenance manual – including incident reporting sheets for Pump Stations, Distribution System and Reticulation.

Audit/Review Team Member	Hours
Cameron Palassis – Executive Director	15
Anton Prinsloo – Senior Audit Consultant	60
Barry Robbins – Barry Robbins Engineering & Project Management	60
TOTAL	135

Table 5: Audit/Review Team Members and Hours Utilised

3 Licensee’s Response to Previous Recommendations

3.1 Previous Audit: Non-Compliances and Recommendations

Previous Audit: Non-Compliances and Recommendations				
A. Resolved Before End of Previous Audit Period				
Reference (no./year)	Compliance Rating	Auditor’s Recommendation or Action Taken	Date Resolved	Further Action Required (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
There is no content in Part A.				

Table 6: Previous Audit: Non-compliances and Recommendations (Part A)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
1 (1/2015)	<ul style="list-style-type: none"> • 1 C; • LO: Water Services Act 2012 (Act): 21(1)(a) and Water Services Operating Licence (WSOL) – Version 5: 27.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that the document entitled: “Engineering Services Directorate – Sustainability & Waste Services – Standard Operating Procedures (SOP) Manual – Version 7.1” (SOP Manual) does not refer to the: <ul style="list-style-type: none"> • Water Services Operating Licence; nor the • Water Services Regulations 2013. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be appropriately updated to refer to all applicable legislation, rules and regulations applicable to CKB’s operations. 	Audit period	FAR: no.
13 (4/2015)	<ul style="list-style-type: none"> • NR D; • LO: Act: 36 and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 36 of the Act. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 36 of the Act. 	Audit period	FAR: no.
15 (5/2015)	<ul style="list-style-type: none"> • NR D; • LO: Act: 66 and WSOL – Version 5: 21.1; and • Details: 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 66 of the Act. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
15 5/2015 (continued)	<ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 66 of the Act. 			
18 (6/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 84(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligations contained in either sections 83(3)(a) or section 84(2) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in both section 83(3)(a) of the Act and section 84(2) of the Act. 	Audit period	FAR: no.
19 (7/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 87(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in sections 87(2) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligation stipulated in section 87(2) of the Act. 	Audit period	FAR: no.
20, 25, 28 & 89 (8/2015)	20, 25 & 28: <ul style="list-style-type: none"> NR D; and LO: Act: 90(7), 106(2), 119(2) and WSOL – Version 5: 5.1. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of compliance notices to be issued by CKB. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
20, 25, 28 & 89 (8/2015) (continued)	89: <ul style="list-style-type: none"> NR D; LO: Water Services Regulations 2013 (Reg): 85 and WSOL – Version 5: 5.1; and Details: <p>Paxon has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of the issue of compliance notices.</p> 			
29 (9/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 122(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 122(2) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 122(2) of the Act. 	Audit period	FAR: no.
32 (10/2015)	<ul style="list-style-type: none"> 1 B; LO: Act: 129(5) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 129(5) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 129(5) of the Act. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
33 (11/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 139(3) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 139(3) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 139(3) of the Act. 	Audit period	FAR: no.
34 (12/2015)	<ul style="list-style-type: none"> 1 B; LO: Act: 141(1) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 141(1) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 141(1) of the Act. 	Audit period	FAR: no.
35, 36, 37, 38, 39, 40, 41 & 164 (13/2015)	35 – 41: <ul style="list-style-type: none"> NR D; and LO: Act: 142, 143(2), 143(3), 144(3), 145(2), 147(3), 147(4), and WSOL – Version 5: 5.1. 164: <ul style="list-style-type: none"> NR D; LO: Act: 12 and WSOL – Version 5: 15.1(d); and 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of major works. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
35, 36, 37, 38, 39, 40, 41 & 164 (13/2015) (continued)	<ul style="list-style-type: none"> Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of major works. 			
42, 43, 44 & 45 (14/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 151(1), 151(2), 152(3), 153(3) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of general works. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of general works. 	Audit period	FAR: no.
49 (15/2015)	<ul style="list-style-type: none"> 1 B; LO: Act: 173(4) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 173(4) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 173(4) of the Act. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
50 (16/2015)	<ul style="list-style-type: none"> • 1 B; • LO: Act: 174(1) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 174(1) of the Act. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 174(1) of the Act. 	Audit period	FAR: no.
51 (17/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Act: 174(3) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • CKB has stated that such instances did take place during the Audit Period without it giving appropriate notice; and • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 174(3) of the Act. 	Sewerage services: <ul style="list-style-type: none"> • CKB should give appropriate notice in the circumstances stipulated in section 174(3) of the Act; and • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 174(3) of the Act. 	Audit period	FAR: no.
52 (18/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Act: 175(2) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 175(2) of the Act. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 175(2) of the Act. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
53 (19/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Act: 175(5) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 175(5) of the Act. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 175(5) of the Act. 	Audit period	FAR: no.
54 (20/2015)	<ul style="list-style-type: none"> • NR D; • LO: Act: 176(1) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 176(1) of the Act. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(1) of the Act. 	Audit period	FAR: no.
55 (21/2015)	<ul style="list-style-type: none"> • NR D; • LO: Act: 176(3) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 176(3) of the Act. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(3) of the Act. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
56 (22/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 176(4) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 176(4) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(4) of the Act. 	Audit period	FAR: no.
57 (23/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 181 and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 181 of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 181 of the Act. 	Audit period	FAR: no.
58, 59, 60 & 61 (24/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 186, 187(1) – (3), 190(4), 190(5) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of warrants. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of warrants. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
62 (25/2015)	<ul style="list-style-type: none"> NR D; LO: Act: 210(5) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 210(5) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 210(5) of the Act. 	Audit period	FAR: no.
63 (26/2015)	<ul style="list-style-type: none"> 1 D; LO: Act: 218(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 218(2) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 218(2) of the Act. 	Audit period	FAR: no.
64 (27/2015)	<ul style="list-style-type: none"> 1 D; LO: Act: 218(3) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in section 218(3) of the Act. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 218(3) of the Act. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
66 (28/2015)	<ul style="list-style-type: none"> NR D; LO: Water Services Regulations 2013 (Reg): 24(4) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 24(4) of the Water Services Regulations 2013 (Regulations). 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in Regulation 24(4) of the Regulations. 	Audit period	FAR: no.
67 & 68 (29/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 26(3), 26(5) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 26 of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 26 of the Regulations. 	Audit period	FAR: no.
69 (30/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 29(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 29(2) of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 29(2) of the Regulations. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
70 (31/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 42(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 42(2) of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 42(2) of the Regulations. 	Audit period	FAR: no.
71 & 72 (32/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 43(3), 43(6) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 43 of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 43 of the Regulations. 	Audit period	FAR: no.
73 (33/2015)	<ul style="list-style-type: none"> 1 D; LO: Reg: 53(3) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 53(3) of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 53(3) of the Regulations. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
74 (34/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 60(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 60(2) of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 60(2) of the Regulations. 	Audit period	FAR: no.
75 (35/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 63 and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in regulation 63 of the Regulations. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 63 of the Regulations. 	Audit period	FAR: no.
92 (40/2015)	<ul style="list-style-type: none"> 1 B; LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clause 7 and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that the Customer Service Charter refers to Plan Number OWR-OA-028 and not Plan Number 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 7 of the Code of Conduct. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
92 (40/2015) (continued)	<p>OWR-OA-028(C) as stated in Water Services Operating Licence Version 5; and</p> <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in clause 7 of the Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct). 			
95 (42/2015)	<ul style="list-style-type: none"> NC: 1 and CI Rating: D; LO: Code of Conduct: 10(2) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 10(2) of the Code of Conduct. 	<p>Finance:</p> <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 10(2) of the Code of Conduct. 	Audit period	FAR: no.
99 (43/2015)	<ul style="list-style-type: none"> 1 D; LO: Code of Conduct: 11 and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the 	<p>Finance:</p> <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 11 of the Code of Conduct. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
99 (43/2015) (continued)	obligation contained in clause 11 of the Code of Conduct.			
121 (50/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Code of Conduct: 22 and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 22 of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligation stipulated in clause 22 of the Code of Conduct. 	Audit period	FAR: no.
124 (53/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Code of Conduct: 25 and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 25 of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligation stipulated in clause 25 of the Code of Conduct. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
149 (63/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Code of Conduct: 35(6) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • CKB has stated that the Complaints Handling Procedure is an internal document and is not available on the CKB's website. Clause 35(4) of the Code of Conduct specifically refers to informing customers on specific matters which relate to customer complaints. 	Sewerage services: <ul style="list-style-type: none"> • CKB should make its customer complaints procedures publicly available to ensure compliance with clause 35(6) of the Code of Conduct. 	Audit period	FAR: no.
150 & 153 (64/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Code of Conduct: 36(1), 37(1) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • CKB has stated that the specified services were provided without charge during the Audit Period; and • Paxon has examined a sample of rates notices and tax invoices issued during the Audit Period and found that neither document referred to the availability of facilities for: 	Finance: <ul style="list-style-type: none"> • Appropriate references should be included on Rates Notices and Tax Invoices to accommodate the communication needs of all customers of the CKB. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
150 & 153 (64/2015) (continued)	<ul style="list-style-type: none"> Use by customers with hearing or speech impairment; or Interpreter services. 			
162 (66/2015)	<ul style="list-style-type: none"> 1 D; LO: Act: 12 and WSOL – Version 5: 14.4; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the SOP Manual to the obligation contained in clause 14.4 of WSOL – Version 5. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 14 (4) of WSOL – Version 5. 	Audit period	FAR: no.
165 (67/2015)	<ul style="list-style-type: none"> 1 D; LO: Act: 12 and WSOL – Version 5: 16.1; and Details: <ul style="list-style-type: none"> Paxon has noted that an appropriate reference is not made in the SOP Manual as to the timing, manner and format of information to be provided to the Authority. The SOP Manual does refer to the receipt of items of communication, however, this reference does not specifically address the criteria specified by the Authority. 	Sewerage services: <ul style="list-style-type: none"> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 16 (1) of WSOL – Version 5 in respect of Authority specified criteria for information. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
168 (69/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Act: 12 and WSOL – Version 5: 17.2; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in clause 17.2 of WSOL – Version 5. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 17.2 of WSOL – Version 5. 	Audit period	FAR: no.
169 (70/2015)	<ul style="list-style-type: none"> • 1 C; • LO: Act: 12 and WSOL – Version 5: 18.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that an appropriate reference is not made in the SOP Manual to the fact that all notices must be in writing. The SOP Manual does refer to “standard letters and documents”, however due to the incompleteness of the SOP Manual, this reference is not regarded as comprehensive enough to include “all notices” as used in WSOL – Version 5. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 18 (1) of WSOL – Version 5 in respect of all notices having to be in writing. 	Audit period	FAR: no.

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance and Control Rating	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation and			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Details of the Issue			
172 (71/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Act: 12 and WSOL – Version 5: 20.6; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in clause 20.6 of WSOL – Version 5. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 20.6 of WSOL – Version 5. 	Audit period	FAR: no.
173 (72/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Act: 12 and WSOL – Version 5: 21.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligation contained in clause 21.1 of WSOL – Version 5. 	Sewerage services: <ul style="list-style-type: none"> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 21.1 of WSOL – Version 5. 	Audit period	FAR: no.

Table 6: Previous Audit: Non-compliances and Recommendations (Part B)

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
4, 7, 156, 163, 171 & 182 (2/2015)	<p>4:</p> <ul style="list-style-type: none"> NR D; and LO: Act: 22 and WSOL – Version 5: 28.1. <p>7:</p> <ul style="list-style-type: none"> NR D; and LO: Act: 24(1)(b) and WSOL – Version 5: 20.2. <p>156:</p> <ul style="list-style-type: none"> 2 D; and LO: Act: 12 and WSOL – Version 5: 5.1. <p>163, 171 and 182:</p> <ul style="list-style-type: none"> NR D; LO: Act: 12 and WSOL – Version 5: 15.1(a), (b) and (c), 20.2 and 28.1(b); and Details: <ul style="list-style-type: none"> Paxon has noted that the CKB's Reporting Matrix does not provide for compliance with this stipulation (provision of water services outside of the operating area of the license) and only lists some compliance obligations and the calendar month it is to be performed; and 	<p>All services:</p> <ul style="list-style-type: none"> The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL); The CKB should maintain a list of reportable events and incidents of a non-repetitive nature ("once-off" or "specific event" reporting obligations). This list should be added as an attachment to the Reporting Matrix; The Reporting Matrix should also be changed to include the following information: <ul style="list-style-type: none"> Operating Licence reference; Compliance requirement; Frequency of action specified; (Next) due date; Responsible officer; and Notes. A specific person should be allocated responsibility for: <ul style="list-style-type: none"> Ensuring compliance with the dates disclosed in the Reporting Matrix; and Continually updating the Reporting Matrix. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 2/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
4, 7, 156, 163, 171 & 182 (2/2015) (continued)	<ul style="list-style-type: none"> Paxon has noted that the CKB Reporting Matrix does not list any reporting obligation in respect of changes to CKB's asset management system. 		
6, 96, 97, 98, 103, 104, 105, 106, 175, 177, 178, 179 & 180 (3/2015)	<p>6:</p> <ul style="list-style-type: none"> 2 C; and LO: Act: 24(1)(a) & 24(2) and WSOL – Version 5: 20.1. <p>96 & 97:</p> <ul style="list-style-type: none"> 1 D; and LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clauses 10(3), 10(4) and WSOL – Version 5: 5.3. <p>98, 103, 104 & 105:</p> <ul style="list-style-type: none"> NR D; and LO: Code of Conduct: clauses 10(5), 13(1), (13(2) and 14(1) and WSOL – Version 5: 5.3. 	<p>Non- potable water supply services:</p> <ul style="list-style-type: none"> An appropriate asset management system should be documented for the non-potable water supply services being provided by CKB. Alternatively, the current asset management system for the sewerage services should be appropriately updated to include those services; and An operating procedures manual for the non-potable water supply services that CKB provides should be documented. Alternatively, the current SOP Manual for the sewerage services should be appropriately updated to include those services. 	<ul style="list-style-type: none"> FAR: yes; Details: as recommended in 3/2015; and Background: <ul style="list-style-type: none"> Paxon has been informed procedure manuals have been compiled which cover the provision of non-potable water supply services. However, notwithstanding a specific request, these manuals were not made available to Paxon. Paxon could thus not determine the adequacy of documented controls to cover water service licence obligations; CKB has stated it does not have an Asset Management Plan for the non-potable water supply services it provides; and CKB has continued it did employ a consultant to develop a principle asset management plan for the city. Operational asset management plans and systems will then be developed (including for Parks and Reserves) or amended in support of the principle asset management

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
<p>6, 96, 97, 98, 103, 104, 105, 106, 175, 177, 178, 179 & 180 (3/2015) (continued)</p>	<p>106:</p> <ul style="list-style-type: none"> • 2 B; and • LO: Code of Conduct: clause 15 and WSOL – Version 5: 5.3. <p>175, 177, 178, 179 & 180:</p> <ul style="list-style-type: none"> • NR D; and • LO: Act: 12 and WSOL – Version 5: 23.1, 23.3, 23.6, 24.1-2 and 24.4. <p>176:</p> <ul style="list-style-type: none"> • 1 D; • LO: Act: 12 and WSOL – Version 5: 23.2; and • Details: <ul style="list-style-type: none"> • CKB has stated that it does not have any specific asset management documentation for the non-potable water supply services it provides, nor a standard operating procedures manual. 		<p>plan. These plans and systems will drive, amongst others, budget decisions.</p>
<p>77 (36/2015)</p>	<ul style="list-style-type: none"> • 1 D; • LO: Reg: 65(2) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as 	<p>Finance:</p> <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(2) of the Regulations. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 36/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
77 (36/2015) (continued)	<p>presented for Audit purposes, to the obligation contained in regulation 65(2) of the Regulations; and</p> <ul style="list-style-type: none"> • CKB has stated that no changes were made to their financial procedure documents to incorporate the stipulations of either the: <ul style="list-style-type: none"> • Water Services Act 2012; • Water Services Regulations 2013; • Water Services Code of Conduct (Customer Service Standards) 2013; and • WSOL – Version 5. 		
78 (37/2015)	<ul style="list-style-type: none"> • NR D; • LO: Reg: 65(4) and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 65(4) of the Regulations. 	<p>Finance:</p> <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(4) of the Regulations. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 37/2015.
79 (38/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Reg: 67 and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as 	<p>Finance:</p> <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 67 of the Regulations. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 38/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
79 (38/2015) (continued)	presented for Audit purposes, to the obligation contained in regulation 67 of the Regulations.		
80, 81, 82, 83, 84, 85, 86 & 87 (39/2015)	<ul style="list-style-type: none"> NR D; LO: Reg: 68(5), 68(6), 68(7), 68(8), 69(3), 70(2), 74(1), 74(2) and WSOL – Version 5: 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in the Regulations in respect of objections to records maintained under Regulation 65. 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in the Regulations in respect of objections to records maintained under Regulation 65. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 39/2015.
94 (41/2015)	<ul style="list-style-type: none"> 1 D; LO: Code of Conduct: 9 and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 9 of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 9 of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 41/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
107, 108, 109 & 110 (44/2015)	<ul style="list-style-type: none"> NR D; LO: Code of Conduct: 16(2), 16(3), 16(4), 16(5) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 16 of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 16 of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 44/2015.
111 & 112 (45/2015)	<ul style="list-style-type: none"> NR D; LO: Code of Conduct: 17(1), 17(2) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 17 of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 17 of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 45/2015.
113, 114, 115, 116 & 117 (46/2015)	113 & 117: <ul style="list-style-type: none"> NR D; and LO: Code of Conduct: 18(1), 18(5) and WSOL – Version 5: 5.3. 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 18 of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 46/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
113, 114, 115, 116 & 117 (46/2015) (continued)	114, 115 & 116: <ul style="list-style-type: none"> • 2 D; • LO: Code of Conduct: 18(2), 18(3) and (6), 18(4) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 18 of the Code of Conduct. 		
115 (47/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Code of Conduct: 18(3) and (6) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon could not find any proper reference to the review procedure in either the Customer Service Charter, sample of rates notices examined or on the CKB's website. 	Finance: <ul style="list-style-type: none"> • The review procedure should be disclosed on the CKB's website. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 47/2015.
118 (48/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Code of Conduct: 20 and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as 	Finance: <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 20 of the Code of Conduct. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 48/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
118 (48/2015) (continued)	presented for Audit purposes, to the obligation contained in clause 20 of the Code of Conduct.		
119 & 120 (49/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Code of Conduct: 21(1), 21(2) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 21 of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 21 of the Code of Conduct. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 49/2015.
122 (51/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Code of Conduct: 23(1) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 23(1) of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 23(1) of the Code of Conduct. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 51/2015.
123 (52/2015)	<ul style="list-style-type: none"> • NR D; • LO: Code of Conduct: 24 and WSOL – Version 5: 5.3; and 	Finance: <ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 52/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
123 (52/2015) (continued)	<ul style="list-style-type: none"> Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 24 of the Code of Conduct. 	obligations stipulated in clause 24 of the Code of Conduct.	
128 (54/2015)	<ul style="list-style-type: none"> 2 D; LO: Code of Conduct: 26(5) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has confirmed that the Financial Hardship Policy is available on the CKB website. However, a specific search had to be undertaken to locate the document. Furthermore, the “search” results included a number of financial hardship documents; and Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 26(5) of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> The Financial Hardship Policy should be readily available on the CKB website without having to conduct a specific search therefore; and The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(5) of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 54/2015.
129 (55/2015)	<ul style="list-style-type: none"> NR D; LO: Code of Conduct: 26(6) and WSOL – Version 5: 5.3; and Details: 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(6) of the Code 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 55/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
129 (55/2015) (continued)	<ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 26(6) of the Code of Conduct. 	of Conduct.	
130 (56/2015)	<ul style="list-style-type: none"> 1 D; LO: Code of Conduct: 27(2) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 27(2) of the Code of Conduct. 	Finance: <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(2) of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 56/2015.
131 (57/2015)	<ul style="list-style-type: none"> 1 D; LO: Code of Conduct: 27(3) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> However, no reference is made (in the Financial Hardship Policy) to applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes; and 	Finance: <ul style="list-style-type: none"> The Financial Hardship Policy should contain an appropriate reference to other financial assistance to which the customer may be entitled; and The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(3) of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 57/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
131 (57/2015) (continued)	<ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 27(3) of the Code of Conduct. 		
132 & 133 (58/2015)	<p>132:</p> <ul style="list-style-type: none"> NR D; and LO: Code of Conduct: 28(1), and WSOL – Version 5: 5.3. <p>133:</p> <ul style="list-style-type: none"> 1 D; LO: Code of Conduct: 28(4) & 5 and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 28 of the Code of Conduct. 	<p>Finance:</p> <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 28 of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 58/2015.
134 (59/2015)	<ul style="list-style-type: none"> NR D; LO: Code of Conduct: 29 and WSOL – Version 5: 5.3; and Details: 	<p>Finance:</p> <ul style="list-style-type: none"> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 29 of the Code of Conduct. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 59/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
134 (59/2015) (continued)	<ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 29 of the Code of Conduct. 		
146 (60/2015)	<ul style="list-style-type: none"> 2 D; LO: Code of Conduct: 35(2) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> CKB has stated that it did develop its Complaints Handling Procedure without taking into account the relevant provisions of AS ISO 10002-2006. 	Sewerage services: <ul style="list-style-type: none"> CKB should ensure that its Complaints Handling Procedure complies with the relevant provisions of AS ISO 10002-2006 and the Authority's guidelines on a continuous basis. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 60/2015.
147 (61/2015)	<ul style="list-style-type: none"> 1 C; LO: Code of Conduct: 35(3) and WSOL – Version 5: 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that with one exception, CKB's Complaints Handling Procedure does deal appropriately with the matters specified in Clause 35(3) of the Code of Conduct. The Customer Complaint Procedure refers to: <ul style="list-style-type: none"> "...try to resolve the issue within two (2) working days..."; and "...that a full response may be made within seven (7) days." 	Sewerage services: <ul style="list-style-type: none"> The Complaints Handling Procedure should be appropriately changed to state that complaints should be resolved before the end of the period of 15 business days starting on the day the complaint was received. 	<ul style="list-style-type: none"> FAR: yes; and Details: as recommended in 61/2015.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
148 (62/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Code of Conduct: 35(4) and WSOL – Version 5: 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that the Complaints Handling Procedure does refer to the “Ombudsman”. However, it is stated as a “matter of fact” and does not refer to informing the customer about this right or the other information contained in clause 35(4) of the Code of Conduct. 	Sewerage services: <ul style="list-style-type: none"> • The Complaints Handling Procedure should be updated to refer appropriately to the compliance obligations stipulated in clause 35(4) of the Code of Conduct in respect of informing complainants about complaint procedures. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 62/2015.
156 (65/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Act: 12 and WSOL – Version 5: 5.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted that the SOP Manual specifically lists “State and Federal Government Acts & Regulations” which CKB needs to comply with; and • The Independent Auditor’s Reports, as included in the City of Kalgoorlie-Boulder’s Annual Reports for both the 2012 – 2013 and the 2013 – 2014 financial year, refer to a number of instances where CKB did not comply with the Local Government Act 1995 and/or the Local Government (Financial Management) Regulations 1996 (as amended). 	Sewerage services: <ul style="list-style-type: none"> • The mere listing of applicable legislation in the SOP Manual helps identify legislation to be complied with. However, CKB should follow a pro-active approach to ensure compliance with all compliance obligations that originate from its WSOL. This includes educating its personnel appropriately in respect of the contents of all such compliance obligations. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 7/2017.

Previous Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Current Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
166 (68/2015)	<ul style="list-style-type: none"> • 2 D; • LO: Act: 12 and WSOL – Version 5: 16.2; and • Details: <ul style="list-style-type: none"> • Paxon has noted that the annual Compliance Report for the year ended 30 June 2014 was submitted late. The Compliance Report which was due by 1 September 2014 was only received by the Authority on 22 December 2014. CKB could not provide any proof as to when the annual Compliance Report for the year ended 30 June 2013 was submitted to the Authority. 	Sewerage services: <ul style="list-style-type: none"> • The CKB should ensure that: <ul style="list-style-type: none"> • All reports are submitted on time to the Authority; and • Adequate records are maintained in respect of all communication with the Authority. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 68/2015.
183 (73/2015)	<ul style="list-style-type: none"> • 1 D; • LO: Act: 12 and WSOL – Version 5: 30.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the SOP Manual to the obligations contained in WSOL – Version 5 in respect of customer contracts. 	<ul style="list-style-type: none"> • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 30.3 of WSOL – Version 5. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: as recommended in 73/2015.

Table 6: Previous Audit: Non-compliances and Recommendations (Part C)

3.2 2011-2012 Operational Audit: Issues and Recommendations Unresolved at End of Previous Audit Period

2011-2012 Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Previous Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
2011 - 2012	<ul style="list-style-type: none"> • CR: 4; • LO: Clause 2.1; and • Details: <ul style="list-style-type: none"> • The map showing the City's operating area was updated in 2012. Correspondence dated 06/11/2012 from the Authority confirms the amendment to the licence to reflect the correct map reference. 	<ul style="list-style-type: none"> • At the next review and update of the Customer Service Charter, the references to the operating area (Section 1.3) should be updated to reflect the correct map reference. 	<ul style="list-style-type: none"> • Further action required: yes; • Details: as recommended; and • Background: <ul style="list-style-type: none"> • Paxon has noted that the document entitled: "City of Kalgoorlie-Boulder - Wastewater Collection & Treatment Service – Customer Service Charter – March 2011" (Customer Service Charter), refers to Plan Number OWR-OA-028 and not Plan Number OWR-OA-028(C) as stated in Water Services (Operating) Licences Versions 5 and 6. Audit has noted the Customer Service Charter is still disclosed on CKB's website.
2011 – 2012	<ul style="list-style-type: none"> • CR: 4; • LO: Clause 5.1; and • Details: <ul style="list-style-type: none"> • The City has identified legislation and regulations applicable to the operation of their organisation and provision of the services and these are listed in Section 5 – Regulatory Requirements of the Asset Management Plan; and 	<ul style="list-style-type: none"> • Although relevant legislation is listed in the AMP and in the SOP Manual, a reference in these sections to the officer/department responsible for monitoring applicable legislation and the workflow process/procedure for identifying/implementing/seeking exemption is recommended. 	<ul style="list-style-type: none"> • Further action required: no.

2011-2012 Audit: Non-Compliances and Recommendations			
C. Unresolved at End of Previous Audit Period			
Reference (no./year)	Compliance Rating (CR)	Auditor's Recommendation	Further Action Required (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
2011 – 2012 (continued)	<ul style="list-style-type: none"> In addition, Federal, State and Local acts, laws and policies related to the City's sustainability and waste services are listed (and hyperlinked) in Section 7 of its Standard Operating Procedures (SOP) Manual, August 2012. 		

Table 7: 2011-2012 Operational Audit: Issues and Recommendations Unresolved at End of Previous Audit Period

3.3 Previous Review: Deficiencies and Recommendations

Previous Review: Deficiencies and Recommendations				
A. Resolved Before End of Previous Review Period				
Reference (no./year)	Asset Management System Effectiveness Rating	Reviewer's Recommendation or Action Taken	Date Resolved	Further Action Required (Yes/No/Not Applicable)
	Asset Management System Component			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Criteria/Details of Asset Management System Deficiency			
There is no content in Part A.				

Table 8: Previous Review: Deficiencies and Recommendations (Part A)

Previous Review: Deficiencies and Recommendations				
B. Resolved During Current Review Period				
Reference (no./year)	Asset Management System Effectiveness Rating	Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Criteria/Details of Asset Management System Deficiency			
1/2015	<ul style="list-style-type: none"> Rating: C 2; Component: Asset Planning; and Issue: <ul style="list-style-type: none"> The AMP does not contain an estimate of the population at which the WWTP is likely to reach its capacity, nor an assessment of the year in which this is likely to occur. 	<ul style="list-style-type: none"> The AMP should address the population and year at which the WWTP capacity is likely to be reached, together with the site acquisition, design/construction time and cost to allow adequate time and funding requirements to be addressed. 	Audit period	<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> The draft AMP refers to the total plant capacity of 20 ML/day compared with the current flow recently reduced from 8 ML/day to 6.4 ML/day due to the reduction of mining and the town population; and The overall capacity of the collection and treatment facilities is stated as adequate until at least 2033.
3/2015	Rating: C 2; Component: Asset Planning; and <ul style="list-style-type: none"> Issue: <ul style="list-style-type: none"> The section headings of the AMP do not in general, align with the headings of the items in Table 22 of the Authority's Asset Management Review Guidelines 2013. Such general alignment is necessary to facilitate comparison of AMP documentation with the requirements of 	<ul style="list-style-type: none"> That the above AMP sections be combined as appropriate and where possible aligned with and titled in accordance with the Items of Table 22 of ERA Guidelines 2013. 	Audit period	<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> Both documents have been re-written in draft format and address the recommendation.

Previous Review: Deficiencies and Recommendations				
B. Resolved During Current Review Period				
Reference (no./year)	Asset Management System Effectiveness Rating	Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Criteria/Details of Asset Management System Deficiency			
3/2015 (continued)	<p>the Asset Management Review Guidelines;</p> <ul style="list-style-type: none"> As an example, the content of Section 2 of the AMP - "Asset Environment" (with the exception of 2.1 - "Assets Overview"), Section 3 - "Levels of Service" and Section 4 - "Legislative Requirements" all relate to the Table 22 Item 4 - "Environmental Assessment" and should be combined under the same or similar heading; and Similarly, all of Sub- Section 2.1 of the AMP should be a separate main section titled "Asset Overview". 			
05/2015	<ul style="list-style-type: none"> Rating: C 1; Component: Asset Creation and Acquisition; and Issue: <ul style="list-style-type: none"> Section 8 - "Asset Creation" of the AMP provides an unsatisfactory overall outline of CKB's processes and procedures associated with assessing the necessity for new assets, the options available, their assessment considerations and prioritisation, Council's policies and 	<ul style="list-style-type: none"> That the whole text and schematic of Section 3 of the SOP - "Sewer Asset Planning, Acquisition and Disposal" be transferred to, and replace Section 8 - "Asset Creation" of the AMP. Also, that copies of the Planning Application summary and the Assessment and Referral flow chart be included in the AMP. 	Audit period	<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> CKB's requirements for assessing the necessity for, options available, tendering and evaluating tenders are set out in the draft AMP/SOP documents; and Reviewer examined the reports, to management and Council, together with the tender and assessment documentation, resulting in the installation of new aeration equipment at the Wastewater Treatment Plant (WWTP).

Previous Review: Deficiencies and Recommendations				
B. Resolved During Current Review Period				
Reference (no./year)	Asset Management System Effectiveness Rating	Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Criteria/Details of Asset Management System Deficiency			
05/2015 (continued)	<p>procedures for receiving approval for and acquiring assets are not addressed; and</p> <ul style="list-style-type: none"> On the other hand, the SOP Section 3 - "Sewer Asset Planning, Acquisition and Disposal" addresses all the administrative steps toward acquisition in detail. Section 3 also provides a link to CKB's policy and procedures in this area – in addition to a schematic which sets out the sequence of steps, approvals etc. 			
20/2015	<ul style="list-style-type: none"> Rating: C 2; Component: Contingency Planning; and Issue: <ul style="list-style-type: none"> Although very well set out, the SOP and Procedures of the AMP do not adequately address the requirement for contingency planning; Reviewer considers that the emergency procedures of both the AMP and SOP documents be reviewed and edited so that the required actions of each emergency are addressed in a separate section of the AMP under the heading "Contingency Planning" and that the specific duties of staff for each emergency be addressed in 	<ul style="list-style-type: none"> Both the AMP and SOP documents should be reviewed and edited so that the required actions of each emergency are addressed in the AMP under the heading "Contingency Planning" and that the specific duties of staff for each emergency are addressed in the SOP. Each document should cross reference the related section in the other. 	Audit period	<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> The SOP should contain a single list of all contacts likely to be summoned / advised during an emergency situation; and See also further recommendation 11/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations				
B. Resolved During Current Review Period				
Reference (no./year)	Asset Management System Effectiveness Rating	Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component			Details of Further Action Required (Including Current Recommendation Reference if Applicable)
	Criteria/Details of Asset Management System Deficiency			
20/2015 (continued)	<p>the SOP. Each document should cross reference the related section in the other; and</p> <ul style="list-style-type: none"> There is no procedure for contingency plans to be periodically team tested and amended if necessary. 			

Table 8: Previous Review: Deficiencies and Recommendations (Part B)

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
02/2015	<ul style="list-style-type: none"> • Rating: C 2; • Component: Asset Planning; and • Issue: <ul style="list-style-type: none"> • The AMP combined with CKB's Standard Operating Procedures Manual (SOP) addresses the twelve items of Table 22 of the ERA Guidelines 2014. However, many of the sections of the SOP either: <ul style="list-style-type: none"> • Include items which should, but are not addressed in the AMP; • Overlap items dealt with in the AMP but not cross reference; or • Provide more detailed management information/ procedures than the AMP. 	<ul style="list-style-type: none"> • The content of both the AMP and SOP documents should be reviewed and edited to ensure that all twelve Items of Table 22 of ERA's Guidelines 2013 are addressed in the AMP and cross referenced to sections of the SOP where the items concerned are subject to specific staff procedures. 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • Despite both the AMP and SOP having been re-written in draft format, some minor editing and cross referencing is required; and • See also further recommendation No.1 in Tables 16 and 17 of this report.
04/2015	<ul style="list-style-type: none"> • Rating: C 2; • Component: Asset Planning; and • Issue: <ul style="list-style-type: none"> • The AMP does not contain an organisation chart, a statement of staff position responsibilities or written procedures for recording, reviewing and response action as currently undertaken. 	<ul style="list-style-type: none"> • That the AMP contains a staff organisation chart and an accompanying description of the responsibilities of each staff position. Further, that written procedures be prepared for recording test and performance results, maintenance, emergencies etc. together with review and response action as currently undertaken. Also, that a basic schematic of the scheme be added to the AMP to clarify the collection, treatment and disposal processes. 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • The draft AMP contains an organisation chart and a description of the responsibility of staff members directly associated with the system; and • A line diagram of the reporting procedures currently practised should be included in the AMP.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
06/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Environmental Analysis; and • Issue: <ul style="list-style-type: none"> • An analysis of the environment in which the sewerage system operates is addressed in various sections of the AMP as follows: <ul style="list-style-type: none"> • Section 2 – The physical environment. (first paragraph); • Section 3 – Levels of Service (availability, capacity, continuity, odour, emergency response and complaints); and • Section 4 – Legislation and licensing environment. Together with the regulatory requirements for independent audits of compliance with CKB's WSOL and review of the adequacy of the management of the systems assets. 	<ul style="list-style-type: none"> • That the above AMP sections be combined as appropriate and titled "Environmental Assessment" in accordance with item 4 of Table 22 of ERA Guidelines 2013. 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • See recommendation 03/2017 in Tables 16 and 17 of this report.
07/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Environmental Analysis; and • Issue: <ul style="list-style-type: none"> • Reviewer notes that the cultural environment in which the system operates is not addressed in the AMP. A brief statement is required 	<ul style="list-style-type: none"> • That the section of the AMP related to Environmental Assessment include a brief statement which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • The draft AMP document contains an adequate statement of the physical and cultural environment of the services, together with details of their service, legislative and

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
07/2015 (continued)	<p>which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs etc.), together with the current population and growth trends and projections to say 2033.</p>	<p>etc.) together with current population, growth trends, and projections to say 2033.</p>	<p>licensing requirements; and</p> <ul style="list-style-type: none"> • See also further recommendation No.3 in Tables 16 and 17 of this report.
08/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Operations; and • Issue: <ul style="list-style-type: none"> • Cctv examination is taken before and after clearance of blockages and lining works, plus older areas of the system not previously inspected. At the rate of cctv inspection currently proposed, a period of some nineteen years will elapse before completion. Similarly, cctv inspection of manholes (which is not satisfactory in deep sections of the system) will also require a period of nineteen years. 	<ul style="list-style-type: none"> • That CKB significantly increase the annual amount of cctv inspection of it collection system so that the task can be completed in ten or fewer years. Further, that CKB undertake an inspection program for all manholes that will allow completion in five to seven years. Such inspections should involve removal, inspection and greasing of covers and a check on the condition of concrete in walls, base and underside of cover support slabs. 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • Reviewer examined the contract documentation for annual CCTV inspections and reporting on some 8.5 km of selected sewers. Selection was prioritised on the basis of blockage history, repair urgency, age, pipe material, jointing type etc.; • Noted that some 63 km of an approximate total of 209 km of sewers in the system remain to be inspected, also that management plans to increase the rate of inspection to 10,000 metres annually if possible; • Reviewer accepts this approach and notes the inspections may take a further six to ten years to complete; and • See also, further recommendation 4/2017, 5/2017 and 6/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
09/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Operations; and • Issue: <ul style="list-style-type: none"> • It is noted that both the WWTP and Re-use Distribution systems have SCADA based external control and fault notification facilities. The two-collection system pumping stations have only a flashing light indication of a fault. CKB relies on advice from the public of a fault at these pumping stations. At least an automatic fault alarm system should be installed in addition to external control and performance records. 	<ul style="list-style-type: none"> • That an automatic fault alarm system should be installed in the pumping stations and (if practicable) a system which will allow external control and downloading of performance information. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • While an electronic alarm and fault indication system has been installed at the new Throssell St. pumping station, the Androvich pumping station still only has a visual fault alarm; and • See also, further recommendations 04/2017, 05/2017 and 06/2017 in Tables 16 and 17 of this report.
10/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Operations; and • Issue: <ul style="list-style-type: none"> • Details of the waste water treatment plant operations and service provision are dealt with partially in the AMP and in more detail in the SOP. Both documents – particularly the AMP should be reviewed and edited. 	<ul style="list-style-type: none"> • That the AMP should include details of the companies contracted to provide services. Reference to staff entering manholes etc. should be deleted from the AMP and inserted in the SOP. Procedures in the AMP - for dealing with blockages, overflows, pump, treatment plant and equipment failures should be included in a separate section of the AMP titled "Contingency Planning". The more specific details in the SOP - of implementing the above procedures should be cross referenced in the AMP. Also, information regarding the existence and location of operation 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • The new draft AMP and SOP documents contain relevant details of the procedures for dealing with blockage, overflows etc., together with separate references to parallel documents and their location; More cross-references between the AMP and SOP are necessary - see recommendation 01/2017; and

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
10/2015 (continued)		and management manuals should be included in both the AMP and SOP.	<ul style="list-style-type: none"> See also, further recommendations 04/2017, 05/2017 and 06/2017 in Tables 16 and 17 of this report.
11/2015	<ul style="list-style-type: none"> Rating: B 1; Component: Asset Operations; and Issue: <ul style="list-style-type: none"> A basic "Recycled Water Operational and Maintenance Manual" broadly sets out the responsibilities of senior staff, health and safety, emergency contact details, staff and contractor inductions. Operational requirements include sampling and testing of effluent, disinfection by chlorination to maintain a residual of 2 mg/l warning protocols, irrigation times and recording. The system is SCADA controlled. Although obviously well operated and maintained by competent staff, the system assets are subject to the requirements of the WSOL particularly with respect to documentation of procedures, operations, maintenance and finance. The manual should therefore be upgraded to a more detailed level in accordance with Table 22 of ERA's Guidelines 2013. 	<ul style="list-style-type: none"> That the Recycled Water Operational and Maintenance Manual be upgraded to a more detailed level in accordance with Table 22 of ERA's Guidelines 2013. 	<ul style="list-style-type: none"> FAR: yes; and Details: <ul style="list-style-type: none"> Recommendation number 11 of the 2015 review should be implemented; and See also, further recommendations 04/2017, 05/2017 and 06/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
12/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Operations; and • Issue: <ul style="list-style-type: none"> • CKB's Health Division on behalf of Parks and Reserves, arranges the monthly sampling and testing of the treated effluent being supplied to users and advises the DOH of the results. However, although holding a Licence from the DOH for the disposal of treated effluent, CBK has no statement of the separate responsibilities of the Sustainability & Waste Services Division and the Parks & Reserves Division for reporting associated with the licence. As a consequence, an annual report to the DOH as required by CKB's licence has never been submitted. As the treated effluent is being managed, and (in effect) tested by Parks and Reserves division prior to supply, it is considered that in future, all reporting in accordance with the DOH licence should be undertaken by the Parks & Reserves division. 	<ul style="list-style-type: none"> • That in future, all reporting in accordance with CKB's DOH licence should be undertaken by the Parks & Reserves division. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • Recommendation number 12 of the 2015 review should be implemented; and • See also, further recommendations 04/2017, 05/2017 and 06/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
13/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Maintenance; and • Issue: <ul style="list-style-type: none"> • The planned maintenance schedule for each year has been entered into the maintenance module of the AMS. But at present there is no provision for recording whether maintenance has actually been undertaken, or the date. 	<ul style="list-style-type: none"> • That confirmation that work has been undertaken and the date of completion be overtyped in a different colour in the box representing the maintenance item of the AMIS maintenance module. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • Recommendation number 13 of the 2015 review should be implemented.
14/2015	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Maintenance; and • Issue: <ul style="list-style-type: none"> • The AMP, Section 6 – Maintenance Planning contains a basic schedule of maintenance duties for the sewerage system and is considered adequate - as detailed maintenance requirements are contained in contract documents as discussed in Item 5 – Asset Operations. The maintenance program in Section 4 of the SOP is not considered adequate and should be replaced with that in the AMP. 	<ul style="list-style-type: none"> • That the maintenance program in Section 4 of the SOP be deleted and replaced with cross references to Section 6 of the AMP and the Maintenance module of the AMIS. 	<ul style="list-style-type: none"> • FAR: yes (mainly resolved); and • Details: <ul style="list-style-type: none"> • Both the AMS and SOP documents have been rewritten in draft form and contain the appropriate details of requirement and procedures respectively; and • See also further recommendation 07/2017 and 08/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
15/2015	<ul style="list-style-type: none"> • Rating: C 3; • Component: Asset Management Information System; and • Issue: <ul style="list-style-type: none"> • ASSET MANAGEMENT INFORMATION SYSTEM (AMIS) – Is a series of six inter-related Excel spread sheets, which were made available to Licensees (as an example) by the Authority many years ago. Reviewer has noted its use - as provided or amended, by several Licensees over recent years; • Excel 1997 – is the package on which the software is based; and • Microsoft advised Reviewer that, although 1997 Excel software is no longer supported by the company, data captured in Excel 1997 programs should be readily transferable to versions of Excel contained in Windows 2007 or later. In view of the above, CBK should establish whether or not the existing AMIS can be converted to a more recent version of Excel (in Windows 2007 or later) before considering purchase and setting up a new asset management system. If conversion is indeed possible, CKB should mount the converted 	<ul style="list-style-type: none"> • That CBK should establish whether or not the existing AMIS can be converted to a more recent version of Excel (in Windows 2007 or later) before considering purchase and setting up a new asset management system. If conversion is indeed possible, CKB should mount the converted version on its system and complete populating / customising modules as discussed below. Also, a staff member should be selected (or appointed) and trained with a view to completing and operating the system. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • The AMIS has now been successfully mounted on CKB system and some additional information input; • Only one staff member (the TLWC) is familiar with the software; and • See also further recommendation 09/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
15/2015 (continued)	<p>version on its system and complete populating / customising modules as discussed below. Also, a staff member should be selected or appointed and trained with a view to completing and operating the system.</p>		
16/2015	<ul style="list-style-type: none"> • Rating: C 3; • Component: Asset Management Information System; and • Issue: <ul style="list-style-type: none"> • ASSET REGISTER – Each asset is assigned an identifying number and its name, location, installation date, expected life and replacement date, pipe size and material etc. are noted. The register has separate worksheets for Pipelines, Manholes, Pumping Stations, the WWTP and Old Boulder holding ponds; and • A total of 6670 assets are registered. In many cases detail under some headings is missing. In other cases - due to the software being generic, headings are not applicable. 	<ul style="list-style-type: none"> • That the asset Register is edited to remove or correct generic column headings and that completion of the necessary detail is achieved as soon as possible. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • Recommendation number 16 of the 2015 review should be implemented; and • See also further recommendation 09/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
17/2015	<ul style="list-style-type: none"> • Rating: C 3; • Component: Asset Management Information System; and • Issue: <ul style="list-style-type: none"> • CONDITION AND PERFORMANCE – This series of worksheets addresses the condition of all assets i.e., Manholes, Pipes, Pumping Stations, WWTP and the Old Boulder Holding ponds. Headings include asset number, installation date, inspection date, condition and priority for attention if relevant. It is noted that there is no heading for material type in the listing for manholes and pipes. It should not be necessary to refer to other spread sheets or drawings to determine the material when reviewing asset conditions. 	<ul style="list-style-type: none"> • That asset material should be noted in the both the asset and condition registers. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • Recommendation number 17 of the 2015 review should be implemented; and • See also further recommendation 09/2017 in Tables 16 and 17 of this report.
18/2015	<ul style="list-style-type: none"> • Rating: C 3; • Component: Asset Management Information System; and • Issue: <ul style="list-style-type: none"> • While Reviewer is aware that maintenance is undertaken on the treated water distribution system, it is not scheduled in the maintenance module. 	<ul style="list-style-type: none"> • That maintenance of the treated effluent distribution system is included in the Asset Management spread sheet of the AMIS. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • Recommendation number 18 of the 2015 review should be implemented; and • See also further recommendation 09/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
19/2015	<ul style="list-style-type: none"> • Rating: C 2; • Component: Risk Management; and • Issue: <ul style="list-style-type: none"> • The AMP contains a satisfactory description of the risk assessment procedures leading to the development of the assessment model described in Item 7 above – as does the SOP. However, the overlap is not total. A better approach would be to review and consolidate both into one document for inclusion in both the AMP and SOP. Reference is made in the AMP to the formulation of Risk Management plans. However, these do not appear to have been prepared. Reviewer notes that the “Mitigation and Management Strategies” of the spread sheets mainly refer to “AMP” or more frequently “SOP.” These references do not indicate what in fact the mitigating strategies are. Either the strategies should be listed as a series of written plans and referred to directly in the appropriate strategy column – or, explained fully in the column for each occurrence classified as “Significant” or “Major”; • Reviewer also notes that the occurrence of 	<ul style="list-style-type: none"> • That the Risk Analysis /Management sections of the AMP and SOP be reviewed and consolidated into a single document within the AMP; • That EITHER, a set of Risk Management Plans (as referred to in the AMP) for risks assessed as “Significant or Major” be prepared and referenced in the Mitigation and Management Strategies column of the Risk Analysis – OR, that the Mitigation and Management Strategy proposed be set out in the Mitigation and Management column for each occurrence; • That existing reference to AMP and SOP in the Mitigation and Management column is replaced with a reference to the actual item of the documents to which they allude; and • That a risk analysis be included for the treated effluent distribution system. 	<ul style="list-style-type: none"> • FAR: yes; and • Details: <ul style="list-style-type: none"> • Recommendation number 19 of the 2015 review should be implemented; and • See also further recommendation 10/2015 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
19/2015 (continued)	<p>earthquake, lightning strike - although highly unlikely to occur, are not evaluated in the assessment. Earthquake could cause damage to gravity and - in particular, pressurised rising mains of both the sewerage and re-use systems. Power failure occurrences also, need to be evaluated for the WWTP and treated effluent distribution systems; and</p> <ul style="list-style-type: none"> No risk evaluation is included for the treated effluent distribution system. 		
21/2015	<ul style="list-style-type: none"> Rating: B 1; Component: Capital Expenditure Planning; and Issue: <ul style="list-style-type: none"> CAPEX plans for the forward budget periods for the financial years 2012/2013, 2013/2014 and 2014/2015 (for rolling ten, five and five years respectively) were provided by the Sustainability and Waste Services division. These plans represent the division's anticipated requirements and expectations, which are subsequently inserted into the budget process via the Development Services Directorate. The CAPEX estimates are derived from asset replacement items set out in the financial module of the AMIS together with 	<ul style="list-style-type: none"> Estimates based on escalated 1997 estimates from the Financial Planning module should be reviewed and if necessary upgraded in both Financial and CAPEX planning; and That the CAPEX estimates include expenditure on the treated effluent disposal scheme. 	<ul style="list-style-type: none"> FAR: yes; and Details: <ul style="list-style-type: none"> Estimates have been partly updated where information is available; The treated effluent Financial and CAPEX plans have not been included in the AMP; and See also further recommendation 13/2017 in Tables 16 and 17 of this report.

Previous Review: Deficiencies and Recommendations			
C. Unresolved at End of Current Review Period			
Reference (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
21/2015 (continued)	<p>other works indicated by asset condition / failures and necessary system upgrades; and</p> <ul style="list-style-type: none"> Reviewer notes that CAPEX expenditure is not included for the treated effluent disposal system, despite income from the sale of the water (treated effluent) being included in the accompanying Financial Plan for the sewerage system. Such inclusion should be made in order to maintain consistency of approach. 		
22/2015	<ul style="list-style-type: none"> Rating: C 4; Component: Review of the Asset Management System; and Issue: <ul style="list-style-type: none"> Review of the Asset Management System is not mentioned in the AMP. Reviewer was advised that revisions are usually made in response to asset management reviews and significant changes of practise or procedure. Copies of the AMP were provided for November 2010, July 2012 and Version 141110, denoting its preparation as 10th November 2014. There is no record of any changes made from the previous version, or whether or not a review was conducted of previous versions. 	<ul style="list-style-type: none"> That a procedure be introduced to undertake and record a review the Asset Management system on a formal regular basis. The review should be undertaken at intervals not exceeding two years, by a person with a sound knowledge of the sewerage system and the procedures of its operation, maintenance and financing. The review date, reviewer's signature and any section amendments should be listed on the page following the cover sheet – which should be updated for all subsequent reviews. 	<ul style="list-style-type: none"> FAR: yes (mainly resolved; and Details: <ul style="list-style-type: none"> A detailed procedure for undertaking and recording reviews of the AMP/ SOP and AMIS is set out in the draft AMP. However, some editing is required to remove conflicting statements; Reviewer noted the review versions and dates on documents addressed during the review; and See also further recommendation 14/2017 in Tables 16 and 17 of this report.

Table 8: Previous Review: Deficiencies and Recommendations (Part C)

4 Operational Audit: Comprehensive Report

4.1 Audit Compliance and Controls Rating Scales

The compliance and controls ratings allocated to each Licence condition are set out in the following table - taken from the ERA’s document entitled: “*Audit and Review Guidelines: Water Licences – July 2014*” (ERA’s Guidelines).

Audit Compliance and Controls Rating Scales
ERA’s Guidelines: Table No. 6 (as amended)

Operational Audit Compliance and Controls Rating Scales			
Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
NP	Not performed	NR	Obligation was not rated as no activity took place to exercise the obligation during the Audit Period
NA	Obligations identified as not applicable during the Audit	NA	Obligations identified as not applicable during the Audit

Table 9: Audit Compliance and Controls Rating Scales

The Audit Compliance and Controls Rating Scales, as contained in the ERA’s Guidelines: Table number 6 was amended to include the following ratings:

- Adequacy of controls rating: “NP”;
- Adequacy of control ratings: “NA”;
- Compliance rating: “NR”; and
- Compliance rating: “NA”.

4.2 Audit: Obligation Ratings Summary – Water Services Act 2012

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: “Obligation Under” for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
1	21(1)(a)	3.3.1 (a)	Duty to provide services and do works	1	✓						✓					
2	21(1)(b)	3.3.1 (b)		2	✓						✓					
3	21(1)(c)	3.1.1 & 3.5		2	✓						✓					
4	22	3.4.1	Provision of water services outside operating areas	1				✓						✓		
5	23	3.5	Works holding arrangements	2	✓						✓					
6	24(1)(a) & 24 (2)	4.1.1	Asset management system	3			✓					✓				
7	24(1)(b)	4.1.1 & 4.1.2		3				✓						✓		
8	24(1)(c)	4.1.3		5	✓						✓					
9	25	4.3.1	Operational audit	5	✓						✓					
10	26(3)	3.1.1	Compliance with codes of practice made by Minister	n/a						✓					✓	
11	27	3.1.1	Compliance with code of conduct made by Authority	4	✓										✓	
12	29	3.1.1	Licensee must comply with duties under Act	4	✓										✓	
13	36	3.1.1	Provision of a water service ceasing – duty to leave system in safe condition	1	✓									✓		

¹ The ‘No.’ refers to the compliance obligation reference number, as per the ERA’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016”

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
14	60	5.6.1	Duty to perform functions of supplier of last resort	n/a						✓					✓	
15	66	5.5.1	Water Services Ombudsman Scheme	3	✓									✓		
16	77(3)	3.1.1	Interruption of water services generally	5	✓						✓					
17	82(4) & (5)	3.1.1	Notification of and requirements as to building work	5	✓						✓					
18	84(2)	3.1.1	Ensuring water service works are done	1	✓									✓		
19	87(2)	3.1.1	Review of certain decisions under or relating to this division	1	✓									✓		
20	90(7)	3.1.1	Construction over or in vicinity of water service works of licensee	1	✓									✓		
21	95(3)	3.1.1	Disconnection or reduction in rate of flow	n/a						✓					✓	
22	96(1)	3.1.1	Fire hydrants	n/a						✓					✓	
23	96(5)	3.1.1		n/a							✓					✓
24	98(3)	3.1.1	Minister may require connection to sewerage works	5					✓					✓		
25	106(2)	3.1.1	Compliance notices (discharge or wastewater inlet)	5	✓									✓		
26	110(3)	3.1.1	Minister may require connection to drainage works	n/a						✓					✓	
27	112(5)	3.1.1	Requirement to maintain or modify drainage assets	n/a						✓					✓	
28	119(2)	3.1.1	Compliance notices (non-compliance with specific sections of Act)	5	✓									✓		
29	122(2)	3.1.1	Review of decisions relating to giving compliance notices	5	✓									✓		
30	125(2)	3.1.1	Supplying groups of dwellings	5					✓					✓		
31	128(4)	3.1.1	Prohibition on dealings in land	5					✓					✓		

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
32	129(5)	3.1.1	Reading meters, routine inspection and maintenance	5	✓						✓					
33	139(3)	3.1.1	Ancillary works powers	1	✓									✓		
34	141(1)	3.1.1	Special provisions applicable to road works	5	✓						✓					
35	142	3.1.1	Prerequisites to provision of major works	5	✓									✓		
36	143 (2)	3.1.1	Licensee to prepare plans and publish and give notice of major works	5	✓									✓		
37	143 (3)	3.1.1		5	✓									✓		
38	144(3)	3.1.1	Objections and submissions	5	✓									✓		
39	145(2)	3.1.1	Licensee may amend proposal	5	✓									✓		
40	147(3)	3.1.1	Powers of Minister in respect of proposal	5	✓									✓		
41	147(4)	3.1.1		5	✓									✓		
42	151(1)	3.1.1	Licensee to prepare plans and give notice of general works	5	✓							✓				
43	151(2)	3.1.1		5	✓									✓		
44	152(3)	3.1.1	Objections and submissions	5	✓									✓		
45	153(3)	3.1.1	Licensee may amend proposal	5	✓									✓		
46	166(5)	3.1.1	Taking an interest in land for purposes of licensee	5					✓					✓		
47	166(6)	3.1.1		5					✓					✓		
48	170	3.1.1	Sale of land	5					✓					✓		

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
49	173(4)	3.1.1	Entry with consent or under notice or warrant	5	✓									✓		
50	174(1)	3.1.1	Notice of entry	5	✓									✓		
51	174(3)	3.1.1		5	✓									✓		
52	175(2)	3.1.1	Rights of occupier of dwelling	5	✓									✓		
53	175(5)	3.1.1		5	✓									✓		
54	176(1)	3.1.1	When authorised person must leave	5	✓									✓		
55	176(3)	3.1.1		5	✓									✓		
56	176(4)	3.1.1		5	✓									✓		
57	181	3.1.1	Actions of authorised persons and others	5	✓									✓		
58	186	3.1.1	Contents of application (warrant to enter)	5	✓									✓		
59	187(1) – (3)	3.1.1	How application to be made (warrant to enter)	5	✓									✓		
60	190(4)	3.1.1	Execution of warrant	5	✓									✓		
61	190(5)	3.1.1		5	✓									✓		
62	210(5)	3.1.1	Designation of inspectors and compliance officers	5	✓									✓		
63	218(2)	3.1.1	Liability of certain persons for damage caused in exercise of powers	5	✓									✓		
64	218(3)	3.1.1		5	✓						✓					

Table 10: Audit: Obligation Ratings Summary – Obligations as per ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016” (Numbers 1 to 64)

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 8 for details)					
	Water Services Regulations 2013	Water Services Licence – Version 6			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Regulation Number	Clause Number														
65	23(2)	3.1.1	Installation of certain meters	n/a						✓					✓	
66	24(4)	3.1.1	Access to meters	n/a						✓					✓	
67	26(3)	3.1.1	Testing water meters	n/a						✓					✓	
68	26(5)	3.1.1		n/a							✓				✓	
69	29(2)	3.1.1	Subdivision: deferring infrastructure contributions	5	✓									✓		
70	42(2)	3.1.1	Backflow prevention devices: installation	5	✓									✓		
71	43(3)	3.1.1	Backflow prevention devices: testing and maintenance	5	✓									✓		
72	43(6)	3.1.1		5	✓									✓		
73	53(3)	3.1.1	Diagrams of drainage plumbing	2	✓							✓				
74	60(2)	3.1.1	Altering position of service infrastructure in roads	5	✓									✓		
75	63	3.1.1	Roads broken up to be reinstated	5	✓									✓		
76	65(1)	3.1.1	Records	5	✓						✓					
77	65(2)	3.1.1		5		✓					✓					
78	65(4)	3.1.1		5		✓								✓		
79	67	3.1.1	Records to be basis for water service charges	5		✓					✓					
80	68(5)	3.1.1	Objections to entries in records	5		✓						✓				
81	68(6)	3.1.1		5		✓								✓		

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating (Refer to the 4-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 8 for details)					
	Water Services Regulations 2013	Water Services Licence – Version 6			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Regulation Number	Clause Number														
82	68(7)	3.1.1	Objections to entries in records	5		✓									✓	
83	68(8)	3.1.1		5		✓									✓	
84	69(3)	3.1.1	State Administrative Tribunal review of licensee’s decision on objection	5		✓									✓	
85	70(2)	3.1.1	SAT review: licensee’s decision not to extend time for objection/review	5		✓									✓	
86	74(1)	3.1.1	Amending records after objection or review	5		✓									✓	
87	74(2)	3.1.1		5		✓									✓	
88	75(1)	3.1.1	Certain information to be available to tenants and others	5	✓						✓					
89	85	3.1.1	Compliance notices	5	✓										✓	
90	86(6)	3.1.1	Clause only applies to licensees which are Water Corporations	n/a							✓					✓
91	86(9)	3.1.1	Clause only applies to licensees which are Water Corporations	n/a							✓					✓

Table 10: Audit: Obligation Ratings Summary – Obligations as per ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016” (Numbers 65 to 91)

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
					Clause Number	Clause Number	A	B	C	D	NP	NA	1	2	3	4
92	7	3.1.1	Information about connections	4	✓						✓					
93	8	3.1.1	Minimum performance standards: standard water supply connections	4					✓		✓					
94	9	3.1.1	Bills other than for quantities supplied, discharged	3		✓					✓					
95	10(2)	3.1.1	Bills for quantities supplied, discharged	3	✓						✓					
96	10(3)	3.1.1		3		✓					✓					
97	10(4)	3.1.1		3		✓									✓	
98	10(5)	3.1.1		3		✓									✓	
99	11	3.1.1	Sending bills	3	✓						✓					
100	12(1)	3.1.1	Information on bills	3				✓						✓		
101	12(2)	3.1.1		3				✓						✓		
102	12(3)	3.1.1		3				✓						✓		
103	13(1)	3.1.1	Estimates: Licensees' obligations	3		✓									✓	
104	13(2)	3.1.1		3		✓									✓	
105	14(1)	3.1.1	Requested meter readings, revised bills: Licensee's obligations	3		✓									✓	

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating						
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)						
					Clause Number	Clause Number	A	B	C	D	NP	NA	1	2	3	4	NR
106	15	3.1.1	Leaks	4		✓							✓				
107	16(2)	3.1.1	Undercharging in bills	3		✓										✓	
108	16(3)	3.1.1		3			✓									✓	
109	16(4)	3.1.1		3			✓									✓	
110	16(5)	3.1.1		3			✓									✓	
111	17(1)	3.1.1		Overcharging in bills	3		✓										✓
112	17(2)	3.1.1	3			✓										✓	
113	18(1)	3.1.1	Review of bills	3		✓					✓						
114	18(2)	3.1.1		3			✓					✓					
115	18(3) & (6)	3.1.1		3			✓							✓			
116	18(4)	3.1.1		3			✓							✓			
117	18(5)	3.1.1		3		✓						✓					
118	20	3.1.1	When payment due if not set under regulations	3		✓					✓						
119	21(1)	3.1.1	Payment methods	3		✓									✓		
120	21(2)	3.1.1		3			✓						✓				

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
121	22	3.1.1	Consent for direct debits	3	✓						✓					
122	23(1)	3.1.1	Payment in advance	3		✓					✓					
123	24	3.1.1	Free redirection in absence, illness	3		✓					✓					
124	25	3.1.1	Assistance for customers experiencing payment difficulties	3	✓						✓					
125	26(1) & (2)	3.1.1 & 5.4.1	Financial hardship policy	4					✓		✓					
126	26(3)	3.1.1		4					✓		✓					
127	26(4)	3.1.1		4					✓							✓
128	26(5)	3.1.1		3		✓					✓					
129	26(6)	3.1.1		3		✓										✓
130	27(2)	3.1.1		Assistance for customers experiencing financial hardship	3		✓					✓				
131	27(3)	3.1.1	3			✓						✓				
132	28(1)	3.1.1	Matters relating to customers experiencing payment difficulties or financial hardship	3		✓					✓					
133	28(4) & (5)	3.1.1		3		✓					✓					
134	29	3.1.1	No debt collection in certain cases	3		✓					✓					

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
					Clause Number	Clause Number	A	B	C	D	NP	NA	1	2	3	4
135	30(1)	3.1.1	Restoration of drinking water supply	n/a						✓						✓
136	30(2)	3.1.1	Restoration of drinking water supply	n/a						✓						✓
137	31	3.1.1	Preliminary action	n/a						✓						✓
138	32	3.1.1	No reduction in certain cases	n/a						✓						✓
139	33	3.1.1	Water flow not to be reduced below minimum rate	4					✓							✓
140	34(2)	3.1.1	Clause only applies to the Water Corporation	n/a						✓						✓
141	34(3)	3.1.1		n/a							✓					
142	34(4)	3.1.1	Minimum performance standards for restoration of water supply	4					✓							✓
143	34(5)	3.1.1	Clause only applies to the Water Corporation	n/a						✓						✓
144	34(6)	3.1.1	Minimum performance standards for restoration of water supply	4					✓							✓
145	35(1)	3.1.1	Procedure for dealing with complaints about water services	4		✓					✓					
146	35(2)	3.1.1		3				✓					✓			
147	35(3)	3.1.1		3		✓						✓				
148	35(4)	3.1.1		3				✓							✓	

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
Obligations Under the Water Services Code of Conduct (Customer Service Standards) 2013 (Obligations 150 to 154)																
149	35(6)	3.1.1	Procedure for dealing with complaints about water services	3					✓		✓					
150 - 1	36(1)	3.1.1	Services to be provided without charge	3					✓		✓					
152	36(2)	3.1.1		4					✓		✓					
153	37(1)	3.1.1		3					✓		✓					
154	12 [37(2)]	3.1.1	Information to be publicly available - bills	4					✓				✓			
Obligations under the Water Services Act 2012 (Number 155 onwards)																
155	12	3.2.1	Fees	5					✓		✓					
156	12	3.1.1	Compliance with applicable legislation	1				✓			✓					
157	Not used															
158	Not used															
159	12	3.1.2	Compliance with applicable legislation	2					✓					✓		
160	12	3.6.1	Accounting records	5					✓		✓					
161	12	4.2.1	Individual performance standards	n/a						✓				✓		
162	12	4.3.4	Operational audit	5	✓						✓					

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
163	12	3.7.1 (a), (b), (c)	Reporting a change in circumstances	5				✓							✓	
164	Not used															
165	12	3.8.1	Provision of information	3	✓						✓					
166	12	3.8.2		3		✓						✓				
167	12	3.8.3	Provision of information	4	✓						✓					
168	12	2.8.1 & 2.8.2	Publishing information	5	✓										✓	
169	12	2.7.1	Notices	5	✓						✓					
170	Not used															
171	12	4.1.2	Asset management system	5				✓							✓	
172	12	4.1.6		5	✓						✓					
173	12	5.5.1	Water Services Ombudsman Scheme	5	✓						✓					
174	Not used															
175	12	5.1.1	Customer contract	5				✓							✓	
176	12	5.1.2		5						✓						✓
177	12	5.1.3		5				✓							✓	
178	12	5.1.5		5				✓							✓	

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Adequacy of Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 6			(Refer to the 4-point rating scale in Table 8 for details)						(Refer to the 4-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
179	12	5.3.1 & 5.3.2	Non-standard terms and conditions of service	5				✓						✓		
180	12	5.3.4		5				✓						✓		
181	12	5.6.1	Supplier of last resort	n/a						✓					✓	
182	12	3.4.1 (b)	Provision of water services outside operating area	1				✓						✓		
183	12	5.4.3	Hardship policy	5		✓					✓					
184	12	6.1.1	Memorandum of Understanding	n/a						✓					✓	
185	12	6.1.2		n/a							✓					✓
186	12	6.1.3		n/a							✓					✓
187	12	6.1.4		n/a							✓					✓
188	12	6.1.5		n/a							✓					✓
189	12	6.1.6		n/a							✓					✓
190	12	Schedule 2	Performance standards	n/a						✓					✓	

Table 10: Audit: Obligation Ratings Summary – Obligations as per ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016” (Numbers 92 to 190)

4.3 Audit Observations and Recommendations: Water Services Act 2012

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Section Number	Clause Number					
1	21(1)(a)	27.1 / 3.3.1 (a)	The licensee must provide a water service authorised by the licence to persons entitled to the service under the Act, except to the extent otherwise provided for by the Act.	1	<ul style="list-style-type: none"> • CKB has stated it did provide sewerage services to all entitled persons under the Act during the Audit Period. CKB has stated it did provide non-potable water to customers, on a contractual basis and within its operating area, which was in excess of CKB’s own needs during the Audit Period; and • Paxon has noted the document entitled: “City of Kalgoorlie-Boulder – Planning, Development and Regulatory Services – Waste and Compliance Services - Standard Operating Procedures (SOP) Manual – Version 9.0” (SOP Manual) contains a list of “State and Federal Government Acts & Regulations”. This list includes: <ul style="list-style-type: none"> • Water Services Act 2012; • Water Services Code of Conduct (Customer Service Standards) 2013; • Water Services Regulations 2013; and 	A	1

³ The ‘No.’ refers to the compliance obligation reference number, as per the ERA’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016”

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
1 (cont.)					<ul style="list-style-type: none"> Water Services Licence, WL4, Version 6, 1 July 2016. 		
2	21(1)(b)	27.1 / 3.3.1 (b)	The licensee must offer to provide a water service on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable, to persons within the operating area who are not entitled to the service under the Act.	2	<ul style="list-style-type: none"> Paxon has noted the CKB website currently contains a document entitled: <i>“Wastewater Collection & Treatment Service – Customer Service Charter – March 2011”</i> (Customer Service Charter). This document states: <i>“The City of Kalgoorlie-Boulder will use its best endeavours to provide a service to collect, treat and dispose of domestic sewage discharged from each customer’s property to the City’s sewer system. In addition, the City of Kalgoorlie-Boulder will provide other services on terms agreed between the customer and the City.”</i> 	A	1
3	21(1)(c)	27.1 / 3.1.1 & 3.5	The licensee must provide, operate and maintain the water service works specified by the ERA in the licence.	2	<ul style="list-style-type: none"> CKB has stated it did provide, operated and maintained the water service works as specified in the licence during the Audit Period. CKB further stated maintenance of the water service works was undertaken by CKB employees and contractors during the Audit Period; 	A	1

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number			Including Recommendations		
3 (cont.)					<ul style="list-style-type: none"> Paxon has noted the SOP Manual specifically refers to: <ul style="list-style-type: none"> “Sewer operating procedures”; “Wastewater treatment plant operating procedures”; and “Asset Management Procedures”. 		
4	22	28.1 / 3.4.1	The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the license.	1	<ul style="list-style-type: none"> CKB has stated it did not provide any water services outside of the operating area of the licence during the Audit Period; Paxon has noted CKB’s Reporting Matrix does not provide for compliance with this stipulation and only lists some compliance obligations and the calendar month it is to be performed; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 02/2015). 	D	NR
5	23	29.1 / 3.5	All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by a works holding arrangement.	2	<ul style="list-style-type: none"> CKB has stated it did own all water service works used by it for the provision of water services during the Audit Period; Paxon has noted the document entitled: “City of Kalgoorlie-Boulder – Asset Management Plan – 	A	1

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
5 (cont.)					<p><i>Sewerage Scheme” (Asset Management Plan) includes the following: “Statement of Financial Management Philosophy and Objectives”:</i></p> <p><i>“To operate the scheme in a financially responsible manner within the limitations imposed by the needs of the scheme and regulatory requirements. It is the intention wherever possible to produce a surplus of income over expenditures (including capital) to enable sufficient reserves to be set aside for future requirements of the scheme.”; and</i></p> <p>Thus, CKB has a long-term perspective for holding and operating the water service works.</p>		
6	24(1)(a) & 24(2)	20.1 / 4.1.1	The licensee must have an asset management system that provides for the operation and maintenance of the water service works.	3	<ul style="list-style-type: none"> • CKB has an asset management system which includes the following items: <ul style="list-style-type: none"> • SOP Manual; and • Asset Management Plan. The Asset Management Plan specifically states it is for the <i>“Sewerage Scheme”</i>; • The SOP Manual states in Part E: <p><i>The City operates the treatment facility under the Environmental Protection Act 1986, and the sewer</i></p> 	C	2

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 - Low)		Including Recommendations	Controls
	Section Number	Clause Number					
6 (cont.)					<p>system under the Water Services Act 2012 as licensed by the Economic Regulation Authority. Operations of these systems must be in accordance with the relevant Acts and operational licenses as amended. The operational licences are:</p> <ul style="list-style-type: none"> • South Boulder Wastewater Treatment Plant DER Operating Licence L8560/2011/1 • Water Services Operating Licence V5 18 November 2013 <p>Subsidiary Legislation to the Water Services Act 2012 to be complied with is:</p> <ul style="list-style-type: none"> • Water Services Regulation 2013 • Water Services Code of Conduct (Customer Services Standards) 2013 (Code of Conduct)” <ul style="list-style-type: none"> • Paxon has been informed procedure manuals have been compiled which cover the provision of non-potable water supply services. However, notwithstanding a specific request, these manuals were not made available to Paxon. Paxon could thus not determine the adequacy of documented controls to cover water service 		

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
6 (cont.)					licence obligations; <ul style="list-style-type: none"> • CKB has stated it does not have an Asset Management Plan for the non-potable water supply services it provides; • CKB has continued it did employ a consultant to develop a principle asset management plan for the city. Operational asset management plans and systems will then be developed (including for Parks and Reserves) or amended in support of the principle asset management plan. These plans and systems will drive, amongst others, budget decisions; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 		
7	24(1)(b)	20.2 / 4.1.1 & 4.1.2	The licensee must give details of the asset management system and any changes to it to the ERA.	3	<ul style="list-style-type: none"> • CKB has stated no changes occurred during the Audit Period in respect of either the sewerage services or the non-potable water supply services it provides; • Paxon has noted the CKB Reporting Matrix does not list any reporting obligation in respect of changes to CKB’s asset management system; and 	D	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
7 (cont.)					<ul style="list-style-type: none"> This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 02/2015). 		
8	24(1)(c)	20.3 / 4.1.3	A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	5	<ul style="list-style-type: none"> Paxon performed an Operational Audit and Asset Management System Review for the period 1 January 2013 to 31 December 2014. Paxon Group has been appointed to perform an Operational Audit and Asset Management System Effectiveness Review for the period 1 January 2015 to 31 December 2016; and Paxon has noted the CKB Reporting Matrix does provide for the performance of an Operational Audit and Asset Management System Effectiveness Review every 24 months. 	A	1
9	25	14.1 / 4.3.1	A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.	5	<ul style="list-style-type: none"> Paxon performed an Operational Audit and Asset Management System Review for the period 1 January 2013 to 31 December 2014. Paxon Group has been appointed to perform an Operational Audit and Asset Management System Effectiveness Review for the period 1 January 2015 to 31 December 2016; and 	A	1

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number		(Rated as: 1 – High to 5 - Low)	Including Recommendations		
9 (cont.)					<ul style="list-style-type: none"> Paxon has noted the CKB Reporting Matrix does provide for the performance of an Operational Audit and Asset Management System Effectiveness Review every 24 months. 		
10	26(3)	5.2 / 3.1.1	The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
11	27	5.3 / 3.1.1	The licensee must comply with the code of conduct that may be made by the ERA to the extent to which it applies to the licensee and is not inconsistent with the licence.	4	<ul style="list-style-type: none"> Compliance with the Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct) is specifically addressed in this Report (See Reference Numbers 92 to 154 below); and Paxon has noted the Code of Conduct is specifically included in the list of “State and Federal Government Acts & Regulations” contained in the SOP Manual. 	A	NA
12	29	26.1 / 3.1.1	The licensee must comply with the duties imposed on it by the Act in relation to its licence and must carry out its operations in respect of the licence in accordance with the Act.	4	<ul style="list-style-type: none"> Compliance with the Water Services Act 2012 (Act) is specifically addressed in this Report (see Reference Numbers 1 to 64 and 155 to 190 below); and 	A	NA

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
12 (cont.)					<ul style="list-style-type: none"> Paxon has noted the Act is specifically included in the list of “State and Federal Government Acts & Regulations” contained in the SOP Manual. 		
13	36	5.1 / 3.1.1	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must not remove any part of the works except with the approval of the Minister.	1	<ul style="list-style-type: none"> CKB has stated no water service was ceased during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
14	60	25.1 / 5.6.1	If the licensee is the supplier of last resort for a designated area, the licensee must perform the functions of the supplier of last resort and must comply with the relevant duties and carry out the relevant operations prescribed.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
15	66	21.1 / 5.5.1	Licensees who are required to be a member of the water services ombudsman scheme agree to be bound by, and compliant with, any decision of direction of the water services ombudsman under the scheme.	3	<ul style="list-style-type: none"> CKB has stated no decisions of directions were given by the Western Australian Energy and Water Ombudsman (Ombudsman) during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
16	77(3)	5.1 / 3.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	5	<ul style="list-style-type: none"> CKB has stated sewerage services utilised the services of a contracted plumber, during the Audit Period, who, in terms of a contractual agreement, was given an hour to respond to interruptions notified by the licensee (after an initial assessment by CKB at the location of the interruption). CKB has stated employees were responsible to limit the extent or duration of interruptions of non-potable water services during the Audit Period; and Paxon has noted records were kept during the Audit Period, of sewerage blockages as well as the duration thereof to help limit the extent of interruptions. 	A	1
17	82(4) & (5)	5.1 / 3.1.1	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be	5	<ul style="list-style-type: none"> CKB has stated it has a turnaround policy for building applications which is enforced as follows: <ul style="list-style-type: none"> Uncertified within 10 days; and Certified within 25 days. Thus, any written directions considered necessary to ensure the safety and efficacy of water services were expedited to enable 	A	1

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
17 (cont.)			provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.		compliance with the turnaround policy during the Audit Period.		
18	84(2)	5.1 / 3.1.1	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the notice within a reasonable time, the licensee must give the person 21 days’ notice of its intention to commence the works.	1	<ul style="list-style-type: none"> CKB has stated no notices were given under section 83(3)(a) of the Act during the Audit Period and thus section 84(2) of the Act in respect of giving 21 days’ notice of the CKB’s intention to commence works was not applicable; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
19	87(2)	5.1 / 3.1.1	If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee’s notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.	1	<ul style="list-style-type: none"> CKB has stated it has no knowledge of any application(s) made to the State Administrative Tribunal during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
20	90(7)	5.1 / 3.1.1	If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction	1	<ul style="list-style-type: none"> CKB has stated no compliance notices were given during the Audit Period; and 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Section Number	Clause Number					
20 (cont.)			is located or the activity is taking place if the person to be given the notice is not the owner of the land.		<ul style="list-style-type: none"> Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 		
21	95(3)	5.1 / 3.1.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
22	96(1)	5.1 / 3.1.1	If the licensee provides water supply reticulation works, or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant local government as to the location and type of hydrant.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
23	96(5)	5.1 / 3.1.1	The licensee must comply with requests made by FESA or a local government under sections 96(3) and 96(4) of the Act to the extent practicable and within a reasonable time.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
24	98(3)	5.1 / 3.1.1	If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	5	<ul style="list-style-type: none"> • CKB has stated no such direction was received from the Minister during the Audit Period; and • Specific systems, processes and controls are only expected to be put in place when the stipulations of this clause are applicable. 	NP	NR
25	106(2)	5.1 / 3.1.1	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	5	<ul style="list-style-type: none"> • CKB has stated no compliance notices were given during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
26	110(3)	5.1 / 3.1.1	If required to by the Minister, the licensee must connect a drainage asset on land to the drainage works of the licensee.	n/a	<ul style="list-style-type: none"> • As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
27	112(5)	5.1 / 3.1.1	If required by the Minister, the licensee must modify the property drainage connection.	n/a	<ul style="list-style-type: none"> • As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
28	119(2)	5.1 / 3.1.1	The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	5	<ul style="list-style-type: none"> • CKB has stated no compliance notices were given during the Audit Period; and 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
28 (cont.)					<ul style="list-style-type: none"> Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 		
29	122(2)	5.1 / 3.1.1	If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.	5	<ul style="list-style-type: none"> CKB has stated no compliance notices were given, and as such no applications were made to the State Administrative Tribunal, during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
30	125(2)	5.1 / 3.1.1	If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent inconsistent with any agreement related to such a provision of services, or section 66 of the <i>Strata Titles Act 1985</i> .	5	<ul style="list-style-type: none"> CKB has stated no apportionment of fees took place during the Audit Period; and Specific systems, processes and controls are only expected to be put in place when CKB does apply its discretion to apportion fees. 	NP	NR
31	128(4)	5.1 / 3.1.1	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with	5	<ul style="list-style-type: none"> CKB has stated no circumstances necessitated the withdrawal of a memorial during the Audit Period; and 	NP	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
31 (cont.)			the prescribed fee (if any) if the charge or contribution has been paid.		<ul style="list-style-type: none"> Specific systems, processes and controls are only expected to be put in place when the stipulations of this clause are applicable. 		
32	129(5)	5.1 / 3.1.1	If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.	5	<ul style="list-style-type: none"> CKB has stated 48 hours' notice was given to occupants in respect of proposed entry for purposes of routine inspections or maintenance of sewerage services during the Audit Period. CKB has stated it did not enter the land of others to carry out the non-potable water supply services it provided during the Audit Period. As such, any clauses in the Act which deal with such entry were not applicable to CKB in respect of the non-potable water supply services it provided during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	1
33	139(3)	5.1 / 3.1.1	If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.	1	<ul style="list-style-type: none"> CKB has stated no fences or gates were removed or erected during the Audit Period and thus no notification of the owner was required; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
34	141(1)	5.1 / 3.1.1	In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours' notice to the public authority managing the road.	5	<ul style="list-style-type: none"> • CKB has stated traffic management plans were compiled for the events mentioned in this clause during the Audit Period. CKB has continued such plans were provided to their Team Leader: Road and Transport at least 48 hours prior to such events occurring; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	1
35	142	5.1 / 3.1.1	The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works, and has given any notice required under section 148.	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
36	143 (2)	5.1 / 3.1.1	Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
37	143 (3)	5.1 / 3.1.1	The licensee must, within 5 days of publishing the plans and details on the licensee’s website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
38	144(3)	5.1 / 3.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
39	145(2)	5.1 / 3.1.1	If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
40	147(3)	5.1 / 3.1.1	The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Section Number	Clause Number			Including Recommendations		
41	147(4)	3.1.1	If the Minister gives a direction that further notices in relation to the proposed major works be given under section 143(3), the licensee must resubmit the proposal.	5	<ul style="list-style-type: none"> • CKB has stated no major works took place during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
42	151(1)	5.1 / 3.1.1	A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.	5	<ul style="list-style-type: none"> • CKB has stated general works were limited to the Throssell Street pump station which did not affect any residents or required CKB to enter anybody’s property. However, CKB could not confirm whether plans and details of these works were prepared, published and made available for inspection; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	2
43	151(2)	5.1 / 3.1.1	The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	5	<ul style="list-style-type: none"> • CKB has stated general works were limited to the Throssell Street pump station which did not affect any residents or required CKB to enter anybody’s property; and 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
43 (cont.)					<ul style="list-style-type: none"> Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 		
44	152(3)	5.1 / 3.1.1	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	5	<ul style="list-style-type: none"> CKB has stated general works were limited to the Throssell Street pump station which did not affect any residents or required CKB to enter anybody’s property; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	NR
45	153(3)	5.1 / 3.1.1	If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	5	<ul style="list-style-type: none"> CKB has stated general works were limited to the Throssell Street pump station which did not affect any residents or required CKB to enter anybody’s property; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	NR
46	166(5)	5.1 / 3.1.1	On being advised by the Minister that an interest in land is appropriate to the licensee’s needs, the licensee is required to acquire the interest.	5	<ul style="list-style-type: none"> CKB has stated the Minister did not advise the licensee to acquire an interest in land during the Audit Period; and 	NP	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number		(Rated as: 1 – High to 5 - Low)			
46 (cont.)					<ul style="list-style-type: none"> Specific systems, processes and controls are only expected to be put in place when the stipulations of this clause are applicable. 		
47	166(6)	5.1 / 3.1.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	5	<ul style="list-style-type: none"> CKB has stated that the Minister did not advise the licensee to acquire an interest in land during the Audit Period; and No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable. 	NP	NR
48	170	5.1 / 3.1.1	The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the Planning and Development Act 2005, unless the Minister permits the licensee to do so.	5	<ul style="list-style-type: none"> CKB has stated that the Minister did not advise the licensee to acquire an interest in land during the Audit Period; and No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable. 	NP	NR
49	173(4)	5.1 / 3.1.1	In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.	5	<ul style="list-style-type: none"> CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
50	174(1)	5.1 / 3.1.1	Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.	5	<ul style="list-style-type: none"> • CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
51	174(3)	5.1 / 3.1.1	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	5	<ul style="list-style-type: none"> • CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
52	175(2)	5.1 / 3.1.1	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.	5	<ul style="list-style-type: none"> • CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
53	175(5)	5.1 / 3.1.1	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.	5	<ul style="list-style-type: none"> • CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
53 (cont.)					makes appropriate provision for compliance with this stipulation should it occur.		
54	176(1)	5.1 / 3.1.1	If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.	5	<ul style="list-style-type: none"> CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
55	176(3)	5.1 / 3.1.1	The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.	5	<ul style="list-style-type: none"> CKB has stated it was never asked to produce a certificate of authority during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
56	176(4)	5.1 / 3.1.1	If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.	5	<ul style="list-style-type: none"> CKB has stated it was never asked to produce a certificate of authority during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
57	181	5.1 / 3.1.1	The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	5	<ul style="list-style-type: none"> • CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
58	186	5.1 / 3.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.	5	<ul style="list-style-type: none"> • CKB has stated no applications for warrants were made during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
59	187(1) – (3)	3.1.1	If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified depending on the location of the applicant and the justice.	5	<ul style="list-style-type: none"> • CKB has stated no applications for warrants were made during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
60	190(4)	5.1 / 3.1.1	Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.	5	<ul style="list-style-type: none"> • CKB has stated no applications for warrants were made during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
61	190(5)	5.1 / 3.1.1	On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	5	<ul style="list-style-type: none"> CKB has stated no applications for warrants were made during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
62	210(5)	5.1 / 3.1.1	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.	5	<ul style="list-style-type: none"> CKB has stated no inspectors or compliance officers were employed during the Audit Period and as such no certificates of authority were issued; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
63	218(2)	5.1 / 3.1.1	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	5	<ul style="list-style-type: none"> CKB has stated no instances occurred which required it to enter a place to do works during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR

No. ³	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence – Versions 5/6				Including Recommendations	Controls
	Section Number	Clause Number					
64	218(3)	5.1 / 3.1.1	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay compensation to the extent that it is not practicable to make good the damage.	5 (Rated as: 1 – High to 5 - Low)	<ul style="list-style-type: none"> • CKB has stated it did make good any damage caused in the exercise of a works power or a power of entry during the Audit Period. CKB could not confirm whether compensation payments were made during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	1

Table 11: Audit Observations and Recommendations: Water Services Act 2012

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016” (Numbers 1 to 64)]

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)	Including Recommendations		
65	23(2)	5.1 / 3.1.1	If the licensee provides a water supply service in respect of a multi-unit development, the licensee, on the owner's request, is to assess whether a meter is satisfactory for measuring the quantity or flow of water through a pipe supplying water to the unit.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
66	24(4)	5.1 / 3.1.1	If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
67	26(3)	5.1 / 3.1.1	If the owner or occupier requests the licensee to test a meter, subject to the payment of the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with the approved procedure.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
68	26(5)	5.1 / 3.1.1	If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)		
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6				(Rated as: 1 – High to 5 – Low)	Including Recommendations	
	Regulation Number	Clause Number						
69	29(2)	5.1 / 3.1.1	If the developer of a lot makes a request to the licensee to defer payment of an infrastructure contribution, the licensee must, subject to regulations 29(3) and 29(4), allow the payment to be deferred.	5	<ul style="list-style-type: none"> • CKB has stated no such requests were received in respect of sewerage services during the Audit Period. CKB has continued no infrastructure contributions were payable in respect of non-potable water supply services during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR	
70	42(2)	5.1 / 3.1.1	The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date which the device must be installed and tested (which must be at least 7 days after the order is given).	5	<ul style="list-style-type: none"> • CKB has stated no backflow prevention devices were used for sewerage services during the Audit Period. CKB has stated no written orders were given to install a backflow prevention device in respect of non-potable water supply services during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR	
71	43(3)	5.1 / 3.1.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device tested or maintained in	5	<ul style="list-style-type: none"> • CKB has stated no backflow prevention devices were used for sewerage services during the Audit Period. CKB has stated no 	A	NR	

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
71 (cont.)			accordance with the standard by a specified date (which must be at least 7 days after the notice is given).		<p>compliance notices were given in respect of non-potable water supply services during the Audit Period; and</p> <ul style="list-style-type: none"> Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 		
72	43(6)	5.1 / 3.1.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the notice is given).	5	<ul style="list-style-type: none"> CKB has stated no backflow prevention devices were used for sewerage services during the Audit Period. CKB has stated no compliance notices were given in respect of non-potable water supply services during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
73	53(3)	5.1 / 3.1.1	The licensee must provide a person with a plan of the existing drainage plumbing for a building on request and on receipt of payment from the person.	2	<ul style="list-style-type: none"> CKB has stated such plans were freely available on the CKB website during the Audit Period; Paxon could not find drainage plumbing plans by conducting a normal search on CKB's website; and 	A	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)	Including Recommendations		
73 (cont.)					<ul style="list-style-type: none"> Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 		
74	60(2)	5.1 / 3.1.1	If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.	5	<ul style="list-style-type: none"> CKB has stated no works powers were exercised in a road during the Audit Period. CKB has stated, as a result, no road surfaces were opened or broken up during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
75	63	5.1 / 3.1.1	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.	5	<ul style="list-style-type: none"> CKB has stated no road surfaces were opened or broken up during the Audit Period; and Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
76	65(1)	5.1 / 3.1.1	The licensee must maintain records for all land in respect of which water service charges apply.	5	<ul style="list-style-type: none"> CKB has stated Landgate records were used as a base for sewerage services charges during the Audit Period. CKB has stated water service charges for non-potable water supply services used during the Audit Period were dependent on water meter readings. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
77	65(2)	5.1 / 3.1.1	The records for all land in respect of which water service charges apply must contain prescribed information.	5	<ul style="list-style-type: none"> • Paxon has examined a sample of rates notices issued during the Audit Period and is satisfied it discloses the prescribed information included in section 65(2) of the Regulations; • Paxon has noted no direct references are made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 65(2) of the Regulations; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 36/2015). 	B	1
78	65(4)	5.1 / 3.1.1	The licensee must make the records for all land in respect of which water service charges apply available for inspection by any person without charge, and give a copy of particular records to a person with a material interest in them, on payment of the prescribed charge.	5	<ul style="list-style-type: none"> • CKB has stated functionality exists to comply with this regulation and that no such inspection request was made during the Audit Period; • Paxon has noted no direct references are made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 65(4) of the Regulations; and 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
78 (cont.)					<ul style="list-style-type: none"> This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 37/2015). 		
79	67	5.1 / 3.1.1	Except as otherwise provided under the Act, the records maintained by the licensee for a period in relation to land are the basis upon which the licensee must determine the water service charges applicable for the period.	5	<ul style="list-style-type: none"> CKB has stated Landgate records were used as a base for sewerage services charges during the Audit Period. CKB has stated water service charges for non-potable water supply services used during the Audit Period were dependent on water meter readings; Paxon has noted no direct references are made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 67 of the Regulations; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 38/2015). 	B	1
80	68(5)	5.1 / 3.1.1	The licensee must consider an objection to the records maintained by a licensee under regulation 65 as soon as practicable.	5	<ul style="list-style-type: none"> CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s 	B	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
80 (cont.)					decision as to the objections and adjusted its records appropriately where required; <ul style="list-style-type: none"> • Paxon has noted no direct references are made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in the Regulations in respect of objections to records maintained under Regulation 65; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 39/2015). 		
81	68(6)	5.1 / 3.1.1	The licensee must give the person by whom the objection was made written notice of the licensee’s decision on the objection together with a brief statement of the licensee’s reasons for the decision.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
82	68(7)	5.1 / 3.1.1	If the licensee disallows an objection, wholly or in part, to entries in the records maintained by a licensee under regulation 65, the licensee must advise the person who objected of any consequent amendment of the records.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR
83	68(8)	5.1 / 3.1.1	If the licensee allows an objection, wholly or in part, to entries in the records maintained by a licensee under regulation 65, the licensee must advise the person of the time within which and the manner in which a review of the decision may be sought.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)	Including Recommendations		
84	69(3)	5.1 / 3.1.1	Upon receipt of a notice from a person dissatisfied with a decision of the licensee on an objection, the licensee must promptly refer the relevant records to the State Administrative Tribunal for a review.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR
85	70(2)	5.1 / 3.1.1	Upon receipt of a notice from a person dissatisfied with a decision of the licensee to refuse to extend the time for giving an objection to the licensee or a notice under regulation 69(2), the licensee must promptly refer the decision to the State Administrative Tribunal for a review.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
86	74(1)	5.1 / 3.1.1	The licensee must make any amendment of the records necessary as a consequence of an allowance, wholly or in part, of an objection under the Act or the <i>Valuation of Land Act 1978</i> or as a consequence of a review by the State Administrative Tribunal.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR
87	74(2)	5.1 / 3.1.1	The licensee must, if necessary as a consequence of the amendment to the records under regulation 74(1) re-determine and if necessary provide a rebate or refund.	5	<ul style="list-style-type: none"> • CKB has stated all objections were referred to the Valuer-General’s office during the Audit Period. CKB has continued, during the Audit Period, it was informed of the Valuer-General’s decision as to the objections and adjusted its records appropriately where required; and • A recommendation was made last year in respect of objections to records maintained under Regulation 65 (see Section 3.1 – Recommendation: 39/2015 above). 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6				Controls	Compliance
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)	Including Recommendations		
88	75(1)	5.1 / 3.1.1	If a person is liable, under an agreement with the owner of land, for payment of the water service charges in respect of certain land, the person is entitled to receive from the licensee all information necessary for the person to assess his or her liability under the agreement.	5	<ul style="list-style-type: none"> • CKB has stated “Rates Notice Tax Invoices” were used to inform rate payers as to sewerage charges during the Audit Period. CKB has continued “Tax Invoices” were used to inform users of non-potable water supply service charges during the Audit Period; and • Paxon has examined a sample of “Rates Notice Tax Invoices” and Tax Invoices” issued during the Audit Period and is satisfied it contains the information necessary to assess liability for charges. 	A	1
89	85	5.1 / 3.1.1	Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	5	<ul style="list-style-type: none"> • CKB has stated no compliance notices were given during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
90	86(6)	5.1 / 3.1.1	If the licensee appoints an employee as an authorised or approved officer for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, the licensee must issue the officer a certificate, badge	n/a	As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period.	NA	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence – Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
90 (cont.)			or identity card identifying the officer as a person authorised to issue infringement notices.				
91	86(9)	5.1 / 3.1.1	The licensee must maintain a list of persons appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, and must, on request, give a copy of the list to the CEO or to the chief executive officer of the Public Services principally assisting in the administration of the <i>Criminal Procedure Act 2004</i> .	n/a	As per document entitled: “ <i>City of Kalgoorlie-Boulder – Audit and Review Plan</i> ”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period.	NA	NA

Table 11: Audit Observations and Recommendations: Water Services Act 2012

[Obligations as per the ERA’s: “*Water Compliance Reporting Manual – Water Services Act 2012 – July 2016*” (Numbers 65 to 91)]

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
92	7	5.3 / 3.1.1	The licensee must have written information for customers about the prescribed matters.	4	<ul style="list-style-type: none"> • Paxon has noted the document entitled: “City of Kalgoorlie-Boulder - Wastewater Collection & Treatment Service – Customer Service Charter – March 2011” (Customer Service Charter), which is available on the CKB website, does deal with the matters included in clause 7; • Paxon has noted the Customer Service Charter refers to Plan Number OWR-OA-028 and not Plan Number OWR-OA-028(C) as stated in Water Services Licence Version 6; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	1
93	8	5.3 / 3.1.1	The licensee must ensure that, in any 12-month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.	4	<ul style="list-style-type: none"> • CKB has stated all properties serviced by the sewer system have a junction provided as per drawings available by internet or at the CKB’s offices. CKB has continued it is the responsibility of the owner to commission a plumber to connect to the junction as provided by CKB for that property; and 	NP	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6			Including Recommendations	Controls	Compliance
	Clause Number	Clause Number					
93 (cont.)					<ul style="list-style-type: none"> CKB has stated no fees were charged for non-potable water supply services connections during the Audit Period. 		
94	9	5.3 / 3.1.1	The licensee must issue a bill for non-quantity charges to each customer at least once in every 12-month period.	3	<ul style="list-style-type: none"> CKB has stated bills for sewerage services were issued on an annual basis during the Audit Period; Paxon examined a sample of "Rate Notice Tax Invoices" issued during the Audit Period and is satisfied it levied sewerage charges on an annual basis; Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 9 of the Code of Conduct; and This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation: 41/2015). 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
95	10(2)	5.3 / 3.1.1	The licensee must issue a bill for usage to each customer at least once in every 6-month period.	3	<ul style="list-style-type: none"> • CKB has stated bills for non-potable water supply usage were issued on a monthly basis during the Audit Period; • Paxon examined a sample of "Tax Invoices" issued and is satisfied it levied non-potable water supply charges on a monthly basis during the Audit Period; and • Paxon has noted the "City of Kalgoorlie-Boulder – Debtors Procedure Manual" does provide for the monthly levy of invoices for "effluent water consumption". 	A	1
96	10(3)	5.3 / 3.1.1	The licensee must ensure a bill for usage is based on a meter reading to ascertain the quantity supplied or discharged.	3	<ul style="list-style-type: none"> • CKB has stated meter readings for non-potable water supply services were taken once a month during the Audit Period; • Paxon examined a sample of "Tax Invoices" issued and is satisfied it was based on meter readings; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation 03/2015). 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
97	10(4)	5.3 / 3.1.1	If an accurate meter reading is not possible, a bill for usage must be based on an estimation (in accordance with the prescribed regulations) of the quantity of water supplied or waste water discharged.	3	<ul style="list-style-type: none"> CKB has stated no estimates were made of non-potable water quantities supplied during the Audit Period; and Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation 03/2015). 	B	NR
98	10(5)	5.3 / 3.1.1	If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the prescribed methods.	3	<ul style="list-style-type: none"> CKB has stated no estimates were made of non-potable water quantities supplied during the Audit Period; and Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation 03/2015). 	B	NR
99	11	5.3 / 3.1.1	The licensee must send a bill to the address of the place where the water service is provided or, if the customer nominates another address, to the nominated address.	3	<ul style="list-style-type: none"> CKB has stated bills were sent to the address of the place where the water service was provided or, if the customer nominated another address, to the nominated address during the Audit period; 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
99 (cont.)					<ul style="list-style-type: none"> • Paxon examined a sample of tax invoices issued and is satisfied it discloses appropriate address details; and • Paxon has noted the “City of Kalgoorlie-Boulder – Debtors Procedure Manual” does provide for recording of address information for debtors. 		
100	12(1)	5.3 / 3.1.1	Each bill must contain the prescribed information.	3	<ul style="list-style-type: none"> • This clause came into operation on 18 November 2015; • Paxon examined a sample of “Rate Notice Tax Invoices” and “Tax Invoices” issued after this date and is satisfied these invoices comply with clause 12(1) of the Code of Conduct except for the absence of the stipulated information included in clause 12(1)(i), (m), (o) and (p). The information not disclosed relates to: <ul style="list-style-type: none"> • Concessions, discounts or rebates; • Licensee’s website address; • Contact details for use by customers with a hearing or speech impairment; and • Reference to the CKB website for information about estimates, meter reading and testing, complaints and review. 	D	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6					
	Clause Number	Clause Number		Including Recommendations	Controls	Compliance	
100 (cont.)					<ul style="list-style-type: none"> Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(1) of the Code of Conduct. <p>Recommendation 1/2017:</p> <ul style="list-style-type: none"> “Rate Notice Tax Invoices” and “Tax Invoices” should include all the information stipulated in clause 12(1) of the Code of Conduct; and The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(1) of the Code of Conduct. 		
101	12(2)	5.3 / 3.1.1	Each bill for usage for a metered water service must, in addition to the requirements of clause 12(1), contain the specified information.	3	<ul style="list-style-type: none"> This clause came into operation on 18 November 2015; Paxon examined a sample of “Tax Invoices” issued after this date and is satisfied these invoices comply with clause 12(2) of the Code of Conduct except for the absence of the stipulated information included in clause 12(2)(c), (d) and (g). The information not disclosed relates to: 	D	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
101 (cont.)					<ul style="list-style-type: none"> • Number of days to which the bill applies; • Two most recent meter reading dates or estimate dates; and • Consumption comparison with previous water usage. • Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(2) of the Code of Conduct. <p>Recommendation 2/2017:</p> <ul style="list-style-type: none"> • “Tax Invoices” should include all the information stipulated in clause 12(2) of the Code of Conduct; and • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(2) of the Code of Conduct. 		
102	12(3)	5.3 / 3.1.1	Each bill must inform the customer of the specified information and where further details can be obtained.	3	<ul style="list-style-type: none"> • This clause came into operation on 18 November 2015; 	D	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Clause Number	Clause Number					
102 (cont.)					<ul style="list-style-type: none"> • CKB has stated no information is disclosed on the back of "Tax Invoices"; • Paxon examined a sample of "Rate Notice Tax Invoices" and "Tax Invoices" issued after this date and found these documents do not comply with the stipulations of clause 12(3) of the Code of Conduct; and • Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(3) of the Code of Conduct. <p>Recommendation 3/2017:</p> <ul style="list-style-type: none"> • "Rate Notice Tax Invoices" and "Tax Invoices" should include all the information stipulated in clause 12(3) of the Code of Conduct; and • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(3) of the Code of Conduct. 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
103	13(1)	5.3 / 3.1.1	If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate.	3	<ul style="list-style-type: none"> • CKB has stated no estimates were made of non-potable water quantities supplied during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	B	NR
104	13(2)	5.3 / 3.1.1	The licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.	3	<ul style="list-style-type: none"> • CKB has stated no estimates were made of non-potable water quantities supplied during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	B	NR
105	14(1)	5.3 / 3.1.1	The licensee must provide to the customer on request a meter reading and a bill in the prescribed circumstances.	3	<ul style="list-style-type: none"> • CKB has stated no requests were received for meter readings for intervals that differed from the usual billing cycle during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
105 (cont.)					purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015).		
106	15	5.3 / 3.1.1	The licensee must have a publicly available written policy, standard or set of guidelines in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than normal for the customer but is likely to have been wasted because of a leak.	4	<ul style="list-style-type: none"> The Customer Service Charter states: <i>“If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.”</i> However, it does not address the matter of leaks at all; and Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	B	2
107	16(2)	5.3 / 3.1.1	The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12-month period ending on the day on which the licensee informed the customer of the undercharging.	3	<ul style="list-style-type: none"> CKB has stated no recovery of undercharged amounts took place during the Audit Period; Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
107 (cont.)					contained in clause 16(2) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 -Recommendation: 44/2015).		
108	16(3)	5.3 / 3.1.1	An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill. The licensee cannot charge interest or late payment fees on an undercharged amount. The licensee must allow a customer to pay an undercharged amount by way of a repayment plan as specified in the code of conduct.	3	• CKB has stated no recovery of undercharged amounts took place during the Audit Period; • Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 16(3) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 -Recommendation: 44/2015).	C	NR
109	16(4)	5.3 / 3.1.1	The licensee must not charge interest or late payment fees on an undercharged amount.	3	• CKB has stated no recovery of undercharged amounts took place during the Audit Period; • Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation	C	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
109 (cont.)					contained in clause 16(4) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 -Recommendation: 44/2015).		
110	16(5)	5.3 / 3.1.1	The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of shorter of the prescribed periods starting on the day that the bill in clause 16(3) is issued.	3	• CKB has stated no recovery of undercharged amounts took place during the Audit Period; • Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 16(5) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 -Recommendation: 44/2015).	C	NR
111	17(1)	5.3 / 3.1.1	If the licensee overcharges a customer, the licensee must credit the customer's account and must immediately afterwards notify the customer, or inform the customer of the overcharging and recommended options for refunding or crediting the overcharged amount.	3	• CKB has stated no customers were overcharged during the Audit Period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
111 (cont.)					contained in clause 17(1) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation: 45/2015).		
112	17(2)	5.3 / 3.1.1	The licensee must, in accordance with the customer's instructions, refund or credit the customer's account within 15 business days from starting on the day the licensee receives the instructions.	3	• CKB has stated no customers were overcharged during the Audit Period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 17(2) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation: 45/2015).	B	NR
113	18(1)	5.3 / 3.1.1	The licensee must review a bill on the customer's request.	3	• CKB has stated it did review bills on request of customers during the Audit Period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
113 (cont.)					contained in clause 18(1) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation: 46/2015).		
114	18(2)	5.3 / 3.1.1	The license must have a written procedure for the review of a bill on the customer’s request.	3	• CKB has stated it did review bills on request of customers during the Audit Period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 18(2) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 46/2015).	C	2
115	18(3) & (6)	5.3 / 3.1.1	The review procedure in clause 18(2) must include the specified information and be publicly available.	3	• CKB has stated it did review bills on request of customers during the Audit Period; • Paxon could not find any proper reference to the review procedure in either the Customer Service Charter, or the “Rate Notice Tax	C	4

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
115 (cont.)					<p><i>Invoices</i>" or "<i>Tax Invoices</i>" examined or on CKB's website;</p> <ul style="list-style-type: none"> • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 18(3) and (6) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 46/2015 and 47/2015). 		
116	18(4)	5.3 / 3.1.1	The review procedure must state that the customer may, but does not have to, use the licensee's complaints procedure mentioned in clause 35 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review or, the decision under regulations mentioned in section 222(2)(k) of the Act.	3	<ul style="list-style-type: none"> • CKB has stated it did review bills on request of customers during the Audit Period; • Paxon could not find any proper reference to the review procedure in either the Customer Service Charter, or the "<i>Rate Notice Tax Invoices</i>" or "<i>Tax Invoices</i>" examined or on CKB's website; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 18(4) of the Code of Conduct; and 	C	4

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
116 (cont.)					<ul style="list-style-type: none"> This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 46/2015 and 47/2015). 		
117	18(5)	5.3 / 3.1.1	The licensee must inform the customer of the outcome of a review of the customer’s bill as soon as practicable or otherwise less than 15 business days from the day the customer’s request for review was received.	3	<ul style="list-style-type: none"> CKB has stated customers were informed of review outcomes in accordance with the stipulations of clause 18(5); Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 18(5) of the Code of Conduct; and This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation 46/2015). 	B	1
118	20	5.3 / 3.1.1	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.	3	<ul style="list-style-type: none"> CKB has stated the following payment terms were applied during the Audit period: <ul style="list-style-type: none"> 14 days up to February 2016; and 35 days from March 2016. Paxon examined a sample of “Tax Invoices” issued during the Audit Period and it disclosed 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
118 (cont.)					charges for non-potable water supply services were payable within 35 from the date of issue; <ul style="list-style-type: none"> • Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 20 of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 48/2015). 		
119	21(1)	5.3 / 3.1.1	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	3	<ul style="list-style-type: none"> • CKB has stated customers could pay bills using the prescribed methods stipulated in clause 21(1) of the Code of Conduct; • Paxon examined a sample of “Rate Notice Tax Invoices” and “Tax Invoices” issued during the Audit Period. Our findings were as follows: <ul style="list-style-type: none"> • “Rate Notice Tax Invoices” – did not refer to the Centerpay facility (clause 21(1)(b)); and • “Tax Invoices” – only referred to “BPay” and “Post Billpay”. 	B	4

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
119 (cont.)					<ul style="list-style-type: none"> Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 21(1) of the Code of Conduct; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 49/2015). <p>Recommendation 4/2017:</p> <ul style="list-style-type: none"> “Rate Notice Tax Invoices” and “Tax Invoices” should disclose all the payment methods included in clause 21(1) of the Code of Conduct. 		
120	21(2)	5.3 / 3.1.1	The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any) associated with each bill payment method offered.	3	<ul style="list-style-type: none"> Paxon has noted neither “Rate Notice Tax Invoices” nor “Tax Invoices” disclose any reference to fees and/or charges attached to the bill payment methods offered; Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 21(2) of the Code of Conduct; and 	C	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
120 (cont.)					<ul style="list-style-type: none"> This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 49/2015). Recommendation 5/2017: “Rate Notice Tax Invoices” and “Tax Invoices” should disclose references to fees and/or charges attached to the bill payment methods offered. 		
121	22	5.3 / 3.1.1	Before receiving a bill payment by direct debit the licensee must obtain the express consent, either orally or in writing, of the holder of the account to be debited and of the customer or an adult person nominated by the customer, to do so.	3	<ul style="list-style-type: none"> CKB has stated it did obtain express consent in compliance with the stipulations of clause 22 of the Code of Conduct during the Audit period; Paxon has noted the “Direct Debit Agreement Authority Form” requires details of the owner of the property and the signature of the person whose bank account will be debited; and Paxon has noted the “City of Kalgoorlie-Boulder – Debtors Procedure Manual” does provide for obtaining express consent before receiving a bill payment by direct debit. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
122	23(1)	5.3 / 3.1.1	The licensee must accept payment in advance from a customer on a customer's request.	3	<ul style="list-style-type: none"> • CKB has stated it did accept payments in advance from customers during the Audit Period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 23(1) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 51/2015). 	B	1
123	24	5.3 / 3.1.1	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	3	<ul style="list-style-type: none"> • CKB has stated it did on request and at no charge redirected a customer's bills because of the customer's absence or illness during the Audit Period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 24 of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 52/2015). 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
124	25	5.3 / 3.1.1	The licensee must allow a customer to pay a bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or to pay arrears if the customer is assessed by the licensee as experiencing payment difficulties.	3	<ul style="list-style-type: none"> • Paxon examined a sample of “Rate Notice Tax Invoices” issued during the Audit period and is satisfied it provided customers with several payment options which allowed customers more time to pay their bills; • Paxon examined a sample of “Tax Invoices” issued during the Audit period. These “Tax Invoices” did not disclose details of the different payment options which allowed customers more time to pay their bills; and • Paxon has noted the “City of Kalgoorlie-Boulder – Debtors Procedure Manual” does provide for special payment arrangements. 	A	1
125	26(1) & (2)	5.3 / 3.1.1 & 5.4.1	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	<ul style="list-style-type: none"> • Paxon examined the document entitled: “City of Kalgoorlie-Boulder – Policy: DS-SWM-003 - Financial Hardship Water Licenses Policy” (“Financial Hardship Policy”); • Paxon has noted the ERA approved the Financial Hardship Policy on 16 May 2014; and • Review of the policy is addressed in clause 26(6) of the Code of Conduct and no further specific systems, processes and controls are 	NP	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
125 (cont.)					expected to be in place on a perpetual basis therefor.		
126	26(3)	5.3 / 3.1.1	If the licensee’s licence was in place before the commencement of the Act, the licensee must have a financial hardship policy before the end of the 6-month period starting on the day on which section 27 of the Act comes into effect.	4	<ul style="list-style-type: none"> • The CKB’s Water Services (Operating) Licence commenced on 29 April 1996. As such, it was in place before the commencement of the Act; • The Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct) took effect on 18 November 2013. As such, the CKB’s Financial Hardship Policy must have been finalised by 17 May 2014; • Paxon has noted the ERA approved the Financial Hardship Policy on 16 May 2014; • Thus, CKB complied with clause 26(3) in the Code of Conduct; and • This was a once-off compliance obligation and specific systems, processes and controls are not expected to be in place on a perpetual basis therefor. 	NP	1
127	26(4)	5.3 / 3.1.1	If the licensee’s licence was granted after the day on which the Act came into effect, the licensee must have a financial hardship policy within 6 months of the day of the grant of the license.	4	<ul style="list-style-type: none"> • The CKB’s Water Services Operating Licence commenced on 29 April 1996. As such, it was in place before the commencement of the Act; and 	NP	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
127 (cont.)					<ul style="list-style-type: none"> Thus, this clause was not applicable to the CKB during the Audit Period. 		
128	26(5)	5.3 / 3.1.1	The licensee's financial hardship policy must be publicly available.	3	<ul style="list-style-type: none"> Paxon did confirm the Financial Hardship Policy is available on the CKB website. However, a specific search had to be undertaken to locate the document; Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 26(5) of the Code of Conduct; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 54/2015). 	B	1
129	26(6)	5.3 / 3.1.1	The licensee must review its financial hardship policy at least once in every 5-year period and, as part of the review process, consult with relevant consumer organisations.	3	<ul style="list-style-type: none"> CKB's Financial Hardship Policy became effective on 16 May 2014. Thus, it only needs to be reviewed by 16 May 2019 which is after the Audit Period; Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 26(6) of the Code of Conduct; and 	B	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
129 (cont.)					<ul style="list-style-type: none"> This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 55/2015). 		
130	27(2)	5.3 / 3.1.1	A licensee must allow a customer experiencing financial hardship to pay a bill under an interest-free or fee-free payment plan other arrangement under which the customer is given more time to pay the bill or to pay arrears.	3	<ul style="list-style-type: none"> The Financial Hardship Policy states: <i>“If we determine that you are in financial hardship, we will offer you more time to pay the Sewered Area portion of your rate notice or a payment plan for this portion. We will not charge you any fees or interest as part of your extension or payment plan.”;</i> Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 27(2) of the Code of Conduct; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 56/2015). 	B	1
131	27(3)	5.3 / 3.1.1	The licensee must also consider reducing the amount owed, review and revise, if appropriate, how a customer is paying a bill under clause 27(2) and provide the specified written information to a customer.	3	<ul style="list-style-type: none"> The Financial Hardship Policy states: <i>“If you are in financial hardship, we will consider reducing the amount you owe us.”;</i> and <i>“If appropriate, we will review and revise your extension or payment plan.”</i> 	B	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Clause Number	Clause Number					
131 (cont.)					<ul style="list-style-type: none"> • Paxon has noted the Financial Hardship Policy also provides appropriate information in respect of: <ul style="list-style-type: none"> • Redirection of rate notices; • Payment options; • Concessions; and • Financial Counselling. • However, no reference is made to applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 27(3) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 57/2015). 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
132	28(1)	5.3 / 3.1.1	Before the licensee enters into a payment plan or other similar arrangement with a customer who is not the owner of the land in respect of which the water service is provided, the licensee must ensure that the owner is aware of the proposed plan or arrangement.	3	<ul style="list-style-type: none"> • CKB has stated it did comply with the stipulations of section 28(1) of the Code of Conduct during the Audit period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 28(1) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 58/2015). 	B	1
133	28(4) & (5)	5.3 / 3.1.1	The licensee must have publicly available written information regarding the payment plans, arrangements and other assistance that is available to customers.	3	<ul style="list-style-type: none"> • CKB has stated it did have publicly available written information regarding payment plans and arrangements available to customers during the Audit Period; • Paxon examined a sample of “Rate Notice Tax Invoices” issued during the Audit Period which did disclose payment plans and arrangements available to customers; • Paxon has noted the document entitled: “City of Kalgoorlie-Boulder – 2015/2016 Rates Information” also discloses information on 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
133 (cont.)					payment plans and arrangements available to customers; <ul style="list-style-type: none"> • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 28(4) and (5) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 58/2015). 		
134	29	5.3 / 3.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer who is complying with a payment plan or other arrangement, or who is being assessed for payment difficulties or who is being assessed for financial hardship.	3	<ul style="list-style-type: none"> • CKB has stated it did comply with the stipulations of clause 29 of the Code of Conduct during the Audit period; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 29 of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 59/2015). 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
135	30(1)	5.3 / 3.1.1	If the licensee has reduced the rate of flow of drinking water to land under section 95(1)(b) of the Act, the licensee must restore the supply of water if the amount owing is paid, or if the customer enters into a payment arrangement for the amount owing that is satisfactory to the licensee.	n/a	As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period.	NA	NA
136	30(2)	5.3 / 3.1.1	If the licensee has, under section 95(1)(a), (c), (d) or (e) of the Act, cut off or reduced the flow of drinking water, the licensee must restore the supply of water if the licensee is satisfied that the reason for the disconnection or reduction no longer applies.	n/a	As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period.	NA	NA
137	31	5.3 / 3.1.1	The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of drinking water to a customer without having first used its best endeavours to inform the customer in person of its intention to do so if the amount owing is not paid.	n/a	As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period.	NA	NA

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	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
138	32	5.3 / 3.1.1	The licensee must not reduce the rate of flow of drinking water under the Act if the specified circumstances apply.	n/a	As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period.	NA	NA
139	33	5.3 / 3.1.1	The licensee must not reduce the rate of flow of water to a customer to below 2.3 litres each minute.	4	<ul style="list-style-type: none"> • CKB has stated this clause did not relate to the provision of sewerage services during the Audit Period. CKB has continued a non-pressurised system was used to provide non-potable water supply services, on request and when available, during the Audit Period; and • Due to the nature and manner of the services provided by CKB no systems, processes and controls are expected to be in place to ensure compliance with this obligation. 	NP	NA
140	34(2)	5.3 / 3.1.1	The Water Corporation must restore a water supply to land in the metropolitan region within the specified timeframe, unless the licensee and customer expressly agree otherwise.	n/a	<ul style="list-style-type: none"> • Compliance with this clause is limited to the Water Corporation only, and was thus not applicable to the CKB during the Audit Period. 	NA	NA
141	34(3)	5.3 / 3.1.1	The Water Corporation must restore a water supply to land outside the metropolitan region within the specified timeframe, unless the licensee and customer expressly agree otherwise.	n/a	<ul style="list-style-type: none"> • Compliance with this clause is limited to the Water Corporation only, and was thus not applicable to the CKB during the Audit Period. 	NA	NA

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	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
142	34(4)	5.3 / 3.1.1	The licensee (other than the Water Corporation) must restore a water supply to land within the specified timeframe, unless the licensee and customer expressly agree otherwise.	4	<ul style="list-style-type: none"> • CKB has stated this clause did not relate to the provision of sewerage services during the Audit Period; • CKB has stated it provided non-potable water, more than its own requirements, on a contractual basis during the Audit Period. CKB continued such service was supplied via a non-pressurised system so water was delivered on request, based upon what was available. As such, no continuous flow of water was ever guaranteed during the Audit Period; and • Due to the nature and manner of the services provided by CKB no systems, processes and controls are expected to be in place to ensure compliance with this obligation. 	NP	NA
143	34(5)	5.3 / 3.1.1	The Water Corporation must ensure that there is a 90% compliance rate with clauses 34(2) and 34(3) in any 12-month period ending on 30 June.	n/a	<ul style="list-style-type: none"> • Compliance with this clause is limited to the Water Corporation only, and was thus not applicable to the CKB during the Audit Period. 	NA	NA
144	34(6)	5.3 / 3.1.1	The licensee (other than the Water Corporation) must ensure that there is a 90% compliance rate with clause 34(4) in any 12-month period ending on 30 June.	4	<ul style="list-style-type: none"> • CKB has stated this clause did not relate to the provision of sewerage services during the Audit Period; 	NP	NA

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	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
144 (cont.)					<ul style="list-style-type: none"> • CKB has stated it provided non-potable water, more than its own requirements, on a contractual basis during the Audit Period. CKB continued such service was supplied via a non-pressurised system so water was delivered on request, based upon what was available. As such, no continuous flow of water was ever guaranteed during the Audit Period; and • Due to the nature and manner of the services provided by CKB no systems, processes and controls are expected to be in place to ensure compliance with this obligation. 		
145	35(1)	5.3 / 3.1.1	The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.	4	<ul style="list-style-type: none"> • CKB does have a policy entitled: “Policy: Exec-OD-001 - Complaints Handling”. This document deals comprehensively with the way complaints should be resolved; • Paxon has noted the Customer Service Charter, in use during the Audit Period, also has a section which deals with complaints. However, the two documents do not follow a consistent approach to handling of customer complaints (for example: response times to 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
145 (cont.)					<p>complaints);</p> <ul style="list-style-type: none"> It is accepted the Policy document should provide an integrated approach to complaints handling whilst the Customer Service Charter specifically deals with water services. However, these documents should share a common approach to complaints management with differences noted and explained; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 59/2015). 		
146	35(2)	5.3 / 3.1.1	The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of the AS ISO 10002-2006 and the ERA's guidelines (if any).	3	<ul style="list-style-type: none"> CKB has stated it did develop: "Policy: Exec-OD-001 - Complaints Handling" without taking into account the relevant provisions of AS ISO 10002-2006; and This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 60/2015). 	D	2
147	35(3)	5.3 / 3.1.1	The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to	3	<ul style="list-style-type: none"> CKB does have a policy entitled: "Policy: Exec-OD-001 - Complaints Handling". This document deals comprehensively with the way complaints should be resolved; 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
147 (cont.)			complaints, dispute resolution arrangements and resolving complaints.		<ul style="list-style-type: none"> • Paxon has noted with one exception, the policy document does deal appropriately with the matters specified in clause 35(3) of the Code of Conduct; • Clause 35(3) refers to resolving a complaint before the end of the period of 15 business days starting on the day the complaint was received; • The policy document states: <i>“...try to resolve the issue within two (2) working days...”</i>; and <i>“...that a full response may be made within seven (7) days.”</i>; • Paxon is satisfied with the fact CKB has set itself goals to resolve complaints in less than 15 business days. However, due to the use of the words “try” and “may” in the context above, it is prudent to set a 15-day maximum period allowed to resolve complaints; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 61/2015). 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
148	35(4)	5.3 / 3.1.1	The licensee's complaints procedure must inform the customer that they do not have to use the licensee's complaints procedure, provide details of procedures under the Act, and set out the costs and benefits to the customer if they use the complaint resolution procedure or instead of the procedures under the Act.	3	<ul style="list-style-type: none"> • CKB does have a policy entitled: "Policy: Exec-OD-001 - Complaints Handling". This document deals comprehensively with the way complaints should be resolved; • The policy document deals exclusively with the internal process followed by CKB to resolve complaints, and does not disclose the information included in clause 35(4) of the Code of Conduct; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 62/2015). 	D	4
149	35(6)	5.3 / 3.1.1	The licensee's complaints procedure must be publicly available.	3	<ul style="list-style-type: none"> • CKB does have a policy entitled: "Policy: Exec-OD-001 - Complaints Handling". This document is available on the CKB website; and • No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause. 	NP	1
150	36(1)	5.3 / 3.1.1	The licensee must provide a customer with the specified services on request and at no charge.	3	<ul style="list-style-type: none"> • CKB has stated the specified services were provided without charge during the Audit Period; 	NP	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
150 (cont.)					<ul style="list-style-type: none"> Paxon examined a sample of "Rate Notice Tax Invoices" issued during the Audit Period and found it referred to the availability of facilities for: <ul style="list-style-type: none"> Use by customers with hearing or speech impairment; or Interpreter services. No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause. 		
151	36(1)	5.3 / 3.1.1	The licensee must provide a customer with the specified services on request and at no charge.	3	This reporting obligation is a duplication of Reference Number 150 above.	NP	1
152	36(2)	5.3 / 3.1.1	The licensee must make available to each customer the customer's personal account information.	4	<ul style="list-style-type: none"> Paxon examined a sample of "Rate Notice Tax Invoices" and "Tax Invoices" issued during the Audit Period and found customers' personal account information was disclosed on both documents; and No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause. 	NP	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services (Operating) Licence - Versions 5/6				Including Recommendations	Controls
	Clause Number	Clause Number					
153	37(1)	5.3 / 3.1.1	The licensee must make the prescribed information publicly available.	3	<ul style="list-style-type: none"> • Paxon found references to applicable stipulations of clause 37(1) of the Code of Conduct on different webpages within CKB’s website; and • No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause. 	NP	1
154	Notes – Clause 12 [clause 37(2)]	5.3 / 3.1.1	The licensee must ensure that the specified information about bill may be obtained from its website.	4	<ul style="list-style-type: none"> • This clause came into operation on 18 November 2015; • Paxon found no references, to the stipulations of clause 37(2) of the Code of Conduct on CKB’s website (except for clause 37(2)(f)); and • No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause. <p>Recommendation 6/2017:</p> <ul style="list-style-type: none"> • CKB should disclose the information included in clause 37(2) of the Code of Conduct appropriately on its website. 	NP	4

Table 11: Audit Observations and Recommendations: Water Services Act 2012

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016” (Numbers 92 to 154)]

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
155	4 / 3.2.1	The licensee must pay the applicable fees and charges in accordance with the applicable Regulations.	5	<ul style="list-style-type: none"> • CKB has stated it paid the following fees during the Audit Period: <ul style="list-style-type: none"> • Annual licence charge in relation to the ERA (Licensing Funding) Regulations 2014; and • Energy and Water Ombudsman (Western Australia) Limited’s fees. • No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause. 	NP	1
156	5.1 / 3.1.1	Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation.	1	<ul style="list-style-type: none"> • CKB’s compliance during the Audit Period, with the following is specifically addressed within this Report: <ul style="list-style-type: none"> • Water Services Act 2012; • Water Services Regulations 2013; • Water Services Code of Conduct (Customer Service Standards) 2013; and • Water Services (Operating) Licence, versions 5 and 6. • The CKB document entitled: “City of Kalgoorlie-Boulder – Asset Management Plan – Sewerage Scheme – Version 141110” (Asset Management Plan) states the following: 	D	2

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
156 (cont.)				<p><i>“It is the Responsibility of the Manager, Sustainability and Waste to monitor and manage all amendments to and or the introduction of, relevant legislation.”;</i></p> <ul style="list-style-type: none"> • The document entitled: <i>“City of Kalgoorlie-Boulder – Planning, Development and Regulatory Services – Waste and Compliance Services – Standard Operating Procedures (SOP) Manual – Version 9.0 – 2017”</i> (SOP Manual) states the following: <ul style="list-style-type: none"> <i>“It is the Responsibility of the TLWC to monitor and manage all amendments to and or the introduction of, relevant legislation. Any changes to the legislative frameworks relevant to Waste and Compliance Services that may result in change to operating procedures and associated processes will be communicated and actioned through toolbox meetings.”;</i> • Paxon has noted the SOP Manual specifically lists <i>“State and Federal Government Acts & Regulations”</i> which CKB needs to comply with; • Paxon has noted that, regarding some identified pieces of legislation, the Asset Management Plan does refer to who is responsible for: <ul style="list-style-type: none"> • <i>“Monitoring changes in the legislation”;</i> and • <i>“Implementing relevant changes in the legislation”.</i> 		

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
156 (cont.)				<ul style="list-style-type: none"> • Furthermore, these references only focus on changes in legislation without allocating specific responsibility for compliance with legislation, or monitoring such compliance; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 65/2015). <p>Recommendation 7/2017:</p> <ul style="list-style-type: none"> • It is recommended that both the Asset Management Plan and the SOP Manual explicitly indicate, in respect of all individual pieces of legislation relevant to the CKB, who is responsible for: <ul style="list-style-type: none"> • Actual compliance; and • Monitoring compliance therewith. 		
157	Not used	As per the ERA’s document entitled: “Water Compliance Reporting Manual - Water Services Act 2012 – July 2016” this number is not used.	Not used	Not used	Not used	Not used
158	Not used	As per the ERA’s document entitled: “Water Compliance Reporting Manual - Water Services Act 2012 – July 2016” this number is not used.	Not used	Not used	Not used	Not used

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
159	3.1.2	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	2	<ul style="list-style-type: none"> • CKB has stated the ERA did not direct it in relation to a breach of applicable legislation during the Audit period; and • No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause when applicable. 	NP	NR
160	12 / 3.6.1	The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	5	<ul style="list-style-type: none"> • The Independent Auditor’s Reports, as included in the City of Kalgoorlie-Boulder’s Annual Reports for both the 2014 – 2015 and 2015 – 2016 financial years, state the financial report complies with Australian Accounting Standards; and • No specific systems, processes and controls are expected to be in place, to support compliance with the stipulations of this clause when applicable. 	NP	1
161	13.1 / 4.2.1	The licensee must comply with any individual performance standards prescribed by the ERA.	n/a	<ul style="list-style-type: none"> • As per the document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
162	14.4 / 4.3.4	The licensee must cooperate with the independent expert and comply with the ERA’ standard audit guidelines dealing with the operational audit.	5	<ul style="list-style-type: none"> • CKB did cooperate with Paxon during the performance of the operational audit and specifically complied with section 10.1 “Assistance provided by the Licensee” as included in the ERA’s document entitled: 	A	2

No.	Obligation Under: Water Services Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
162 (cont.)				<p><i>“Audit and Review Guidelines: Water Licences – July 2014”</i> (except as indicated in reference number 6 above and 166 and 167 below); and</p> <ul style="list-style-type: none"> Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 		
163	15.1(a), (b), (c) / 3.7.1 (a), (b), (c)	The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a material change in the circumstances upon which the licence was granted which may affect a licensee’s ability to meet its obligations.	5	<ul style="list-style-type: none"> CKB has stated it was not under external administration, nor did a material change take place in the circumstances upon which the licence was granted which affected its ability to meet its obligations during the Audit Period; and A recommendation was made above in respect of CKB’s Reporting Matrix including compliance obligations of a non-repetitive nature (“once-off” or “specific event” reporting obligations (see 3.1 – Recommendation: 02/2015). 	D	NR
164	Not used	As per the ERA’s document entitled: <i>“Water Compliance Reporting Manual - Water Services Act 2012 – July 2016”</i> this number is not used.	Not used	Not used	Not used	Not used

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
165	16.1 / 3.8.1	The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA's functions under the Act in the manner and form specified by the ERA.	3	<ul style="list-style-type: none"> • CKB has stated it did provide the ERA with information it required during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	1
166	16.2 / 3.8.2	The licensee must comply with any information reporting requirements prescribed by the ERA, including but not limited to the provisions of the Water Compliance Reporting Manual that apply to the licensee.	3	<ul style="list-style-type: none"> • Paxon has noted the Compliance Report for the period 1 July 2014 to 30 June 2015 did not comply with the Compliance Report Template as contained in the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014". The Compliance Report, refers to the "Water Services Licensing Act 1995" and not the Water Services Act 2012; • Paxon has noted the Compliance Report for the period 1 July 2015 to 30 June 2016 did comply with the Compliance Report Template as contained in the ERA's: <i>Water Compliance Reporting Manual – Water Services Act 2012 – July 2016</i>; • Paxon has noted both Compliance Reports disclosed non-compliance with several licence obligations; • Paxon has noted the Compliance Report for the year ended: 	B	2

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
166 (cont.)				<ul style="list-style-type: none"> • 30 June 2015 was dated 11 August 2015; and • 30 June 2016 was dated 18 July 2016. <p>Thus, in both instances prior to 31 August. However, notwithstanding a specific request, no correspondence between the ERA and CKB were provided for Audit purposes. Thus, Paxon could not determine whether the annual Compliance Reports were submitted in time to the ERA;</p> <ul style="list-style-type: none"> • Paxon has noted the Reporting Matrix used during the Audit Period did refer to the obligation to submit annual compliance reports to the ERA; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 68/2015). 		
167	16.3/3.8.3	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the Water, Sewerage and Irrigation Licence Performance Reporting Handbook, and the National Performance Framework that apply to the licensee.	4	<ul style="list-style-type: none"> • Paxon has noted the CKB’s Water Licence Performance Report for 2014/15 complied with the specifications contained in the “2016 Water, Sewerage and Irrigation Licence Performance Reporting Datasheets” as disclosed on the ERA Website. The report disclosed the following information: <ul style="list-style-type: none"> • 2.7 sewerage service complaints (per 1,000 properties) were received; 	A	1

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
167 (cont.)				<ul style="list-style-type: none"> • No billing and account complaints were received; and • 100% of the 41 customer complaints received were resolved within 15 business days. • Paxon has noted the CKB’s Water Licence Performance Report for 2015/16 complied with the specifications contained in the “2016 Water, Sewerage and Irrigation Licence Performance Reporting Datasheets” as disclosed on the ERA Website. The report disclosed the following information: <ul style="list-style-type: none"> • 3.8 sewerage service complaints (per 1,000 properties) were received; • No billing and account complaints were received; and • 100% of the 57 customer complaints received were resolved within 15 business days. • Notwithstanding a specific request, no correspondence between the ERA and CKB were provided for Audit purposes. Thus, Paxon could not determine whether the annual Performance Reports were submitted in time to the ERA; 		

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
167 (cont.)				<ul style="list-style-type: none"> • Paxon has noted the Reporting Matrix used during the Audit Period did refer to the obligation to submit annual performance reports to the ERA; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 68/2015). 		
168	17.2 / 2.8.1 & 2.8.2	Subject to clause 2.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 2.8.1.	5	<ul style="list-style-type: none"> • CKB has stated the ERA did not direct it to publish any information during the Audit Period; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation should it occur. 	A	NR
169	18.1 / 2.7.1	Unless otherwise specified, all notices must be in writing.	5	<ul style="list-style-type: none"> • Paxon has noted notices were given in writing during the Audit Period. Numerous examples, as referred to throughout this Audit Report, were sighted to support this statement; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	1
170	Not used	As per the ERA’s document entitled: “Water Compliance Reporting Manual - Water Services Act 2012 – July 2016” this number is not used.	Not used	Not used	Not used	Not used

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
171	20.2 / 4.1.2	The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	5	<ul style="list-style-type: none"> • CKB has stated no changes occurred in respect of either the sewerage services or the non-potable water supply services it provided during the Audit Period; • Paxon has noted the Reporting Matrix does not make provision for compliance with this obligation; and • A recommendation was made above in respect of maintaining a list of reportable events and incidents of a non-repetitive nature (“once-off” or “specific event” reporting obligations) and adding it as an attachment to the Reporting Matrix (see section 3.1 – Recommendation: 2/2015 above). 	D	NR
172	20.6 / 4.1.6	The licensee must cooperate with the independent expert and comply with the ERA’s standard guidelines dealing with the asset management system review.	5	<ul style="list-style-type: none"> • CKB did cooperate with the Paxon Group during the performance of the Asset Management System Effectiveness Review and specifically complied with section 10.1 “Assistance provided by the Licensee” as included in the ERA’s document entitled: “Audit and Review Guidelines: Water Licences – July 2014”; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	1

No.	Obligation Under: Water Services Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
173	21.1 / 5.5.1	The licensee must not supply water services to customers unless the licensee is a member of and bound by the water services ombudsman scheme.	5	<ul style="list-style-type: none"> • CKB has stated it became a member of “Energy and Water Ombudsman (Western Australia) Limited” during the previous Audit Period and is a current paid-up member of the scheme; and • Paxon is satisfied the SOP Manual in Part E, makes appropriate provision for compliance with this stipulation. 	A	1
174	Not used	As per the ERA’s document entitled: “Water Compliance Reporting Manual - Water Services Act 2012 – July 2016” this number is not used.	Not used	Not used	Not used	Not used
175	23.1 / 5.1.1	If directed by the ERA, the licensee must submit a draft customer contract for approval.	5	<ul style="list-style-type: none"> • CKB has stated the ERA did not direct it to submit a draft customer contract for approval during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	D	NR
176	23.2 / 5.1.2	The licensee must comply with any <i>Customer Contract Guidelines</i> that apply to the licensee.	5	<ul style="list-style-type: none"> • The ERA has stated no Customer Contract Guidelines were in force during the Audit period. 	NA	NA

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
177	23.3 / 5.1.3	The licensee may only amend the customer contract with the ERA's approval.	5	<ul style="list-style-type: none"> • CKB has stated it did not amend any customer contracts during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	D	NR
178	23.6 / 5.1.5	The licensee must comply with any direction by the ERA to amend the customer contract.	5	<ul style="list-style-type: none"> • CKB has stated the ERA did not direct it to amend customer contracts during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	D	NR
179	24.1 and 24.2 / 5.3.1 & 5.3.2	Unless clause 5.3.3 applies, the licensee cannot enter into an agreement with a customer to provide water services that exclude, modify or restrict the terms and conditions of the licence or the requirements of the <i>Code of Conduct</i> without the prior approval of the ERA.	5	<ul style="list-style-type: none"> • CKB has stated that no customer contracts were entered during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 03/2015). 	D	NR

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
180	24.4 / 5.3.4	If the licensee enters into an agreement that excludes, modifies or restricts the terms and conditions of the licence or the requirements of the <i>Code of Conduct</i> , the licensee must publish an annual report containing the information specified.	5	<ul style="list-style-type: none"> • CKB has stated that no customer contracts were entered during the Audit Period; and • Paxon did refer in Item 6 above to a lack of procedure manuals made available for Audit purposes. This matter is unresolved from the previous Audit (see Section 3.1 - Recommendation 03/2015). 	D	NR
181	25.1 / 5.6.1	If the licensee is appointed as the supplier of last resort for a designated area, the licensee must perform the functions of a supplier of last resort, comply with the duties imposed by the Act and carry out its operations under or for the purpose of the last resort plan in accordance with the Act.	n/a	<ul style="list-style-type: none"> • As per document entitled: “<i>City of Kalgoorlie-Boulder – Audit and Review Plan</i>”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
182	28.1(b) / 3.4.1 (b)	If the licensee provides a water service outside of the operating area the licensee must apply to amend the licence unless otherwise notified by the ERA.	1	<ul style="list-style-type: none"> • CKB has stated it did not provide any water services outside of the operating area of the licence during the Audit Period; • Paxon has noted the Reporting Matrix does not make provision for compliance with this obligation; and • A recommendation was made above in respect of maintaining a list of reportable events and incidents of a non-repetitive nature (“once-off” or “specific event” reporting obligations) and adding it as an 	D	NR

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
182 (cont.)				attachment to the Reporting Matrix (see Section 3.1 – Recommendation: 2/2015 above).		
183	30.3 / 5.4.3	The licensee must comply with the ERA’s Financial Hardship Policy Guidelines as they apply to the licensee.	5	<ul style="list-style-type: none"> • Paxon has examined the document entitled: “City of Kalgoorlie-Boulder – Financial Hardship Policy for Water Services – April 2014” (Financial Hardship Policy); • Paxon has noted the ERA approved the Financial Hardship Policy on 16 May 2014; • Paxon has noted no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 30(3) of WSOL – Version 5; and • This matter is unresolved from the previous Audit (see Section 3.1 – Recommendation: 73/2015). 	B	1
184	31.1 / 6.1.1	The licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.	n/a	<ul style="list-style-type: none"> • As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
185	31.1 / 6.1.2	The Memorandum of Understanding must comply with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.	n/a	<ul style="list-style-type: none"> • As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA

No.	Obligation Under: Water Services (Operating) Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
186	31.3 / 6.1.3	The licensee must comply with the terms of the Memorandum of Understanding.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
187	31.4 / 6.1.4	The licensee must publish in the form agreed with the Department of Health, the Memorandum of Understanding and any amendments to the Memorandum of Understanding within one month of signing or making the amendment.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
188	31.5 / 6.1.5	The licensee must publish the audit report on compliance with its obligations under the Memorandum of Understanding on its website within one month of the completion of the audit.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA
189	31.6 / 6.1.6	The licensee must publish any reports required by the Department of Health or set out in the Memorandum of Understanding on the licensee’s website quarterly or at a reporting frequency specified by the Department of Health.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA

No.	Obligation Under: Water Services Licence - (Versions 5/6) and Water Services Act (Section 12)	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at CKB to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
190	Schedule 3/ Schedule 2	The licensee must comply with the service and performance standards as set out in Schedule 3.	n/a	<ul style="list-style-type: none"> As per document entitled: “City of Kalgoorlie-Boulder – Audit and Review Plan”, as approved by the ERA, this obligation was not applicable to CKB during the Audit Period. 	NA	NA

Table 11: Audit Observations and Recommendations: Water Services Act 2012

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016” (Numbers 155 to 190)]

4.4 Current Audit: Non-Compliances and Recommendations

Current Audit: Non-Compliances and Recommendations			
A. Resolved During Current Audit Period			
Manual Reference	Non-Compliance or Controls Inadequacy Rating	Date Resolved	Auditor's Comments
	Legislative Obligation	Management Action Taken	
	Details of Non-Compliance or Controls Inadequacy		
No such instances occurred during the current Audit period.			

Table 12: Current Audit: Non-Compliances and Recommendations (Part A)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference ⁴ (no./year)	Compliance and Control Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Legislative Obligation (LO)		
	Details for Compliance and/or Control Rating		
100 (1/2017)	<ul style="list-style-type: none"> • 3 D; • LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clause 12(1) and WSOL – Version 6: 3.1; and • Details: <ul style="list-style-type: none"> • Paxon examined a sample of “Rate Notice Tax Invoices” and “Tax Invoices” issued after this date and is satisfied these invoices comply with clause 12(1) of the Code of Conduct except for the absence of the stipulated information included in clause 12(1)(i), (m), (o) and (p). The information not disclosed relates to: <ul style="list-style-type: none"> • Concessions, discounts or rebates; • Licensee’s website address; • Contact details for use by customers with a hearing or speech impairment; and • Reference to the CKB website for information about estimates, meter reading and testing, complaints and review. 	<ul style="list-style-type: none"> • “Rate Notice Tax Invoices” and “Tax Invoices” should include all the information stipulated in clause 12(1) of the Code of Conduct; and • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(1) of the Code of Conduct. 	

4 The ‘No.’ refers to the compliance obligation reference number, as per the ERA’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – July 2016”

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference ⁴ (no./year)	Compliance and Control Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Legislative Obligation (LO)		
	Details for Compliance and/or Control Rating		
100 (1/2017) (continued)	<ul style="list-style-type: none"> Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(1) of the Code of Conduct. 		
101 (2/2017)	<ul style="list-style-type: none"> 3 D; LO: clause 12(2) and WSOL – Version 6: 3.1; and Details: <ul style="list-style-type: none"> Paxon examined a sample of “Tax Invoices” issued after this date and is satisfied these invoices comply with clause 12(2) of the Code of Conduct except for the absence of the stipulated information included in clause 12(2)(c), (d) and (g). The information not disclosed relates to: <ul style="list-style-type: none"> Number of days to which the bill applies; Two most recent meter reading dates or estimate dates; and Consumption comparison with previous water usage. Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(2) of the Code of Conduct. 	<ul style="list-style-type: none"> “Tax Invoices” should include all the information stipulated in clause 12(2) of the Code of Conduct; and The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(2) of the Code of Conduct. 	

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference ⁴ (no./year)	Compliance and Control Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Legislative Obligation (LO)		
	Details for Compliance and/or Control Rating		
102 (3/2017)	<ul style="list-style-type: none"> • 3 D; • LO: clause 12(3) and WSOL – Version 6: 3.1; and • Details: <ul style="list-style-type: none"> • CKB has stated no information is disclosed on the back of “Tax Invoices”; • Paxon examined a sample of “Rate Notice Tax Invoices” and “Tax Invoices” issued after this date and found these documents do not comply with the stipulations of clause 12(3) of the Code of Conduct; and • Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(3) of the Code of Conduct. 	<ul style="list-style-type: none"> • “Rate Notice Tax Invoices” and “Tax Invoices” should include all the information stipulated in clause 12(3) of the Code of Conduct; and • The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(3) of the Code of Conduct. 	
119 (4/2017)	<ul style="list-style-type: none"> • 4 D; • LO: clause 21(1) and WSOL – Version 6: 3.1; and • Details: <ul style="list-style-type: none"> • Paxon examined a sample of “Rate Notice Tax Invoices” and “Tax Invoices” issued during the Audit Period. Our findings were as follows: <ul style="list-style-type: none"> • “Rate Notice Tax Invoices” – did not refer to the Centerpay facility (clause 21(1)(b)); and • “Tax Invoices” – only referred to “BPay” and Post Billpay”. 	<ul style="list-style-type: none"> • “Rate Notice Tax Invoices” and “Tax Invoices” should disclose all the payment methods included in clause 21(1) of the Code of Conduct. 	

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference ⁴ (no./year)	Compliance and Control Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Legislative Obligation (LO)		
	Details for Compliance and/or Control Rating		
120 (5/2017)	<ul style="list-style-type: none"> • 3 D; • LO: clause 21(2) and WSOL – Version 6: 3.1.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted neither “Rate Notice Tax Invoices” nor “Tax Invoices” disclose any reference to fees and/or charges attached to the bill payment methods offered; 	<ul style="list-style-type: none"> • “Rate Notice Tax Invoices” and “Tax Invoices” should disclose references to fees and/or charges attached to the bill payment methods offered. 	
154 (6/2017)	<ul style="list-style-type: none"> • 4 NP; • LO: clause 37(2) and WSOL – Version 6: 3.1; and • Details: <ul style="list-style-type: none"> • Paxon found no references, to the stipulations of clause 37(2) of the Code of Conduct on CKB’s website (except for clause 37(2)(f)); and • Beyond compliance with this obligation, no systems, processes and controls are expected to be in place to ensure compliance with this obligation. 	<ul style="list-style-type: none"> • CKB should disclose the information included in clause 37(2) of the Code of Conduct appropriately on its website. 	
156 (7/2017)	<ul style="list-style-type: none"> • 2 D; • LO: clause 12 and WSOL – Version 6: 3.1.1; and • Details: <ul style="list-style-type: none"> • Paxon has noted the SOP Manual specifically lists “State and Federal Government Acts & Regulations” which CKB needs to comply with; 	<ul style="list-style-type: none"> • It is recommended that both the Asset Management Plan and the SOP Manual explicitly indicate, in respect of all individual pieces of legislation relevant to the CKB, who is responsible for: <ul style="list-style-type: none"> • Actual compliance; and 	

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference ⁴ (no./year)	Compliance and Control Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Legislative Obligation (LO)		
	Details for Compliance and/or Control Rating		
156 (7/2017) (continued)	<ul style="list-style-type: none"> • Paxon has noted that, regarding some identified pieces of legislation, the Asset Management Plan does refer to who is responsible for: <ul style="list-style-type: none"> • <i>"Monitoring changes in the legislation"</i>; and • <i>"Implementing relevant changes in the legislation"</i>. • Furthermore, these references only focus on changes in legislation without allocating specific responsibility for compliance with legislation, or monitoring such compliance. 	<ul style="list-style-type: none"> • Monitoring compliance therewith. 	

Table 12: Current Audit: Non-Compliances and Recommendations (Part B)

5 Asset Management System Review: Comprehensive Report

5.1 Asset Management System Rating Scales

The effectiveness ratings assigned to each asset management system component as a result of the Review, are set out in the following two Tables - taken from the Authority’s document entitled: “Audit and Review Guidelines: Water Licences – July 2014” (ERA’s Guidelines).”

Asset Management Process and Policy Definition Adequacy Ratings ERA’s Guidelines: Table No. 8

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> Processes and polices are documented. Processes and policies adequately document the required performance of the assets. Processes and policies are subject to regular reviews, and updated where necessary. The asset management information system(s) are adequate in relation to the assets that are being managed.
B	Requires some improvement	<ul style="list-style-type: none"> Process and policy documentation requires improvement. Processes and policies do not adequately document the required performance of the assets. Reviews of processes and policies are not conducted regularly enough. The asset management information system(s) require minor improvements (taking into consideration the assets that are being managed).
C	Requires significant improvement	<ul style="list-style-type: none"> Process and policy documentation is incomplete or requires significant improvement. Processes and policies do not document the required performance of the assets. Processes and policies are significantly out of date. The asset management information system(s) require significant improvements (taking into consideration the assets that are being managed).
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented. The asset management information system(s) is not fit for purpose (taking into consideration the assets that are being managed).

Table 13: Asset Management Process and Policy Definition Adequacy Ratings

Asset Management Performance Ratings
ERA’s Guidelines: Table No. 9

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> • The performance of the process meets or exceeds the required levels of performance. • Process effectiveness is regularly assessed, and corrective action taken where necessary.
2	Opportunity for improvement	<ul style="list-style-type: none"> • The performance of the process requires some improvement to meet the required level. • Process effectiveness reviews are not performed regularly enough. • Process improvement opportunities are not actioned.
3	Corrective action required	<ul style="list-style-type: none"> • The performance of the process requires significant improvement to meet the required level. • Process effectiveness reviews are performed irregularly, or not at all. • Process improvement opportunities are not actioned.
4	Serious action required	<ul style="list-style-type: none"> • Process is not performed, or the performance is so poor that the process is considered to be ineffective.

Table 14: Asset Management Performance Ratings

5.2 Asset Management System: Effectiveness Ratings Summary

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
Asset Planning		✓			✓			
• Asset Management Plan covers key requirements;		✓			✓			
• Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning;		✓			✓			
• Service levels are defined;	✓				✓			
• Non-asset options are considered;	✓				✓			
• Life cycle costs of owning and operating the assets are assessed;	✓				✓			
• Funding options are evaluated;		✓			✓			
• Costs are justified and cost drivers identified;	✓				✓			
• Likelihood and consequences of asset failure are predicted; and	✓				✓			
• Plans are regularly reviewed and updated.			✓			✓		
Asset Creation and Acquisition	✓				✓			
• Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions;	✓				✓			

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
<ul style="list-style-type: none"> Evaluations include all lifecycle costs; 	✓				✓			
<ul style="list-style-type: none"> Projects reflect sound engineering and business decisions; 	✓				✓			
<ul style="list-style-type: none"> Commissioning tests are documented and completed; and 		✓			✓			
<ul style="list-style-type: none"> Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood. 	✓				✓			
Asset Disposal	✓				✓			
<ul style="list-style-type: none"> Under performing and underutilised assets are identified as part of a regular systematic review process; 	✓				✓			
<ul style="list-style-type: none"> The reasons for underutilisation or poor performance are critically examined and corrective action or disposal undertaken; 	✓				✓			
<ul style="list-style-type: none"> Disposal alternatives are evaluated; and 	✓				✓			
<ul style="list-style-type: none"> There is a replacement strategy for assets. 	✓				✓			
Environmental Analysis		✓			✓			
<ul style="list-style-type: none"> Opportunities and threats in the system are assessed; 		✓				✓		

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
<ul style="list-style-type: none"> Performance standards (availability of service, capacity, continuity, emergency response etc.) are measured and achieved; 	✓				✓			
<ul style="list-style-type: none"> Compliance with statutory and regulatory requirements; and 	✓				✓			
<ul style="list-style-type: none"> Achievement of customer service levels. 	✓				✓			
Asset Operations		✓				✓		
<ul style="list-style-type: none"> Operational procedures and policies are documented and linked to service levels required; 		✓				✓		
<ul style="list-style-type: none"> Risk management is applied to prioritise operations tasks; 	✓				✓			
<ul style="list-style-type: none"> Assets are documented in an asset register including asset type, location, material, plans of components and assessment of assets physical /structural condition and accounting data; 		✓				✓		
<ul style="list-style-type: none"> Operational costs are measured and monitored; and 	✓				✓			
<ul style="list-style-type: none"> Staff resources are adequate and staff receive training commensurate with their responsibilities. 		✓				✓		

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
Asset Maintenance		✓				✓		
• Maintenance policies and procedures are documented and linked to service levels required;		✓			✓			
• Regular inspections are undertaken of asset performance and condition;		✓				✓		
• Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule;		✓				✓		
• Failures are analysed and operation /maintenance plans are adjusted where necessary;	✓				✓			
• Risk management is applied to prioritise maintenance tasks; and	✓				✓			
• Maintenance costs are measured and monitored.	✓				✓			
Asset Management Information System		✓			✓			
• Adequate system documentation for users and IT operators;			✓		✓			
• Input controls include appropriate verification and validation of data entered into the system;	✓				✓			

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
• Logical access controls appear adequate such as passwords;	✓				✓			
• Physical security access controls appear adequate;	✓				✓			
• Data back-up procedures appear adequate and back-ups are tested;	✓				✓			
• Key computations related to Licensee performance reporting are materially accurate; and	✓				✓			
• Management reports appear adequate for the Licensee to monitor licence obligations.	✓				✓			
Risk Management		✓				✓		
• Risk management policies and procedures exist and are being applied to minimise internal and external risk associated with the asset management system;			✓		✓			
• Risks are documented in a risk register and treatment plans are actioned and monitored; and		✓				✓		
• The probability and consequences of asset failure are regularly assessed.		✓				✓		

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
Contingency Planning			✓			✓		
<ul style="list-style-type: none"> Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks. 			✓			✓		
Financial Planning	✓				✓			
<ul style="list-style-type: none"> The financial plan states the financial objectives and strategies and actions to achieve the objectives; 	✓				✓			
<ul style="list-style-type: none"> The financial plan identifies the source of funds for capital expenditure and recurrent costs; 		✓				✓		
<ul style="list-style-type: none"> The financial plan provides projections of operating statements (profit and loss) and financial position (balance sheet); 	✓				✓			
<ul style="list-style-type: none"> The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period; 	✓				✓			
<ul style="list-style-type: none"> The financial plan provides for the operation, maintenance, administration and capital expenditure requirements of the services; and 	✓				✓			

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
<ul style="list-style-type: none"> Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary. 	✓				✓			
Capital Expenditure Planning	✓				✓			
<ul style="list-style-type: none"> There is a capital expenditure plan that covers issues to be addressed, actions proposed responsibilities and dates; 	✓				✓			
<ul style="list-style-type: none"> The plan provides reasons for capital expenditure and timing of expenditure; 	✓				✓			
<ul style="list-style-type: none"> The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan; and 	✓				✓			
<ul style="list-style-type: none"> There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned. 	✓				✓			
Review of Asset Management System		✓				✓		
<ul style="list-style-type: none"> A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current; and 		✓				✓		

Asset Management System	Asset Management Process and Policy Definition Adequacy Rating				Asset Management Performance Rating			
Component	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
<ul style="list-style-type: none"> Independent reviews (e.g. internal audit) are performed of the asset management system. 	✓					✓		

Table 15: Asset Management System: Effectiveness Ratings Summary

5.3 Review Observations and Recommendations

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
Asset Planning	<ul style="list-style-type: none"> • The Asset Management Plan (AMP) was (during the site visit) in the form of a draft prepared in response to the previous review. The draft AMP addresses the overall requirements of CKB’s Water Services Licence, associated legislation and standards with which the services must comply. The Health Department approval and conditions for the Recycled Water Re-use scheme is not included in the above licences listings; • The AMP addresses the levels of services of the system, together with the planning, development and timing of the services – based on population and inflow, performance and progressive lifetime replacement of assets. The likelihood and consequences of asset failure are addressed in tandem with the asset risk analysis and maintenance program. The individual components of the system i.e., Reticulation, Pumping Stations and Rising Mains, South Boulder Wastewater Treatment plant and the Recycled Water Re-Use Scheme are outlined in Section 2 of the AMP – “<i>Asset Environment</i>”; • A line diagram of the organisation is provided - supported by a statement of the duties of the prime staff members; • A line diagram of the path and sequence of recording and reporting asset performance, test results etc. should support the organisation diagram; • The AMP is supported by a draft Standard Operations Manual (SOP) that details CKB’s requirements, procedures and practises to be implemented in response to the overall requirements of the Licence and the operation and maintenance of the systems; and • In order to allow ready navigation between the AMP and SOP documents, Reviewer considers that both should be subject to additional cross-referencing. <p>Recommendation 01/2017:</p> <ul style="list-style-type: none"> • That additional cross- references be included in the AMP and SOP to improve navigation between the documents. • Although included in the Water Services Licence, the Recycled Water Re-Use System is still not addressed (apart from the Overview in Section 2 of the AMP) in the AMP and SOP documents. The overall AMP and SOP documentation therefore does not comply with the requirements of the Licence 	<p style="text-align: center;">B</p>	<p style="text-align: center;">1</p>

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
Asset Planning (continued)	<p>as outlined in Table 22 of the ERA's: "Audit and Review Guidelines – Water Licences" – July 2014";</p> <ul style="list-style-type: none"> • Reviewer recognises CKB has engaged a consultant to prepare an overarching AMP for the CKB's operations - and that the AMP for the water Services Licence will become a sub-set. From discussion with the Team Leaders responsible for Sewerage and Recycled Water services respectively, it appears that the draft Amp can be re-drafted into three sections similar to that as follows: <ul style="list-style-type: none"> • SECTION A – GENERAL - Introduction, Asset Environment, Levels of Service, CKB Policies and Procedures, AMP and SOP Review etc.; • SECTION B – SEWERAGE – Operations, Maintenance, Risk Analysis, Contingency, CAPEX and Financial Planning; and • SECTION B – RECYCLED WATER SCHEME - Operations, Maintenance, Risk Analysis, Contingency, CAPEX and Financial Planning. <p>Recommendation 02/2017:</p> <ul style="list-style-type: none"> • That consideration be given to the preparation of a single AMP (and supporting SOP) that incorporates information and policies common to both the Sewerage and Recycled Water systems in one section, together with separate sections setting out the differing operations and maintenance, contingency, CAPEX and financial planning etc. of each system; and • A line diagram of the path and sequence of recording and reporting asset performance, test results etc. should support the organisation diagram. 		
Asset Creation and Acquisition	<ul style="list-style-type: none"> • CKB's procedures for assessing the necessity for, options available - consistent with on-going legal and environmental requirements, tendering and evaluating tenders are set out in the draft AMP/SOP documents and pro-forma investigation and reporting sheets; and • Reviewer examined the consideration of the developing process, problems and their solutions and reports to management and Council, together with the tender and assessment documentation, resulting in the installation of new aeration equipment at the Wastewater Treatment Plant (WWTP). 	A	1
Asset Disposal	<ul style="list-style-type: none"> • CKB's policy for disposal of asset is adequate and clear - as documented in the AMP and summarised as follows: <ul style="list-style-type: none"> • Assets must be critically examined to identify reasons of poor utilisation performance before corrective action or disposal is undertaken; 	A	1

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management Including Recommendations	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
Asset Disposal (continued)	<ul style="list-style-type: none"> Assets which have been in contact with sewage must be disposed of away from the public environment and in accordance with Section 3.58 of the Local Government Act 1995; Disposal options are limited to either landfill or recycling where suitable. However, equipment shall be marked as a bio-hazard if re-cycled. Both options are examined; and Disposal of pipeline assets left in-situ are to be backfilled with cement stabilised sand. During the review period, no assets were disposed of. 		
Environmental Analysis	<ul style="list-style-type: none"> The draft AMP document contains an adequate statement of the physical and cultural environment of the services, together with details of their service, legislative and licensing requirements; Opportunities and threats to the system are addressed as inputs to planning, asset creation and risk analysis procedures; Inspection of the results of physical and biological sampling and testing of water samples and groundwater level measurement over the review period indicate that – with a minimum of exceptions, the treatment of sewage has complied with the licensed treatment standards. Reports to the Department of Environmental Regulation set out the overall results, highlighted and explained the reasons for non-compliances together with details of actions taken for their future mitigation; and Monthly-recycled water quality test results were provided to the WA Health Department. However, CKB failed to submit relevant annual reports in accordance with the Department’s conditions of approval. <p>Recommendation 03/2017:</p> <ul style="list-style-type: none"> That CKB ensures that in future, annual reports on the Recycled Water system are submitted to the Health Department in accordance with the Department’s approval document. 	B	1
Asset Operations	<ul style="list-style-type: none"> Contract documentation was examined for CCTV Inspections, Line Jetting and Plumbing Services in the reticulation system, together with Mechanical, Electrical, Groundwater Monitoring and SCADA services at the WWTP; The contracts are generally let for annual works, with provision for extensions at CKB’s discretion – on a schedule of rates basis, with the nature, timing and/ or number of tasks scheduled. Overall, this approach works well with experienced contractors undertaking scheduled operations/maintenance 	B	2

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
<p>Asset Operations (continued)</p>	<p>and on call to attend asset breakdowns and malfunctions. Contractors are supervised by CKB’s Waste Technical Officers (WTOs);</p> <ul style="list-style-type: none"> • Of the two WTOs, one is based at the WWTP and has responsibility for its operation, sampling /testing/recording of physical water quality - and liaison with WWTP contractors. The other, (who is on 24 hours call) is based in CKB’s office, dealing with building and planning applications, attending meetings and sewer main blockages, update maintenance reports and responds to solid waste collection queries, complaints etc. The WTOs swap roles on a fortnightly basis; • In addition to normal induction training on joining CKB’s staff, the WTOs have been trained “on the job” and demonstrate significant competence. Together with their team leader, they have also undertaken training in chlorinator operations and safety, together with sampling, testing and process operation units of the Diploma of Wastewater Operations; • Reviewer considers another CKB officer should be trained as a third WTO to undertake the duties in the event of absence of one of the WTOs; and • CKB’ Parks and Reserves staff operating the treated effluent disposal system also are trained “on the job” in the operation and maintenance of the system. The disposal system is operated and maintained competently with due regard to safety, health, environmental and performance standards of the CKB’s Licence and its Memorandum of Understanding with the Department of Health. <p>Recommendation 04/2017:</p> <ul style="list-style-type: none"> • That a third Officer be trained as a WTO who can undertake the duties during the leave period of existing WTOs. • The AMP contains general comment on operations whereas the SOP has detailed procedures associated with: <ul style="list-style-type: none"> • The Reticulation system – procedures for assessing, repair and recording of blockages, pipe breaks overflows and clean ups; and • Pumping Stations (Throssell St and Androvich Way) – procedures are provided for monthly, checks of pumps, power consumption and wash down. Reviewer noted that WTOs are unaware of these procedures, which are therefore not undertaken. The pumping stations are attended only in the event of a fault or failure. The Throssell St station has electronic transfer of alarms to the WTO on call, 		

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
<p>Asset Operations (continued)</p>	<p>whereas the Androvich Way has only a visual alarm, which necessitates a member of the public advising Council of faults. Reviewer was advised that this pumping station is fitted with only one pump. Reviewer was prevented from inspecting the Androvich Way pumping station, as the access covers could not be lifted.</p> <p>Recommendation 05/2017:</p> <ul style="list-style-type: none"> • That WTOs are made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary; • That an automatic alarm be installed at Androvich Way pumping station as for Throssell Street; and • That the access frame and covers on the Androvich Way pumping station be greased monthly to allow ease of removal. <ul style="list-style-type: none"> • A hard copy of the WWTP Operation and Maintenance manual is located at the WWTP. A soft copy is held on the CKB’s computer files. The document is considered too technical for general use. The SOP has a good description of operational requirements for checking and sampling at the WWTP, together with procedures to be followed in dealing with equipment faults. This latter document would be of use to the support Mechanical and Electrical contractors – but of limited use to the WTO on duty; • Detailed operation requirements for the reticulation system are provided in the SOP; and • A WTO has been given the task and time period in which to prepare a daily list and description of WWTP general operations tasks. Reviewer considers that a pro-forma task check-list should also be prepared. Ideally, each sheet should list each day in a given month. <p>Recommendation 06/2017:</p> <ul style="list-style-type: none"> • That a list and description be prepared of daily operations tasks at the WWTP and be supported by a checklist for recording tasks as undertaken. <ul style="list-style-type: none"> • CCTV condition inspections and reporting on some 8.5 Km of sewers is being undertaken during the current financial year. Selection was prioritised on the basis of blockage history, repair urgency and age. Some 60 km of an approximate total of 209 km of sewers in the system remain to be inspected. In order to complete an initial inspection of the whole system, management intends increasing the rate of annual inspection to 10 Km - allowing completion of the inspection in approximately seven years. 		

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management Including Recommendations	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
Asset Maintenance	<ul style="list-style-type: none"> • Written preventive maintenance schedules exist for all assets, whereas repair / maintenance is carried out on an ad hoc basis as necessary. Mechanical, electrical and plumbing companies under contract to CKB undertake maintenance. Scheduled and ad hoc maintenance is recorded in <i>Confirm</i> and costed in <i>Synergy</i>; • Maintenance requirements for sewers are well set out in the SOP. Contract documents for Mechanical and Electrical maintenance works at the WWTP appear to be based on the maintenance program contained in the Asset Management Information System (AMIS). A check should be undertaken to confirm these are identical; and • As noted in Asset Operations above, the pumping station maintenance checks and inspections should be undertaken monthly – rather than “as required” or, “at six monthly intervals”. <p>Recommendation 07/2015:</p> <ul style="list-style-type: none"> • That the contract and AMIS maintenance schedules be compared and - if necessary, corrected. As for Recommendation No. 5 above - WTOs are made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary. <p>Sewer maintenance is signed off and recorded by the “on call” WTO. The Mechanical and Electrical contractors at the WWTP submit their accounts to the WTO for discussion and approval for payment. Although this allows maintenance and ad hoc works to be verified, Reviewer considers there should be provision for the WTO to sign off on the completion and date of each item of scheduled maintenance or ad hoc operation. Similarly, each WTO should be provided with list of the Maintenance items for the sewerage system, pumping stations and WWTP.</p> <p>Recommendation 08/2017</p> <ul style="list-style-type: none"> • That a check list confirming the undertaking and completion date of maintenance and ad hoc works at the WWTP be implemented and signed off by the WTO and recorded in CONFIRM. Also, that a list and details of all scheduled maintenance be provided to each WTO. 	B	2

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management Including Recommendations	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
Asset Management Information System	<ul style="list-style-type: none"> • CKB uses the Financial software “<i>Synergy</i>” for recording and managing its financial activities and records. The software “<i>Confirm</i>” is used for recording communications, data recording and development and correspondence; • “<i>Intramaps</i>” – is frequently used as a quick source of information when blockages or other emergencies occur to initially determine the likely scale of a problem, possible effects, households to contact etc. Other information such as address, ownership, rating details and relevant licences held e.g. dog licence can also be obtained. The software is an aerial photography based mapping system with overlays which can be selected such as property boundaries, sewer system, house/building position, and “as constructed services”, pipe size, manhole location etc. The system covers the whole town area and can be magnified to show a single allotment; • The “<i>Asset Management Information System</i>” – is a series of six inter-related Excel spread sheets, which were made available to Licensees (as an example) by the ERA many years ago; • The spread sheets are summarised as follows: <ul style="list-style-type: none"> • <i>Asset Register</i> – Each asset is assigned an identifying number and its name, location, installation date, expected life and replacement date, pipe size and material etc. are noted. The register has separate worksheets for Pipelines, Manholes, Pumping Stations, the WWTP and Old Boulder holding ponds. A total of 6670 assets are registered. In many cases detail under some headings is missing. e.g. manhole location. In other cases - due to the software being generic, headings are not applicable. <p>While Reviewer is aware that maintenance is undertaken on the treated water distribution system, it is not scheduled in the maintenance module;</p> • <i>Condition and Performance</i> – The spreadsheets have provision for listing asset name and number, installation date, materials dimensions and relevant notes. In many cases data is missing e.g. asset condition is noted only for sewers, there is no provision for inspection date to be recorded, no indication of the meaning of condition values 1 to 5; • <i>Financial Planning</i> – The financial spreadsheet lists the year of construction, expected life and initial and replacement costs for the years of replacement for each asset and each scheduled maintenance item. The underlying algorithm of the spreadsheet provides annual expenditure estimates (for each year until 2066) for both asset replacement and maintenance. The algorithm then calculates a current cost annuity for the maintenance and replacement of the system assets. 	B	1

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
Asset Management Information System (continued)	<p>CKB uses this spreadsheet to prepare separate annual financial and CAPEX plans, but does not use the annuity estimates;</p> <ul style="list-style-type: none"> • Inventory Control – This spreadsheet is intended as a tool for maintaining and ordering spares and is not used; • Maintenance Management – The register describes the rolling annual maintenance schedule for each asset. The schedule is supported by a coloured maintenance chart and estimated cost for each item. The schedules and estimates should be checked against those in existing mechanical and electrical contracts and each should be amended if found to be differing or incorrect; • Risk Assessment – A series of spreadsheets allow the steps of a risk assessment to be undertaken - which lead to an assessment of the risks to CKB’s operating licence and asset operations. Reviewer notes that some risks have been added to the assessment as recommended in the 2015 review. However, the procedures intended to mitigate risks still only refers to “SOPs” rather than the specific maintenance or other actions specified in the SOP; • Security - Access to the Management Programs is available to staff with a specific responsibility in each area. Access is by password in all cases. All programs are backed up by the IT Department daily and copies are stored away from the office. Back-ups are verified automatically, checks are made on an ad hoc basis by staff members responsible for the data. The building is locked overnight and the servers within the building are housed in a separately locked secure area; and • AMIS Upkeep - Only one staff member is familiar with the use of the AMIS. An additional member should be trained in its use and have the responsibility for its operation and updating. <p>Recommendation 09/2017:</p> <ul style="list-style-type: none"> • That relevant sections of Recommendation Nos. 15, 16, 17 and 18 of the 2015 Review be implemented as follows: <ul style="list-style-type: none"> • No.15 (2015) – A staff member should be selected (or appointed) and trained with a view to completing and operating the system; • No.16 (2015) – That the asset Register is edited to remove or correct generic column headings and that completion of the necessary detail is achieved as soon as possible; • No.17 (2015) – That asset material should be noted in the both the asset and condition registers; and 		

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management Including Recommendations	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
Asset Management Information System (continued)	<ul style="list-style-type: none"> No.18 – (2015) – That maintenance of the treated effluent distribution system is included in the Asset Management spread sheet of the AMIS. 		
Risk Management	<ul style="list-style-type: none"> The draft AMP contains a satisfactory description of the risk assessment procedures and the development of the spreadsheet based assessment model described in Item 7 above; Reference is made in Section 11 of the draft AMP to the formulation of “Risk Management Plans”. However, such plans do not exist. Reviewer notes that the “Mitigation and Management Strategies” column of the spread sheets mainly refer only to “AMP” or “SOP” - rather than indicating what the mitigating strategies are. The strategies should either refer to appropriate specific (currently non-existent) Risk Management Plan, or SOP procedure – particularly for risks classified as “Significant” or “Major”; Reviewer also notes the occurrence of earthquake, lightning strike and power failure - although highly unlikely to occur, are now included in relevant assessment; No risk evaluation is included for the treated effluent distribution system; and Asset failure is relatively rare due to on-going preventive maintenance and inspections. If failure occurs, the cause and implications are reviewed and necessary action determined e.g., asset repair or replacement, consequent effects on other or similar assets, amendments to processes, maintenance regime and risk analysis. <p>Recommendation 10/2017:</p> <ul style="list-style-type: none"> That Recommendation No. 19 of the 2015 Review be replaced and implemented as follows: <ul style="list-style-type: none"> The “Mitigation and Management Strategies” column of the risk assessment spread sheets should either refer to appropriate specific Risk Management Plans, and/or SOP procedure – particularly for risks classified as “Significant” or “Major”; That Risk Management Plans either be prepared or reference to such plans be deleted from the documentation; and That a risk analysis be included for the treated effluent distribution system. 	B	2

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
Contingency Planning	<ul style="list-style-type: none"> • The SOP contains a well set out and relevant list of contingency procedures: <ul style="list-style-type: none"> • Section E of the draft SOP (version 9 2017) details the actions to be undertaken in specific emergency situations including reticulation and trunk sewer blockages, odours, pumping station, pump and electrical failures, blockage and burst of pressure mains. Interspersed through the document are contact names and phone numbers for some CKB and contractors only. Reviewer considers that the document should contain a single list of all parties who may need to be contacted in an emergency. In addition to Council officers and contractors currently listed, others should include Police, Ambulance, the Electricity Authority, Water Corporation, Telstra, Vacuum Truck Operator, Private Laboratory etc. The location of specific equipment should also be stated including spare pumps, disinfection materials and odour masking equipment; • Section F - Treatment Plant Emergencies, interpretation of specific alarms, power failures and the procedures relating to re-starting equipment that has malfunctioned or ceased operating. The information assumes detailed knowledge of the equipment and process operations. The procedures should only be undertaken by the WTO, whose response should include request for the assistance of the Mechanical and Electrical contractors; and • Section F also refers to an Emergency Procedures Manual for the WWTP. The manual, noted as version 3 dated 2013, deals mainly with staff and safety procedures associated with emergencies and should be upgraded to provide corrected staff and contractor names, titles, abbreviations and contact details. The document should also be included in the SOP as an Appendix. • Parks and Reserves staff have a detailed knowledge of the treated effluent disposal system, the implications of asset failure and appropriate contingency measures to be implemented by the electrical, plumbing and mechanical services companies under the contract to the CKB. There are no written contingency procedures for the treated effluent disposal system. However, CKB's intention is to prepare such procedures for inclusion in AM documentation for the treated effluent system; • There is no procedure for contingency plans to be periodically team tested and amended if necessary; and • Although very well set out, Reviewer considers the emergency procedures of the SOP documents should be reviewed and edited as above and as recommended in the following: 	C	2

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
<p>Contingency Planning (continued)</p>	<p>Recommendation 11/2017: That:</p> <ul style="list-style-type: none"> • The SOP documents be reviewed and edited so that the required actions of each emergency are titled as follows: <ul style="list-style-type: none"> • Section E Item 3 be titled: “Contingency Plans - Sewer Main Overflows and Blockages”; and • Section F part 2 be titled: “Contingency Plans – Faults and Emergencies”. • The Emergency Procedure Manual be reviewed and updated and titled “WWTP Contingency Manual” and be included in the SOP as an Appendix; • The Emergency Procedure Manual – Chlorine be included in the SOP as an Appendix; • A cross reference to Contingency Plans of the SOP should be inserted in the AMP; • The SOP contain a list the contact details of local services and local trade companies who may be required to assist, including Police, Ambulance, Fire Service, Power Authority, Telstra, Emergency Services, Local Trade companies contracted to provide plumbing, mechanical and electrical services; • That CKB ensures written contingency plans for the treated effluent disposal scheme are prepared and implemented; and • CKB implement a procedure for periodic desktop team testing of contingency plans and amendment if necessary. 		
<p>Financial Planning</p>	<ul style="list-style-type: none"> • The Financial Planning module of the AMIS has (in past years) been used in formulating an annual rolling five years’ financial plan for the sewerage system. Currently, the plan is being developed on a rolling ten years’ basis to comply with the CKB’s overall ten-year plan; • The financial plan, which is prepared by the Waste and Compliance division, contains some twenty-three categories of estimates for each of the forthcoming financial years – including the estimates, and actual income and expenditure for the preceding financial year. The estimates include recurrent income - rates, sale of effluent, loan interest etc. and recurrent expenditure - maintenance, administration, depreciation etc.; • Income from sale of treated effluent is included as income, but expenditure related to the assets delivering the treated effluent to buyers is not included in either the sewerage financial or CAPEX 	<p>A</p>	<p>1</p>

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
Financial Planning (continued)	<p>plans;</p> <ul style="list-style-type: none"> • Although the financial module of the AMIS indicates the need for annuity contributions to reserve for maintenance and capital expenditure over the forward fifty years, the financial plan does not adopt this approach. Council's practise is to contribute to the sewerage reserve on the prime basis of available funds. Expenditure on the sewerage system is therefore funded from revenue, the reserve fund, borrowing – or a combination thereof; • Reviewer notes that the sewerage reserve has steadily reduced over recent years and currently holds approximately \$200,000. The reserve is inadequate when compared with \$ 60 million plus value of the assets. Also, the current balance of the reserve will not finance the estimated capital expenditure of some \$ 3.6 Million by the end of 2018/1; and • Overall CKB's financial planning is sound and practical. The use of the asset replacement information in the AIMS Financial Planning module for input to the rolling financial plan and CAPEX estimates is basically sound. <p>Recommendation 12/2017:</p> <ul style="list-style-type: none"> • That CKB complete development of the rolling ten years' financial plan as a matter of urgency and that the plan includes both expenditure and income from the recycled water system. That CKB considers increasing the sewerage reserve fund to a more robust balance. 		
Capital Expenditure Planning	<ul style="list-style-type: none"> • A rolling five years Capital Expenditure Plan is prepared by the Waste and Compliance division. Capital expenditure items are derived from assessment of the current performance and forthcoming requirements of existing assets and lifetime replacement timing contained in the financial planning module of the AMIS. Construction/development costs are derived from those in the AMIS together with consideration of recent contracts and industry rates - plus an allowance for unexpected capital expenditure; • The draft AMP contains a draft CAPEX plan for the financial years 2016/17 to 2020/21. These plans represent the division's anticipated requirements and expectations, which are subsequently inserted into the CKB's overall budget process; • Reports of budgeted and current expenditure are prepared and circulated monthly – or weekly in cases where the rate of expenditure is significant. Unexpected or over budget expenditure is highlighted for explanation by the appropriate division; 	<p>A</p>	<p>1</p>

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
	Including Recommendations		
Capital Expenditure Planning (continued)	<ul style="list-style-type: none"> The planning and process is considered competent and practical; Reviewer notes that CAPEX expenditure, despite a recommendation from the previous review, is not included for the treated effluent disposal system although income from the sale of the water (treated effluent) is included in the accompanying financial plan for the sewerage system. Such inclusion should be made in order to comply with the Asset Management requirements of the Water Services Licence; Reports of budgeted and current expenditure are prepared and circulated monthly – or weekly in cases where the rate of expenditure is significant. Unexpected or over budget expenditure is highlighted for explanation and or / correction by the appropriate division; and The planning and process is considered competent and practical. <p>Recommendation number 13/2017:</p> <ul style="list-style-type: none"> That the CAPEX estimates be completed as a matter of urgency; and That the CAPEX estimates include expenditure on the treated effluent disposal scheme. 		
Review of Asset Management System	<ul style="list-style-type: none"> The draft SOP document states that an internal review of the AMP should be undertaken annually by the TLWC and WCC and that the review date be recorded in the AMP. Also, updates to the AMP should be made quarterly; Both requirements are logical, but are confused by the statement in the Executive Summary of the AMP that the document will be reviewed and updated at least every five years. Similarly, the review of the risk system in the AMP requires an annual review of new risks and changes to new risks be undertaken annually by the SAW team. Also, that the SAW team undertake a three-yearly review and re-write of the Risk Management Plan Risk assessment, and the Risk Maintenance Plan; Reviewer noted that while review dates are not specifically noted, revision numbers and dates have been included in the draft AMP and SOP documents. Much of the documentation presented to Reviewer was in the form of dated correspondence to and from outside agencies. Other Council documents presented for review were mainly several years old. Reviewer concluded that no significant reviews were undertaken since the previous Asset Management Review; and In order to avoid confusion as to the review requirements the following recommendations are made: 	<p>B</p>	<p>2</p>

Asset Management System	Systems, Processes and Controls in Place at CKB for Asset Management Including Recommendations	Asset Management Process and Policy Definition Adequacy Rating	Asset Management Performance Rating
Review of Asset Management System (continued)	<p>Recommendation 14/2017:</p> <ul style="list-style-type: none"> • That reviews be made to the SOP in addition the AMP. That the abbreviations WCC and SAW be clarified; • That the review and update referred to in the Executive Summary of the AMP be amended to read <i>“reviewed and updated annually”</i>; • That the risk analysis be reviewed and updated as for the AMP and SOP; • As for Recommendation No.10 - that Risk Management Plans either be prepared, or reference to such plans be deleted from the documentation; and • That reviews be undertaken in accordance with the documentation and timing recommended above. 		

Table 16: Review Observations and Recommendations

5.4 Current Review: Deficiencies and Recommendations

Current Review: Deficiencies and Recommendations			
A. Resolved During Current Review Period			
Ref.	Asset Management System Effectiveness Rating	Date Resolved	Auditor's Comments
	Asset Management System Component	Management Action Taken	
	Criteria/Details of Asset Management System Deficiency		
No such instances occurred during the current Review period.			

Table 17: Current Review: Deficiencies and Recommendations (Part A)

Current Review: Issues and Recommendations			
B. Unresolved at End of Current Review Period			
Ref. (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Asset Management System Component		
	Criteria/Details of Asset Management System Issue		
1/2017 & 2/2017	<ul style="list-style-type: none"> Rating: B 2; Component: Asset Planning; and Details: <ul style="list-style-type: none"> In order to allow ready navigation between the AMP and SOP documents, Reviewer considers that both should be subject to additional cross-referencing; and CKB has engaged a consultant to prepare an overarching AMP for the CKB's operations - and that the AMP for the water Services Licence will become a sub-set. 	<p>Recommendation 01/2017:</p> <ul style="list-style-type: none"> That additional cross- references be included in the AMP and SOP to improve navigation between the documents. <p>Recommendation 02/2017:</p> <ul style="list-style-type: none"> That consideration be given to the preparation of a single AMP (and supporting SOP) that incorporates information and policies common to both the Sewerage and Recycled Water systems in one section, together with separate sections setting out the differing operations and maintenance, contingency, CAPEX and financial planning etc. of each system. 	
3/2017	<ul style="list-style-type: none"> Rating: B 2; Component: Environmental Assessment; and Details: <ul style="list-style-type: none"> CKB failed to submit relevant annual reports in accordance with the Health Department's conditions of approval. 	<p>Recommendation 03/2017:</p> <ul style="list-style-type: none"> That CKB ensures in future, annual reports on the Recycled Water system are submitted to Health Department in accordance with the Department's approval document. 	
4/2017, 5/2017 & 6/2017	<ul style="list-style-type: none"> Rating: B 1; Component: Asset Operations; and Details: <ul style="list-style-type: none"> Reviewer considers another CKB officer should be trained as a third WTO to undertake the duties in the event of absence of one of the WTOs; Pumping Stations (Throssell St and Androvich Way) – procedures are provided for monthly, checks of pumps, power consumption and wash down. Reviewer noted that WTOs are 	<p>Recommendation 04/2017:</p> <ul style="list-style-type: none"> That a third Officer be trained as a WTO who can undertake the duties during the leave period of existing WTOs. <p>Recommendation 05/2017:</p> <ul style="list-style-type: none"> That WTOs are made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary; 	

Current Review: Issues and Recommendations				
B. Unresolved at End of Current Review Period				
Ref. (no./year)	Asset Management System Effectiveness Rating		Auditor's Recommendation	Management Action Taken by End of Audit Period
	Asset Management System Component			
	Criteria/Details of Asset Management System Issue			
4/2017, 5/2017 & 6/2017 (continued)	<p>unaware of these procedures, which are therefore not undertaken. The pumping stations are attended only in the event of a fault or failure. The Throssell St station has electronic transfer of alarms to the WTO on call, whereas the Androvich Way has only a visual alarm. Reviewer was advised that this pumping station is fitted with only one pump. Reviewer was prevented from inspecting the Androvich Way pumping station, as the access covers could not be lifted; and</p> <ul style="list-style-type: none"> • A WTO has been given the task and time period in which to prepare a daily list and description of WWTP general operations tasks. Reviewer considers a pro-forma task check-list should also be prepared. Ideally, each sheet should list each day in a given month. 		<ul style="list-style-type: none"> • That an automatic alarm be installed at Androvich Way pumping station as for Throssell Street; and • That the access frame and covers on the Androvich Way pumping station be greased monthly to allow ease of removal. <p>Recommendation 06/2017:</p> <ul style="list-style-type: none"> • That a list and description be prepared of daily operations tasks at the WWTP and be supported by a checklist for recording tasks as undertaken. 	
7/2017 & 8/2017	<ul style="list-style-type: none"> • Rating: B 2; • Component: Asset Maintenance; and • Details: <ul style="list-style-type: none"> • The pumping station maintenance checks and inspections should be undertaken monthly – rather than “as required” or, “at six monthly intervals”; and • The Mechanical and Electrical contractors at the WWTP submit their accounts to the WTO for discussion and approval for payment. Although this allows maintenance and ad hoc works to be verified, Reviewer considers there should be provision for the WTO to sign off on the completion and date of each item of scheduled maintenance or ad hoc operation. Similarly, each WTO should be provided with list of the Maintenance items for the sewerage system, pumping stations and WWTP. 		<p>Recommendation 07/2017:</p> <ul style="list-style-type: none"> • That the contract and AMIS maintenance schedules be compared and - if necessary, corrected; and • As for Recommendation No. 5 above - WTOs are made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary. <p>Recommendation 08/2017:</p> <ul style="list-style-type: none"> • That a check list confirming the undertaking and completion date of maintenance and ad hoc works at the WWTP be implemented and signed off by the WTO and recorded in CONFIRM. Also, that a list and details of all scheduled maintenance be provided to each WTO. 	

Current Review: Issues and Recommendations			
B. Unresolved at End of Current Review Period			
Ref. (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Asset Management System Component		
	Criteria/Details of Asset Management System Issue		
9/2017	<ul style="list-style-type: none"> Rating: B 1; Component: Asset Management Information System; and Details: <ul style="list-style-type: none"> Completion of four recommendations of the 2015 report. 	<p>Recommendation 09/2017:</p> <ul style="list-style-type: none"> That relevant sections of Recommendation Nos. 15, 16, 17 and 18 of the 2015 review be implemented as follows: <ul style="list-style-type: none"> No.15 (2015) – A staff member should be selected (or appointed) and trained with a view to completing and operating the system; No.16 (2015) – That the asset Register is edited to remove or correct generic column headings and that completion of the necessary detail is achieved as soon as possible; No.17 (2015) – That asset material should be noted in both the asset and condition registers; and No.18 – (2015) – That maintenance of the treated effluent distribution system is included in the Asset Management spread sheet of the AMIS. 	
10/2017	<ul style="list-style-type: none"> Rating: B 2; Component: Risk Management; and Details: <ul style="list-style-type: none"> Reference is made in Section 11 of the draft AMP to <i>Risk Management Plans</i>. However, such plans do not exist; The “<i>Mitigation and Management Strategies</i>” column of the spreadsheets mainly refer only to “AMP” or “SOP” - rather than indicating what the mitigating strategies are. The strategies should either refer to appropriate specific (currently non-existent) <i>Risk Management Plan</i>, or SOP procedure – particularly for risks classified as “<i>Significant</i>” or “<i>Major</i>”; and 	<p>Recommendation 10/2017:</p> <ul style="list-style-type: none"> That Recommendation No. 19 of the 2015 Review be replaced and implemented as follows: <ul style="list-style-type: none"> The “<i>Mitigation and Management Strategies</i>” column of the risk assessment spread sheets should either refer to appropriate specific Risk Management Plans, and/or SOP procedure – particularly for risks classified as “<i>Significant</i>” or “<i>Major</i>”; That Risk Management Plans either be prepared or reference to such plans be deleted from the documentation; and That a risk analysis be included for the treated effluent distribution system. 	

Current Review: Issues and Recommendations			
B. Unresolved at End of Current Review Period			
Ref. (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Asset Management System Component		
	Criteria/Details of Asset Management System Issue		
10/2017 (continued)	<ul style="list-style-type: none"> No risk evaluation is included for the treated effluent distribution system. 		
11/2017	<ul style="list-style-type: none"> Rating: B 2; Component: Contingency Planning; and Details: <ul style="list-style-type: none"> Interspersed through the SOP document are contact names and phone numbers for some Council and contractors only. Reviewer considers that the document should contain a single list of all parties who may need to be contacted in an emergency; The location of specific equipment should also be stated including spare pumps, disinfection materials and odour masking equipment; Emergency procedures at the WWTP should only be undertaken by the WTO, whose response should include request for the assistance of the Mechanical and Electrical contractors; The Emergency Procedures Manual for the WWTP (noted as version 3 dated 2013), deals mainly with staff and safety procedures associated with emergencies and should be upgraded to provide corrected staff and contractor names, titles, abbreviations and contact details. The document should also be included in the SOP as an Appendix; and There is no procedure for contingency plans to be periodically team tested and amended if necessary. 	<p>Recommendation 11/2017:</p> <p>That:</p> <ul style="list-style-type: none"> The SOP documents be reviewed and edited so that the required actions of each emergency are titled as follows: <ul style="list-style-type: none"> Section E Item 3 be titled: <i>"Contingency Plans - Sewer Main Overflows and Blockages"</i>; and Section F part 2 be titled: <i>"Contingency Plans – Faults and Emergencies"</i>. The Emergency Procedure Manual be reviewed and updated and titled: <i>"WWTP Contingency Manual"</i> and be included in the SOP as an Appendix; The Emergency Procedure Manual – Chlorine be included in the SOP as an Appendix; A cross reference to Contingency Plans of the SOP should be inserted in the AMP; The SOP contain a list the contact details of local services and local trade companies who may be required to assist, including Police, Ambulance, Fire Service, Power Authority, Telstra, Emergency Services, Local Trade companies contracted to provide plumbing, mechanical and electrical services; That CKB ensures written contingency plans for the treated effluent disposal scheme are prepared and implemented; and 	

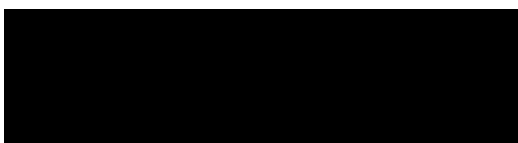
Current Review: Issues and Recommendations			
B. Unresolved at End of Current Review Period			
Ref. (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Asset Management System Component		
	Criteria/Details of Asset Management System Issue		
11/2017 (continued)		<ul style="list-style-type: none"> Implement a procedure for periodic desktop team testing of contingency plans and amendment if necessary. 	
12/2017	<ul style="list-style-type: none"> Rating: A 1; Component: Financial Planning; and Details: <ul style="list-style-type: none"> Currently, the Financial Plan is being re-developed on a rolling ten years' basis to comply with the CKB's overall ten-year plan; Income from sale of treated effluent is included as income, but expenditure related to the assets delivering the treated effluent to buyers is not included in either the sewerage, financial or CAPEX plans; and Reviewer notes that the sewerage reserve has steadily reduced over recent years and currently holds approximately \$200,000. The reserve is inadequate when compared with \$ 60 million plus value of the assets. Also, the current balance will not finance the estimated capital expenditure of some \$ 3.6 Million by the end of 2018/19. 	<p>Recommendation 12/2017:</p> <ul style="list-style-type: none"> That CKB completes development of the rolling ten years' financial plan as a matter of urgency and that the plan includes both expenditure and income from the recycled water system; and That CKB considers increasing the sewerage reserve fund to a more robust balance. 	
13/2017	<ul style="list-style-type: none"> Rating: A1; Component: Capital Expenditure Planning; and Details: <ul style="list-style-type: none"> The draft AMP contains a draft CAPEX plan for the financial years 2016/17 to 2020/21; and Reviewer notes that CAPEX expenditure, despite a recommendation from the previous review, is not included for the treated effluent disposal system. Such inclusion should be 	<p>Recommendation 13/2017:</p> <ul style="list-style-type: none"> That the CAPEX estimates be completed as a matter of urgency; and That the CAPEX estimates include expenditure on the treated effluent disposal scheme 	

Current Review: Issues and Recommendations			
B. Unresolved at End of Current Review Period			
Ref. (no./year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action Taken by End of Audit Period
	Asset Management System Component		
	Criteria/Details of Asset Management System Issue		
13/2017 (continued)	made in order to comply with the Asset Management requirements of CKB's Water Services Licence.		
14/2017	<ul style="list-style-type: none"> • Rating: B 2; • Component: Review of Asset Management System; and • Details: <ul style="list-style-type: none"> • The draft SOP document states that an internal review of the AMP should be undertaken annually by the TLWC and WCC. Also, updates to the AMP should be made quarterly; • The Executive Summary of the AMP states that the document will be reviewed and updated at least every five years; • Similarly, the review of the risk system in the AMP requires an annual review of new risks and changes to new risks be undertaken annually by the SAW team. Also, that the SAW team undertake a three-yearly review and re-write of the Risk Management Plan Risk assessment, and the Risk Maintenance Plan; and • In order to avoid confusion as to the review requirements the attached recommendations are made. 	<p>Recommendation 14/2017:</p> <ul style="list-style-type: none"> • That reviews be made to the SOP in addition the AMP. That the abbreviations WCC and SAW be clarified; • That the review and update referred to in the Executive Summary of the AMP be amended to read "<i>reviewed and updated annually</i>"; • That the risk analysis be reviewed and updated as for the AMP and SOP; • As for Recommendation No.10 - that Risk Management Plans either be prepared, or reference to such plans be deleted from the documentation; and • That reviews be undertaken in accordance with the documentation and timing recommended above. 	

Table 17: Current Review: Deficiencies and Recommendations (Part B)

6 Audit Opinion

To the best of my knowledge, this report is based on true representation of the audit findings and opinions.



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