



INFORMATION

Rottnest Island Authority

2013 OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW REPORT

The Economic Regulation Authority has published the 2013 operational audit (**Audit**) and asset management system review (**Review**) report for the Rottnest Island Authority's (RIA) water services licence.

- [2013 Audit and Review report](#)

Action by the Authority

The Authority has decided to maintain the Audit and Review period at 24 months. The next Audit and Review will cover the period 1 July 2013 to 30 June 2015. The reports on the Audit and Review are to be provided to the Authority by 30 September 2015.

The Authority is not satisfied that the post-audit and post-review implementation plans prepared by the RIA meet the criteria in section 11.9 in the Authority's *Audit Guidelines: Electricity, Gas and Water Licences*. The RIA is required to provide amended post-audit and post-review implementation plans to the Authority by 13 December 2013. The amended plans will be published on the Authority's website.

BACKGROUND TO THE AUTHORITY'S DECISION

Taking into account the unique nature of the RIA's operations on the island, the Authority is of the view that the RIA is maintaining an adequate level of compliance with its licence conditions and that the RIA has an adequate asset management system in place.

Notwithstanding this, there still remains scope for the RIA to strengthen its controls and improve both its licence compliance and the effectiveness of its asset management system; this can be achieved by implementing the Audit and Review recommendations.

With regard to the post-audit and post-review implementation plans provided by the RIA, the Authority found the plans did not include all of the recommendations made by the auditor in the Audit and Review report. Accordingly, the Authority has requested the RIA provide an updated post-audit and post-review report that includes the missing recommendations, and the actions proposed by the RIA to address the recommendations.

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