



PUBLICATION

City of Kalgoorlie-Boulder

OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW REPORT

The Economic Regulation Authority today published the 2012 operational audit (**Audit**) and asset management system review (**Review**) report for City of Kalgoorlie-Boulder's (**CKB**) water services licence.

Action by the Authority

The Authority has decided to maintain the period of time until the next Audit and Review at 24 months. The next Audit and Review period will be 1 January 2013 to 31 December 2014, with the Audit and Review report to be provided to the Authority by 31 March 2015.

BACKGROUND TO THE AUTHORITY'S DECISION

Operational Audit

With regard to the Audit, the Authority is pleased with the improvement demonstrated by CKB in addressing the excessive level of sewer main blockages reported in the previous Audit. Nevertheless, the level of sewer main blockages during the Audit period is still unacceptable and the Authority considers that CKB needs to continue to address this issue in order to achieve compliance with its licence.

The Authority considers that, with the exception of the non-compliance with the number of sewer main blockages, CKB is maintaining an adequate level of compliance with its water services licence.

Asset Management System Review

With regard to the Review, the Authority is pleased with the progress made by CKB in addressing the asset system deficiencies identified in the previous Review. However, the Review Report has identified some significant asset system deficiencies in relation to the asset management system components of Asset Planning, Asset Maintenance, Contingency Planning and Capital Expenditure Planning, including:

- the non-potable recycled water scheme is not included in the current Asset Management Plan;
- maintenance for the recycled water system is done on a reactive basis;
- there is no formal schedule for inspection of the wastewater treatment plant assets;
- there is no formal testing of the contingency plans; and
- business plans were not prepared for the construction of two new sewer lines.

The Authority is of the view that CKB needs to make further improvements to its asset management system. The majority of actions to address these process deficiencies are due to be completed by 28 February 2014. The Authority expects CKB to have addressed all process deficiencies by the time the next Review is conducted.

A copy of the Audit and Review report, including CKB's post-audit and post-review implementation plans, is available on the Authority's [website](#).

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