

City of Kalgoorlie–Boulder  
Water Services Operating Licence

Operational Audit and Asset  
Management System Review

Report  
5 May 2015

**PAXON** GROUP

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# 1 Executive Summary

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## 1.1 Operational Audit

### Audit Objective

The operational audit (Audit) was conducted in order 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 1<sup>st</sup> January 2013 to the 31<sup>st</sup> December 2014 (Audit Period) inclusive.

### Licence, Business and Major Changes

The City of Kalgoorlie-Boulder (CKB) provides water services under the provisions of a Water Services Operating Licence issued by the Economic Regulation Authority (Authority).

CKB was granted a Water Services Operating Licence (WSOL) by the Economic Regulation Authority (Authority). The WSOL commenced on the 29<sup>th</sup> 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 On 18 November 2013, the Act repealed and replaced the licensing provisions in the Water Services Licensing Act 1995.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 Cardno in 2013. The 2013 Audit Report, dated the 20<sup>th</sup> of June 2013, identified 7 issues and provided detailed recommendations to resolve 5 of the issues identified.

This Audit assessed the actions taken by CKB in response to the recommendations included in the Audit Report dated the 20<sup>th</sup> of June 2013. This Audit determined that out of the 5 previous recommendations, 3 had been completed and 2 have been partially completed. Further action by CKB is required in respect of the following issues:

- Clause 2.1 of WSOL – Version 4; and
- Clause 5.1 of WSOL – Version 4.

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

Summary of Issues and Recommendations Arising from the Current Audit

The Audit identified a number of 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 13 entitled: “Current Audit: Non-Compliances and Recommendations” as in section 5 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 13 entitled: “Current Audit: Non-Compliances and Recommendations” as in section 5 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, including its reporting obligations to the Authority.

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 9 entitled: “Audit: Obligation Ratings Summary – Water Services Act 2012” and in Table 10 entitled: “Audit: Obligation Ratings Summary - Water Services Licensing Act 1995” as in section 5 of this Report; and
- Detailed findings, including observations and recommendations, per obligation are disclosed in Table 11 entitled: “Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” and in Table 12 entitled: “Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012”, both in section 5 of this Report.

Audit	Adequacy of Controls Rating	Compliance Rating
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Audit Priority Applied	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
	A	B	C	D	NP	1	2	3	4	NR	NA
<b>1 (Highest)</b>											
<b>2</b>	17	5	2	69	12	30	4			67	4
<b>3</b>											
<b>4</b>	4	2	1	48	7	25	13			22	2
<b>5 (Lowest)</b>	1		1	14	5	7				12	2
<b>Not applicable</b>					24						24
<b>Total</b>	22	7	4	131	48	62	17			101	32

Table 1: Summary of Audit Findings

## 1.2 Asset Management System Review

### Review Objective

The Water Services Licensing Act 1995 and the 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 provides the Authority with a report by an independent expert on the effectiveness of the system.

This asset management system review (Review) will provide the Authority 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 is given in the main report.

The Review covered the period from the 1<sup>st</sup> January 2013 to the 31<sup>st</sup> December 2014 inclusive.

### Summary of conclusions

This review concludes that CKB operates its sewerage collection, treatment and effluent disposal system in a competent, professional manner.

Members of the relevantly small staff are well trained, organised, and form a sound team.

A “C” rating was assigned for Asset Management Process & Policy definition to five areas of the twelve areas reviewed because the information was generally considered inadequate or incomplete in either the Asset Management Plan (AMP), the Standard Operating Procedures (SOP), or both. There are also differences between the documents where the same or similar procedures are considered. Also, procedure information is included in the SOP which should, (but is not) included in the AMP, (or vice versa where appropriate). There is no cross referencing between the documents in most cases.

Generally, an AMP should address the philosophy, obligations, and administration procedures of assets management, whereas an SOP (or other document such as a Health & Safety Plan) addresses the physical and safety aspects of their implementation. The CKB documents overlap rather than address the separate areas.

Documentation of its Asset Management Plan (AMP) and its Standard Operating Procedures (SOP) require review and editing to ensure that the information contained in each document is complete in terms of its intent, supportive of the other documents and suitably cross-referenced. In particular the AMP should contain an organisation chart. Notwithstanding that staff has a full understanding of their duties and related procedures, such duties and relevant procedures should be documented in the AMP.

The asset management and operation of CKB’s treated effluent disposal system which are also included in its WSOL – but managed by CKB’s Parks and Reserves division should also be documented in the AMP.

The Asset Management Information System (AMIS) in use has not been mounted on CKB’s computer system due to concerns regarding compatibility. These issues should be resolved promptly to allow full use of the system.

Additional data input to the AMIS is required in order to complete its set up and to gain maximum benefit from its installation – in particular, investigations are required to determine the condition of the sewers, manholes and pumping stations, which make up the sewage collection system.

With few exceptions, during the Review period, CKB was able to comply with the performance requirements of its WSOL and the treated effluent quality requirements of its Department of Environmental Regulation (DER) licence.

CKB has Department of Health (DOH) approval to dispose of treated effluent to irrigate its recreation areas and to sell treated effluent for non-potable use to nominated users including schools, race and golf courses etc. Relevant monitoring and water quality standards required by the DOH approval were also achieved. However, CKB’s Parks

and Reserves Division has failed to submit any annual reports on its performance required by DOH. Reviewer is surprised that this oversight has occurred and that it has not been queried by DOH.

Kalgoorlie-Boulder sewerage and non-potable water services systems are achieving their basic requirements, i.e. the collection, treatment and disposal of domestic sewage, trade and septic tank pump-out wastes.

#### CKB's Actions on Previous Review Report Recommendations

The previous Review was conducted by Cardno in 2013. The 2013 Audit Report, dated the 20<sup>th</sup> of June 2013, identified a number of issues and provided 38 detailed recommendations to resolve the issues identified.

This Review concluded that the recommendations of the 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2012 Review of CKB's Asset Management System have been largely addressed. Details of actions taken by CKB in response to the recommendations, together with the Reviewer's assessment and relevant recommendation of this report (where appropriate) are provided in Table 7 entitled: "Previous Review: Deficiencies and Recommendations" as in section 3 of the accompanying report.

The recommendations of the above Review and subsequent status related to each recommendation are summarised as follows:

- **Asset Planning**

Seven of twelve recommendations were resolved. Further action is required regarding the following:

- An additional section in the AMP;
- Cross referencing between the AMP and SOP;
- Population details;
- Insertion of a basic schematic of the sewerage network; and
- Add an outline of expected works to meet growth requirements.

- **Asset Creation / Acquisition**

Two of four recommendations were resolved. Further action is required regarding the following:

- Include reference to Council's developer contribution policies to be added; and
- Flow chart for approvals to be added to SOP and referenced in the AMP.

- **Asset Disposal**

No Recommendation;

- **Environmental Analysis**

All four recommendations have been resolved;

- **Asset Operations**

One of five recommendations was resolved. Further action is required regarding the following:

- Include reference to operating manuals;
- Review/ update 1997 costs;
- Review the Asset Management Information System Options; and
- Recycled water maintenance planning to be developed.
- **Asset Maintenance**  
Both the recommendations have been resolved;
- **Asset Management Information System**  
Two of three recommendations were resolved. Further action is required regarding the following:
  - Review the Asset Management Information System Options;
- **Risk Management**  
The single recommendation was resolved;
- **Contingency Planning**  
The single recommendation was resolved;
- **Financial Planning**  
One of two recommendations was resolved. Further action is required regarding the following:
  - Review/ update 1997 costs;
- **Capital Expenditure Planning**  
One recommendation was resolved, one was partly resolved and one is not resolved. Further action is required regarding the following:
  - CAPEX estimates are required for the treated effluent distribution system; and
  - Add an outline of expected works to meet growth requirements.
- **Review of AMS**  
Not Resolved - Further action is required regarding the following:
  - That a procedure be introduced to undertake and record a review of 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.

#### Licence Compliance

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

The Reviewer's assessment, (based on the above tables) of the effectiveness of CKB's Asset Management System for Kalgoorlie-Boulder sewerage and non-potable water services is summarised (overleaf) in Table 2 entitled: "Summary of Review Findings".

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		✓			n/a			
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 13 entitled: “Current Audit: Non-Compliances and Recommendations” as in section 5 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: “Previous Review: Non-Compliances 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 Authority; and
- **Compliance with any individual licence conditions** – the requirements imposed on the specific licensee by the Authority or specific issues that are advised by the Authority.

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 in order 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 Authority for review. The Authority provided comments on the Draft Audit and Review Report to Paxon Group. Paxon Group considered the Authority’s comments and made amendments to the Draft Audit and Review Report, as appropriate; and
- Provided the final Audit and Review Report to the Authority.

The Authority will forward the draft Audit and Review Report, with the Authority’s comments to CKB for their comment. The Authority 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 1<sup>st</sup> January 2013 to the 31<sup>st</sup> December 2014. The previous Audit/Review covered the period from the 1<sup>st</sup> January 2011 to the 31<sup>st</sup> December 2012.

**2.5 Audit/Review Dates**

The Audit/Review was conducted during January 2015.

**2.6 Licensee’s Representatives**

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

Staff Member	Position
Keith Boase	Manager: Sustainability and Waste Services
Paul Mofflin	Manager: Parks and Reserves
Susan Mizen	Manager: Finance
David de Jager	Environmental Coordinator

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

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

Staff Member	Position
Keith Boase	Manager: Sustainability and Waste Services
David de Jager	Environmental Coordinator
E Saule	Waste Technical Officer (WWTP Operator)
R Hedges	Waste Technical Officer (WWTP Operator)
S McBride	Supervisor: Reticulation & Water
Paul Mofflin	Manager: Parks and Reserves
P Sheriff –	Manager: Information Systems
Susan Mizen	Manager: Finance

**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 course of 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 Licensing Act 1995 – July 2012;
- Water Services Operating Licence – Licence Number 4 – 3 December 2012 (WSOL - Version 4);
- Water Services Operating Licence – City of Kalgoorlie-Boulder – WL, Version 5, 18 November 2013 (WSOL – Version 5);
- City of Kalgoorlie-Boulder - Audit and Review Plan - Operational Audit and Asset Management System Review of the Water Services Operating Licence for 2013 - 2014;
- Asset Management Review and Operational Audit – Audit Report – 3603-70 – Prepared for City of Kalgoorlie-Boulder – 20 June 2013 – Cardno;
- City of Kalgoorlie-Boulder – Annual Report – 2012-2013;
- City of Kalgoorlie-Boulder – Annual Report – 2013-2014;
- City of Kalgoorlie-Boulder – Asset Management Plan – Sewerage Scheme – Version 141110;
- Compliance Report – 1 July 2012 to 30 June 2013;

- Compliance Report – 1 July 2013 to 30 June 2014;
- Recycled Water User Agreements;
- Customer Complaints Handling Procedure – Procedure No: CSC 01;
- Completed Complaints Register – 16 September 2013 onwards;
- Communication with the Authority (during the Audit Period);
- Financial Procedure Documents;
- City of Kalgoorlie-Boulder – Financial Hardship Policy for Water Services – April 2014;
- Rates Notice Tax Invoices and Tax Invoices;
- Letters in respect of planned sewer maintenance programs;
- Reporting Matrix;
- City of Kalgoorlie-Boulder – Engineering Services Directorate – Sustainability and Waste Services – Standard Operating Procedures (SOP) Manual – Version 7.1 – 2014;
- Traffic Management Plans;
- Water Compliance Manual Datasheets 2012/13;
- Performance Report 2013/14; 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 course of the Review are as follows:

- Authority Licences - No. 4, Version 4 dated 3<sup>rd</sup> December 2012 and No. WL4, Version 5 dated 18<sup>th</sup> November 2013;
- Authority Audit and Review Guidelines – “*Water Licences*” dated July 2014 and “*Electricity, Gas and Water Services*” dated August 2010;
- City of Kalgoorlie Boulder “*Asset Management Plans*” - dated 10<sup>th</sup> November 2014, November 2010 and July 2012;
- City of Kalgoorlie Boulder (CKB) – “*Standard Operating Procedures*” dated April 2014;
- City of Kalgoorlie Boulder (CKB) - “*Recycled Water Management Plan*” dated September 2012;
- City of Kalgoorlie Boulder (CKB) – “*Local Planning Strategy – 2013 to 2033*”;
- GHD Consultants – “*South Boulder WWTP Process Plant Optimization Review*” dated July 2013;
- GHD Consultants – “*Report on Current Sewerage Capacity*” - June 2010;
- CKB – “*Sewerage budget / expenditure details*” - July 2014 to January 27<sup>th</sup> 2015 (six pages);
- CKB – Schematic of treated effluent and control systems;
- CKB – “*Budget Amendment Policy*” - dated August 2013;
- CKB – “*Population Growth Chart*” - 1996 to 2055;

- WA Department of Health – “Conditions of Approval RE-cycled Water Scheme” – dated 12<sup>th</sup> November 2010;
- WA Department of Environment and Conservation – “Licence for South Boulder WWTP” dated 23<sup>rd</sup> June 2011;
- CKB – “Recycled Water Operations & Maintenance Manual”;
- CKB – Sustainability and Waste Services - “List of Current Staff Training”;
- CKB - Planning Department – “The Process of Planning Applications, Once Lodged”;
- CKB - Planning Department – “Flow Chart for Referral of Planning Applications to all Departments”;
- CKB – “Sewerage Income / Expenditure for six months to 31<sup>st</sup> December 2014”;
- CKB – “Asset Management Information System Spreadsheets” incorporating – “Main Menu, Asset Register, Condition & Performance, Inventory Control, Risk Assessment, Maintenance Management and Financial Planning”;
- CKB – Department of Environmental Regulation – “2013 and 2014 Compliance Reports and Compliance Certificates”;
- CKB – “Complaints Procedure, Complaints Form, Register and 2014 Complaints (14 No.)”;
- CKB – “Customer Service Charter” – (no longer required);
- CKB – “Sewerage Budgets / Expenditure - 2010 to 2014”;
- CKB – Advice to ERA “ Recycled Water Users”;
- ERA – “Compliance Report Template”;
- CKB – “ERA Data Sheets – 2013, 2014”;
- CKB – “Annual Flow and Nutrient Data” for 2012/2013, 2013/2014 and 2014/2015 (to January 2015);
- CKB – “Contracts for Mechanical, Electrical and CCTV Services”;
- CKB - “Sewer Maintenance Data- for 2012/2013, 2013/2014 and 2014/2015 to date” - including detail, invoice no., date, progressive costs and budget;
- CKB – “Water Sampling Chemical Test Results” for last forty three months;
- CKB – “Kalgoorlie WWTP Operation & Maintenance Manual – June 2003”;
- CKB – “Department of Environmental Regulation - Annual and Compliance Report 2014”;
- CKB - “Annual Report 2012/2013 and 2013/2014”; and
- CKB – “Expenses / Budget Working Sheets – July 2014 to January 2015”.

**2.8 Audit/Review Team Members and Hours Utilised**

Audit/Review Team Member	Hours
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<b>Cameron Palassis - Director</b>	15
<b>Anton Prinsloo – Senior Audit Consultant</b>	70
<b>Barry Robbins – Barry Robbins Engineering &amp; Project Management</b>	55
<b>TOTAL</b>	<b>140</b>

**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 (page 1 of 10)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance Rating	Auditor's Recommendation	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			
2011 - 2012	<ul style="list-style-type: none"> <li>CR: 3;</li> <li>LO: Schedule 3, Clauses 3.1, 3.8 and 3.9; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Customer complaints relating to the licenced services provided by the City are managed under the City's Complaints Handling Policy (Policy 4.1 in its Policy Manual). The Policy covers Commitment, Recording, Responsibility, Complaint Handling and Monitoring; and</li> <li>Complaints are logged in the City's document management system. Timeframes and internal escalations are built into the system.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>It is recommended that the process and procedures for dealing with customer complaints are added to Section 4 – Administration in the SOP Manual. This SOP includes processes for managing enquiries and correspondence but not specifically complaints; and</li> <li>Although our review of the complaints received by the City of Kalgoorlie-Boulder during the two-year audit period showed all complaints being resolved within 15 days, the audit of the information stored in DataWorks was reasonably difficult as each piece of correspondence had to be opened to check if it was a complaint or whether it was just an enquiry. We recommend that the City sets up a simple spreadsheet to record the details of all of the complaints so that monitoring and reporting is simplified.</li> </ul>	November 2013	<ul style="list-style-type: none"> <li>Further Action Required: No;</li> <li>Details of Further Action Required: Not applicable; and</li> <li>Comments:                             <ul style="list-style-type: none"> <li>Audit has noted that CKB introduced a document entitled: Customer Complaints Handling Procedure – Procedure No: CSC 01; and</li> <li>Audit has noted that Sustainability and Waste Services did introduce a simple spreadsheet to record details of complaints.</li> </ul> </li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>CR: 4;</li> <li>LO: Schedule 3, Clause 3.10; and</li> <li>Details:</li> </ul>	<ul style="list-style-type: none"> <li>We recommend that standard text be added to the City's complaint response letter that informs the customer of referring their complaint to the Department of Water if they do not</li> </ul>	November 2013	<ul style="list-style-type: none"> <li>Further Action Required: No;</li> <li>Details of Further Action Required: Not applicable; and</li> <li>Comments:</li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 2 of 10)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance Rating	Auditor's Recommendation	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			
	<ul style="list-style-type: none"> <li>Customers are informed of the option for referring their complaint to the Department of Water in the Customer Service Charter. Full contact details for the Department are provided in the Charter. However, this is not specifically included in the City's written response to the complainant.</li> </ul>	consider that it has been resolved to their satisfaction within 15 business days.		<ul style="list-style-type: none"> <li>An Energy and Water Ombudsman Western Australia was appointed was after 18 November 2013 As a result, the compliance obligation referred to in schedule 3 clause 3.10 of WSOL – Version 4, and repeated in schedule 2 clause 1.3 of WSOL – Version 5 is no longer applicable. Consequently, no further action is required as no current compliance obligation exists in respect thereof.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>CR: 3;</li> <li>LO: Schedule 3: Clauses 3.1, 3.8 and 3.9, and Schedule 4: Clause 1.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>The City records details of all the sewer blockages and overflows it attends in a worksheet in its Asset Management System (AMS) and uses this to report against its performance standards;</li> <li>Although the worksheet records the day that the customer call was taken, it does not record the time that the call was taken or the time that the City's contactor arrived at site;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Based on the our interpretation of the licence target, we consider that although there is no evidence to prove that the target is being met, that the City would be expected to advise customers of the nature and timing of the action to be undertaken within an hour of them reporting an emergency. However, there may be times when the advice to the customer is not provided at the time the customer first calls in to report an emergency, e.g. busy periods and after-hours calls, and when the customer has to be called back;</li> </ul>	July 2013	<ul style="list-style-type: none"> <li>Further Action Required: No;</li> <li>Details of Further Action Required: Not applicable; and</li> <li>Comments:                             <ul style="list-style-type: none"> <li>Audit has noted that the following columns are disclosed in the Excel spread sheet entitled: "Sewer Blockages":                                     <ul style="list-style-type: none"> <li>Time the call was received;</li> <li>Time arrived on site;</li> <li>Time blockage was cleared; and</li> <li>Time blocked.</li> </ul> </li> </ul> </li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 3 of 10)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance Rating	Auditor's Recommendation	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			
	<ul style="list-style-type: none"> <li>Given that the performance target is based on the customer being advised of the nature and timing of the action to be undertaken by the City to rectify the emergency, rather than the time to respond repair or rectify, it would be expected that the City would meet its requirement in the initial telephone conversation with the customer, i.e. what time the contractor would expect to be on site and what work they will carry out to resolve the emergency; and</li> <li>However, as no times are recorded it was not possible to confirm that the required target is being met. The City considers that it attends all emergencies within an hour, and although this is likely given the size of the scheme, essentially there is no evidence to confirm or otherwise.</li> </ul>	<ul style="list-style-type: none"> <li>However, the true measures of an emergency response are the response time (the time between the customer reporting the emergency and the time that that field staff arrive on site) and the repair/rectification time (the time between the customer reporting the emergency and the time that the repair/rectification has been carried out); and</li> <li>Although we consider that the City is meeting its licence requirement, we suggest that it creates a simple spreadsheet (or adds columns to its existing worksheet) to look to record the time that emergency calls are received, the time that the customer is advised of the nature and timing of the action, and the time that its contractors arrive on site.</li> </ul>		<ul style="list-style-type: none"> <li>As such, the time when the customer was advised of the nature and timing of action was still not recorded; and</li> <li>However, Audit has noted that the time difference between when the call was received and when workmen arrived on site was in all recorded instances less than one hour. This is regarded as a satisfactory compliance with the previous auditor's recommendation.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>CR: 2;</li> <li>LO: Schedule 3, Clause 4.1; and</li> <li>Details:</li> </ul>	<ul style="list-style-type: none"> <li>As the licence requirements related to this clause are likely to change, no further action is required at this time in order for the City to achieve compliance.</li> </ul>	November 2013	<ul style="list-style-type: none"> <li>Further Action Required: No;</li> <li>Details of Further Action Required: Not applicable; and</li> <li>Comments:</li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 4 of 10)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance Rating	Auditor's Recommendation	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			
	<ul style="list-style-type: none"> <li>• We consider that under the strict interpretation of the licence requirement, the City does not meet meets the licence requirement through either the Part (a) or Part (b) options;</li> <li>• The City publishes a summary version of its Customer Service Charter and issues it to customers every two year with its rates charges information. The summary charter (as well as the full-length version) are downloadable from the City's internet site and are available at the front counter in the main council building. However, the Charter is, under the strict interpretation of the licence requirements, not considered to be a newsletter that provides updates regarding the City's sewerage and non- potable water operations; and</li> <li>• Although not specific to the wastewater services, the City conducts council meetings twice per month that can be attended by the general public. Public</li> </ul>			<ul style="list-style-type: none"> <li>• The compliance obligation included in Schedule 3, clause 4.1 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 5 of 10)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance Rating	Auditor's Recommendation	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			
	<p>questions can be taken at the general meetings. Agendas and minutes are downloadable from the City's website. However, in order for the Council meetings to qualify as a forum for consultation, the agenda needs to include a regular item to discuss the sewerage and non-potable water services.</p>			
2011 - 2012	<ul style="list-style-type: none"> <li>• CR: 2;</li> <li>• LO: Schedule 4, Clause 2.1; and</li> <li>• Details:               <ul style="list-style-type: none"> <li>• The City reports against its service standards on a Financial Year basis, whereas its operational licence is based on the calendar year;</li> <li>• For the period 1 July 2010 to 20 June 2011, the City reported 74 blockages per 100 km in its annual Compliance Report to the Authority;</li> <li>• Based on a sewer mains length of 207km, the 148 reported blockages is 71.5 blockages per 100km;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Although the City has not complied with its licence target in the two years of the audit period, the blockages experienced during 2012/13 show a large improvement and indicate that the City is on course to meet its target of less than 40 blockages per 100km this year. From later records and discussion with staff, it is evident that the City's new contact arrangements, procedures and investment in system upgrades are paying dividends by way of significant reduction in blockages.</li> </ul>	November 2013	<ul style="list-style-type: none"> <li>• Further Action Required: No;</li> <li>• Details of Further Action Required: Not applicable; and</li> <li>• Comments:               <ul style="list-style-type: none"> <li>• The performance measures included in schedule 4, clause 2.1 of WSOL – Version 4 is not included in either:                   <ul style="list-style-type: none"> <li>• WSOL – Version 5; or</li> <li>• The datasheets used in respect of the 2013 – 2014 year</li> </ul> </li> </ul> </li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 6 of 10)

Previous Audit: Non-Compliances and Recommendations				
B. Resolved During Current Audit Period				
Reference (no./year)	Compliance Rating	Auditor's Recommendation	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			
	<ul style="list-style-type: none"> <li>• For the period 1 July 2011 to 20 June 2012, the City reported 62.4 blockages per 100 km in its annual Compliance Report to the Authority;</li> <li>• We reviewed the number of blockages that the City has recorded in its AMS and observed that the total for the year was 133 blockages, of which 28 resulted in overflows. There were 4 external sewer flooding incidents and one internal sewer flooding incidents at customer properties; and</li> <li>• Based on a sewer mains length of 207km, the 133 reported blockages is 62.4 blockages per 100km.</li> </ul>			

Table 6: Previous Audit: Non-Compliances and Recommendations (page 7 of 10)

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 (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"> <li>• CR: 4;</li> <li>• LO: Clause 2.1; and</li> <li>• Details: <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Further action required: Yes;</li> <li>• Details of further action required: <ul style="list-style-type: none"> <li>• Audit has noted that the document entitled: "City of Kalgoorlie-Boulder - Wastewater Collection &amp; 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 Licence Version 5. Audit has noted the Customer Service Charter is still disclosed on CKB's website; and</li> <li>• The Customer Service Charter should be updated to refer to the correct Plan Number.</li> </ul> </li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>• CR: 4;</li> <li>• LO: Clause 5.1; and</li> <li>• Details: <ul style="list-style-type: none"> <li>• 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;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Further action required: Yes;</li> <li>• Details of further action required: <ul style="list-style-type: none"> <li>• The CKB document entitled: "City of Kalgoorlie-Boulder – Asset Management Plan – Sewerage Scheme – Version 141110" (Asset Management Plan ) states the following: "It is the Responsibility of the Manager, Sustainability and Waste to monitor and</li> </ul> </li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 8 of 10)

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 (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
	<p>and</p> <ul style="list-style-type: none"> <li>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.</li> </ul>		<p>manage all amendments to and or the introduction of, relevant legislation.”;</p> <ul style="list-style-type: none"> <li>Audit has noted that a similar statement is contained in the document entitled: “City of Kalgoorlie-Boulder – Engineering Services Directorate – Sustainability and Waste Services – Standard Operating Procedures (SOP) Manual – Version 7.1 – 2014” (SOP Manual);</li> <li>Audit has noted that, with regard to some identified pieces of legislation, the Asset Management Plan does refer to who is responsible for: <ul style="list-style-type: none"> <li>“Monitoring changes in the legislation”; and</li> <li>“Implementing relevant changes in the legislation”.</li> </ul> </li> <li>However, these references do not cover all pieces of legislation disclosed in the Asset Management Plan;</li> <li>Furthermore, these references only focus on changes in legislation without allocating specific responsibility for compliance with legislation, or monitoring such compliance; and</li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 9 of 10)

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 (Yes/No/Not Applicable)
	Legislative Obligation (LO) and		Details of Further Action Required
	Details of the Issue		
			<ul style="list-style-type: none"> <li>• 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"> <li>• Actual compliance; and</li> <li>• Monitoring compliance therewith.</li> </ul> </li> </ul>

Table 6: Previous Audit: Non-Compliances and Recommendations (page 10 of 10)

3.2 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 7: Previous Review: Ineffective Components and Recommendations (page 1 of 11)

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 (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			
2011 - 2012	<ul style="list-style-type: none"> <li>• C3; and</li> <li>• Asset Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• The levels of service included in Section 3 of the AMP should be expanded to include the licence targets for customer complaints, blockages and overflows;</li> <li>• Although the service levels are defined, it is recommended that they are also referenced in the Asset Planning section of the SOP Manual to note that asset planning should be in accordance to meet the service levels defined in the licence;</li> <li>• The Asset Planning section should also reference the non-asset options section which is included on a later section in the SOP;</li> <li>• Although the AMP has a section on Maintenance Planning, this has not been completed in the version of the document reviewed. However, in the most recent version of the AMP, updated after the audit this section has been completed and provides an overview of maintenance expenditure trends, standards and specifications, a summary of future maintenance expenditure and the approach</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved - the service levels were incorporated as recommended. However, this is not required for the current licence as targets are no longer specified;</li> <li>• Resolved – Targets were incorporated in the SOP but are no longer applicable under the current licence;</li> <li>• Resolved;</li> <li>• Not Applicable – Resolved;</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 2 of 11)

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 (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			
		for developing the City's Renewal/Replacement plan; <ul style="list-style-type: none"> <li>• That the SOP be expanded to list the key stakeholders (both internal and external) that should be consulted on issues related to the sewerage (and non-potable water supply) services;</li> <li>• That the description of the Asset System (Section 4) of the AMP be expanded to show more information related to the assets e.g., pipe length, by condition, age diameter etc. to provide a fuller picture of the City's asset base. Also that schematics of the network be included; and</li> <li>• Budget policies and processes used by Council and funding options available should be cross referenced in the Asset Planning SOP. This should also include the processes and procedures related to developing Business Cases.</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved - Key stakeholders are listed in the SOP;</li> <li>• Resolved – The data has been expanded. However, not resolved in respect of schematics as a basic schematic of the overall scheme needs to be added; and</li> <li>• Resolved – Policies and processes are referred to in the SOP. An electronic link is provided to Council's Policy and procedures.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>• B 2; and</li> <li>• Asset Creation / Acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>• As recommended in the Asset Planning section the budget processes and policies used by Council and funding options</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved - Policies and processes are referred to in the SOP. An electronic link is provided to Council's Policy and procedures; and</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 3 of 11)

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 (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			
		<p>available should be cross referenced in the Asset Acquisition section of the SOP. This should also include the processes and procedures related to developing Business Cases; and</p> <ul style="list-style-type: none"> <li>• That the AMP includes references to the design standards adopted by CKB.</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved – The design standards of the Water Corporation of WA are referenced.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>• B 2; and</li> <li>• Environmental Analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• As noted under the Asset Planning section it is recommended that the levels of service in Section 3 of the AMP should be expanded to include the Licence targets for customer complaints, blockages and overflows;</li> <li>• That the levels of service are included in the Customer Charter to inform customers of the levels of service they can expect to receive;</li> <li>• The performance standards against the licence targets and other levels are not reported internally. It is recommended that that internal reporting on the sewerage system be increased so that ongoing performance is better monitored throughout the year; and</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved. – Was included in earlier AMP but not in the current AMP as there are no service levels specified in the current licence;</li> <li>• Resolved – the information was included in the previous Customer Charter, but is no longer included as the current licence dispenses with the requirement for a Customer Charter;</li> <li>• Resolved – Current reporting within the Sustainability &amp; Waste Services group is adequate. Practise is to report to the relevant Director or CEO only in the event of system or quality shortfall or failure; and</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 4 of 11)

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 (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			
		<ul style="list-style-type: none"> <li>That the performance standards are reported in the publically available Annual Report.</li> </ul>		<ul style="list-style-type: none"> <li>Resolved – The current practise of including general comments on performance of the system is considered adequate for the Annual Report. More detailed information is available on the websites of the licensing Authorities.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>C 2; and</li> <li>Asset Operations.</li> </ul>	<ul style="list-style-type: none"> <li>The Operational Planning, including operational rules and procedures included in Section 6 of the AMP should reference the service levels and targets that CKB is required to meet.</li> </ul>		<ul style="list-style-type: none"> <li>Resolved - Service levels were not included in the previous AMP. As there are no service levels in the current WSOL, there are none quoted in the current AMP.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>B 2; and</li> <li>Asset Maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>A section on Maintenance Planning is included in Section 7 of the AMP. However, no schedule has been inserted into the document. This section should be completed; and</li> <li>That CKB continues to develop the maintenance costs included in the Planned Works Schedule and update the information included in the Works Register in the AMS. This will allow for improved monitoring of maintenance costs and assist in forward planning of maintenance budgets.</li> </ul>		<ul style="list-style-type: none"> <li>Resolved - This section is essentially completed in the current AMP. Additional monitoring/ recording procedures are recommended in this report; and</li> <li>Resolved – The cost estimates are being continuously developed on the basis of actual costs for past and ongoing works by maintenance contractors.</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 5 of 11)

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 (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			
2011 - 2012	<ul style="list-style-type: none"> <li>B 2; and</li> <li>Asset Management Information System.</li> </ul>	<ul style="list-style-type: none"> <li>That internal reporting on the sewerage system be increased so that ongoing performance is better monitored throughout the year; and</li> <li>That the performance standards are reported in the publically available Annual Report.</li> </ul>		<ul style="list-style-type: none"> <li>Resolved – Reviewer considers the current electronic reporting within the Sustainability &amp; Waste Services group is adequate. Practise is to report to the relevant Director or CEO only in the event of significant system, or product quality shortfall or failure; and</li> <li>Resolved – Reviewer considers the current practise of including general comments on performance of the system is considered adequate for the Annual Report. More detailed information is available on the websites of the licensing Authorities.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>B 2</li> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>That a new section be added into the AMP to cover risk management. This should include an outline of the processes involved in the assessment (e.g., the consequences and likelihood scoring system and the risk management used by CKB) as well as document the risk register itself.</li> </ul>		<ul style="list-style-type: none"> <li>Resolved – A new section has been added to the Risk Assessment module of the AMIS. The module includes text on the evaluation process together with the risk assessment. Further evaluation is recommended in this report.</li> </ul>
2011 - 2012	C 3; and Contingency Planning.	That the City completes the Incident and Emergency Plan set out in the Recycled Water Quality Management Plan.		Resolved - The Emergency Plan has been completed.

Table 7: Previous Review: Ineffective Components and Recommendations (page 6 of 11)

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 (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			
2011 - 2012	<ul style="list-style-type: none"> <li>• C 3; and</li> <li>• Financial Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• That the high level recurrent expenditure in CKB's financial statement included in the AMP be broken down to a lower level. Currently, the breakdown only shows three items; Interest on Loans, Other Costs and Administration.</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved – The costs have been broken down to a lower level in the current (November 2014) version of the AMP.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>• C 3; and</li> <li>• Capital Expenditure Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• That the City develops a SOP to cover the full budget process, and includes details of the procedures involved in developing the capital expenditure program. The last two capex projects' two new sewer lines that were constructed in December 2008 and October 2010 did not go through the business case approval process they should have gone through; and</li> <li>• That the City expands the Financial Planning section included in its AMP to provide more in-depth details of the proposed capital works that have been identified and scheduled.</li> </ul>		<ul style="list-style-type: none"> <li>• Resolved – An SOP has been developed which outlines the procedures for developing the Capital expenditure program. The SOP provides an electronic link to CKB's budget procedures documents. The two projects referred to emergency strategies approved by Council ; and</li> <li>• Partly Resolved. – The CAPEX estimates now provide adequate detail of proposed expenditure in each of the operating areas of the sewerage systems. Expected CAPEX for the treated effluent distribution should be included.</li> </ul>

**Table 7: Previous Review: Ineffective Components and Recommendations (page 7 of 11)**

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 (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
2011 - 2012	<ul style="list-style-type: none"> <li>• C 3; and</li> <li>• Asset Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• That either additional sections be added to the AMP document to relate to the non-potable water assets and associated operations and maintenance requirements or a separate AMP is developed for the recycled water scheme;</li> <li>• Relevant SOPs should be listed in the appropriate sections of the AMP;</li> <li>• The Asset Environment section of the AMP should include historical population. This section should be expanded to include details of predicted population growth (including low, medium and high projections);</li> <li>• That the description of the Asset System (Section 4) of the AMP be expanded to show more information related to the assets e.g., pipe length, by condition, age diameter etc. to provide a fuller picture of CKB's asset base. Also that schematics of the network be included; and</li> <li>• That the asset planning requirements to meet growth be outlined or stated that no new assets have been identified if the growth forecasts do not require it.</li> </ul>	<ul style="list-style-type: none"> <li>• Not Resolved - An additional section has not been added to the AMP, nor has a separate AMP been prepared for the recycled water scheme (refer Recommendation numbers 11 &amp; 18);</li> <li>• Not Resolved – Further consideration / rationalisation of AMS / SOP content and cross referencing is required (refer Recommendation number 2);</li> <li>• Not Resolved. – However, only population growth predicted in CKB's 2033 strategic plan need be included (refer Recommendation number 1);</li> <li>• Resolved – The data has been expanded;</li> <li>• Not Resolved – A basic schematic of the overall scheme should be added (refer Recommendation number 4); and</li> <li>• Not Resolved – Broad details of works anticipated (and their approximate year's costs should be included in the AMP (refer Recommendation number 1).</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 8 of 11)

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 (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
2011 - 2012	<ul style="list-style-type: none"> <li>• B 2; and</li> <li>• Asset Creation / Acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>• That the Asset Acquisition section of the SOP be expanded to include /reference the policies and processes associated with developer contributed assets being taken on by CKB; and.</li> <li>• That a flow chart indicating the process for seeking approval of a project be included in the SOP Manual and referenced in the AMP so that all staff understand how the planning process is undertaken and when a project needs to be escalated for approval.</li> </ul>	<ul style="list-style-type: none"> <li>• Not Resolved – A copy of the Planning Application Process summary (page 24 of the planning office procedure statement) to be attached to the AMP (refer Recommendation number 5); and</li> <li>• Not Resolved – Copies of the Assessment and Referral Flow Charts to be included in the AMP (refer Recommendation number 5).</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>• C 2; and</li> <li>• Asset Operations.</li> </ul>	<ul style="list-style-type: none"> <li>• This section of the AMP should be expanded to include references to the operating systems and associated manuals and documentation used to manage the WWTP. Where applicable, reference to the operations related SOPs included in the CKB's SOP Manual should also be included in this section of the AMP;</li> <li>• The unit costs being used to develop future renewals budgets should be reviewed and updated as it is likely that the old rates being used are underestimating future expenditure requirements;</li> </ul>	<ul style="list-style-type: none"> <li>• Not Resolved – Information related to operating systems, manuals etc. should be included in the current AMP (refer Recommendation number 10);</li> <li>• Not Resolved – The 1997 unit rates should be reviewed and amended as required. It is noted that some rates have been adjusted following review of costs from recent projects (refer Recommendation number 21);</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 9 of 11)

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 (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
		<ul style="list-style-type: none"> <li>The renewal expenditure calculations included in the AMS are fairly rudimentary and cumbersome to review and update. The AMS that CKB uses is an Excel 1997 spread sheet and increasing stability issues with the spread sheet are being experienced. Suggests CKB looks to review its AMS requirements over the next couple of years and if identified, replaces the current system with a more up to date better functioning and more adaptable system; and</li> <li>That the City continues to develop its planned maintenance schedules for maintenance tasks on the recycled water scheme.</li> </ul>	<ul style="list-style-type: none"> <li>Not Resolved – CKB should investigate:                             <ul style="list-style-type: none"> <li>The feasibility of launching the existing software on a more recent version of Excel; and</li> <li>The availability of suitable alternative software (refer Recommendation number 15);</li> </ul> </li> <li>Not resolved – The recycled water maintenance schedules should be developed promptly and included in the AMP (refer Recommendation number 11).</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>B 2; and</li> <li>Asset Management Information System.</li> </ul>	<ul style="list-style-type: none"> <li>As noted previously CKB has experienced increasing stability and control issues with its AMS (essentially a series of linked Excel 1997 spread sheets) it should look to investigate options to upgrade the asset management system over the course of the next few years.</li> </ul>	<ul style="list-style-type: none"> <li>Not Resolved – CKB should investigate:                             <ul style="list-style-type: none"> <li>The feasibility of launching the existing software on a more recent version of Excel and,</li> <li>The availability of suitable alternative software (refer Recommendation number 15).</li> </ul> </li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 10 of 11)

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 (Yes/No/Not Applicable)
	Asset Management System Component		Details of Further Action Required
	Criteria/Details of Asset Management System Deficiency		
2011 - 2012	<ul style="list-style-type: none"> <li>• C 3; and</li> <li>• Financial Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• As noted under Asset Operations, the unit costs being used to develop future renewals budgets should be reviewed and updated as it is likely that the old rates being used are under estimating future expenditure requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Unresolved – The unit rates should be reviewed and amended as required. It is noted that some rates have been adjusted following review of costs from recent projects (refer Recommendation number 21).</li> </ul>
2011 - 2012	C 3; and Capital Expenditure Planning.	<ul style="list-style-type: none"> <li>• That CKB expands the Financial Planning section included in its AMP to provide more in-depth details of the proposed capital works that have been identified and scheduled; and</li> <li>• That an additional section on Infrastructure Planning be added to the AMP to summarise asset planning for the sewer service and any future planning requirements This should include summaries of/ links to any relevant planning studies regional planning initiatives/strategy reports, network/ population models and any appropriate reports/data e.g., CCTV data , performance/capacity reviews.</li> </ul>	<ul style="list-style-type: none"> <li>• Partly Resolved. – The CAPEX estimates now provide adequate detail of proposed expenditure in each of the operating areas of the sewerage systems. Expected CAPEX for the treated effluent distribution should be included (refer Recommendation number 21); and</li> <li>• Not Resolved – This information has not been added (refer Recommendation number 1).</li> </ul>
2011 - 2012	B 2; and 12 – Review of AMS.	<ul style="list-style-type: none"> <li>• Refer to recommendations outlined in this table to further enhance the Asset Management System.</li> </ul>	<ul style="list-style-type: none"> <li>• Not Resolved (refer Recommendation number 22).</li> </ul>

Table 7: Previous Review: Ineffective Components and Recommendations (page 11 of 11)

## 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 Authority’s document entitled: “Audit and Review Guidelines: Water Licences – July 2014” (Authority’s Guidelines).

#### Audit Compliance and Controls Rating Scales

#### Authority’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 course of the Audit

Table 8: Audit Compliance and Controls Rating Scales

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

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

## 4.2 Audit: Obligation Ratings Summary – Water Services Act 2012

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
1	21(1)(a)	27.1	Duty to provide services and do works	2			✓			✓					
2	21(1)(b)	27.1		2	✓					✓					
3	21(1)(c)	27.1		2	✓					✓					
4	22	28.1	Provision of water services outside operating areas	2				✓						✓	
5	23	29.1	Works holding arrangements	2	✓					✓					
6	24(1)(a) & (2)	20.1	Asset management system	2			✓				✓				
7	24(1)(b)	20.2		2				✓						✓	
8	24(1)(c)	20.3		5	✓					✓					
9	25	14.1	Operational audit	2	✓					✓					
10	26(3)	5.2	Compliance with codes of practice made by Minister	2	✓									✓	
11	27	5.3	Compliance with code of conduct made by Authority	2	✓									✓	
12	29	26.1	Licensee must comply with duties under Act	2	✓									✓	
13	36	5.1	Provision of a water service ceasing – duty to leave system in safe condition	2				✓						✓	

**Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 1 of 14)**

<sup>1</sup> The ‘No.’ refers to the compliance obligation reference number, as per the Authority’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014”

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
14	60	25.1	Duty to perform functions of supplier of last resort	2					✓						✓
15	66	21.1	Water Services Ombudsman Scheme	2				✓						✓	
16	77(3)	5.1	Interruption of water services generally	2	✓					✓					
17	82(4) & (5)	5.1	Notification of and requirements as to building work	2	✓					✓					
18	84(2)	5.1	Ensuring water service works are done	2				✓						✓	
19	87(2)	5.1	Review of certain decisions under or relating to this division	2				✓						✓	
20	90(7)	5.1	Construction over or in vicinity of water service works of licensee	2				✓						✓	
21	95(3)	5.1	Disconnection or reduction in rate of flow	2					✓						✓
22	96(1)	5.1	Fire hydrants	2					✓						✓
23	96(5)	5.1		2						✓					
24	98(3)	5.1	Minister may require connection to sewerage works	2					✓					✓	
25	106(2)	5.1	Compliance notices (discharge or wastewater inlet)	2				✓						✓	
26	110(3)	5.1	Minister may require connection to drainage works	n/a					✓						✓
27	112(5)	5.1	Requirement to maintain or modify drainage assets	n/a					✓						✓
28	119(2)	5.1	Compliance notices (non-compliance with specific sections of Act)	2				✓						✓	
29	122(2)	5.1	Review of decisions relating to giving compliance notices	2				✓						✓	

**Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 2 of 14)**

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
30	125(2)	5.1	Supplying groups of dwellings	2					✓					✓	
31	128(4)	5.1	Prohibition on dealings in land	2					✓					✓	
32	129(5)	5.1	Reading meters, routine inspection and maintenance	2		✓				✓					
33	139(3)	5.1	Ancillary works powers	2				✓						✓	
34	141(1)	5.1	Special provisions applicable to road works	2		✓				✓					
35	142	5.1	Prerequisites to provision of major works	2				✓						✓	
36	143 (2)	5.1	Licensee to prepare plans and publish and give notice of major works	2				✓						✓	
37	143 (3)	5.1		2				✓						✓	
38	144(3)	5.1	Objections and submissions	2				✓						✓	
39	145(2)	5.1	Licensee may amend proposal	2				✓						✓	
40	147(3)	5.1	Powers of Minister in respect of proposal	2				✓						✓	
41	147(4)	5.1		2				✓						✓	
42	151(1)	5.1	Licensee to prepare plans and give notice of general works	2				✓						✓	
43	151(2)	5.1		2				✓						✓	
44	152(3)	5.1	Objections and submissions	2				✓						✓	
45	153(3)	5.1	Licensee may amend proposal	2				✓						✓	

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 3 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
46	166(5)	5.1	Taking an interest in land for purposes of licensee	2					✓					✓	
47	166(6)	5.1		2					✓					✓	
48	170	5.1	Sale of land	2					✓					✓	
49	173(4)	5.1	Entry with consent or under notice or warrant	2		✓				✓					
50	174(1)	5.1	Notice of entry	2		✓				✓					
51	174(3)	5.1		2				✓			✓				
52	175(2)	5.1	Rights of occupier of dwelling	2				✓		✓					
53	175(5)	5.1		2				✓		✓					
54	176(1)	5.1	When authorised person must leave	2				✓						✓	
55	176(3)	5.1		2				✓						✓	
56	176(4)	5.1		2				✓						✓	
57	181	5.1	Actions of authorised persons and others	2				✓						✓	
58	186	5.1	Contents of application (warrant to enter)	2				✓						✓	
59	187(1) – (3)	5.1	How application to be made (warrant to enter)	2				✓						✓	
60	190(4)	5.1	Execution of warrant	2				✓						✓	
61	190(5)	5.1		2				✓						✓	

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 4 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
62	210(5)	5.1	Designation of inspectors and compliance officers	2				✓						✓	
63	218(2)	5.1	Liability of certain persons for damage caused in exercise of powers	2				✓		✓					
64	218(3)	5.1		2				✓		✓					

**Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 5 of 14)**

No. <sup>1</sup>	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 Regulations 2013	Water Services Operating Licence			(Refer to the 4 point rating scale in Table 8 for details)					(Refer to the 4 point rating scale in Table 8 for details)						
	Regulation Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR	NA	
65	23(2)	5.1	Installation of certain meters	2					✓						✓	
66	24(4)	5.1	Access to meters	2				✓							✓	
67	26(3)	5.1	Testing water meters	2				✓							✓	
68	26(5)	5.1		2				✓							✓	
69	29(2)	5.1	Subdivision: deferring infrastructure contributions	2				✓							✓	
70	42(2)	5.1	Backflow prevention devices: installation	2				✓							✓	
71	43(3)	5.1	Backflow prevention devices: testing and maintenance	2				✓							✓	
72	43(6)	5.1		2				✓							✓	
73	53(3)	5.1	Diagrams of drainage plumbing	2				✓		✓						
74	60(2)	5.1	Altering position of service infrastructure in roads	2				✓							✓	
75	63	5.1	Roads broken up to be reinstated	2				✓							✓	
76	65(1)	5.1	Records	2	✓					✓						
77	65(2)	5.1		2				✓		✓						
78	65(4)	5.1		2				✓							✓	
79	67	5.1	Records to be basis for water service charges	2				✓		✓						
80	68(5)	5.1	Objections to entries in records	2				✓							✓	
81	68(6)	5.1		2				✓							✓	

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 6 of 14)

No. <sup>1</sup>	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 Regulations 2013	Water Services Operating Licence			(Refer to the 4 point rating scale in Table 8 for details)					(Refer to the 4 point rating scale in Table 8 for details)					
	Regulation Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR	NA
82	68(7)	5.1	Objections to entries in records	2				✓						✓	
83	68(8)	5.1		2				✓						✓	
84	69(3)	5.1	State Administrative Tribunal review of licensee’s decision on objection	2				✓						✓	
85	70(2)	5.1	SAT review: licensee’s decision not to extend time for objection/review	2				✓						✓	
86	74(1)	5.1	Amending records after objection or review	2				✓						✓	
87	74(2)	5.1		2				✓						✓	
88	75(1)	5.1	Certain information to be available to tenants and others	2	✓					✓					
89	85	5.1	Compliance notices	2				✓						✓	
90	86(6)	5.1	Clause only applies to licensees which are Water Corporations	n/a					✓						✓
91	86(9)	5.1	Clause only applies to licensees which are Water Corporations	n/a					✓						✓

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 7 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
92	7	5.3	Information about connections	4		✓				✓					
93	8	5.3	Minimum performance standards: standard water supply connections	4	✓					✓					
94	9	5.3	Bills other than for quantities supplied, discharged	4				✓		✓					
95	10(2)	5.3	Bills for quantities supplied, discharged	4				✓		✓					
96	10(3)	5.3		4				✓		✓					
97	10(4)	5.3		4				✓		✓					
98	10(5)	5.3		4				✓						✓	
99	11	5.3	Sending bills	4				✓		✓					
100	12(1)	5.3	Information on bills	n/a					✓						✓
101	12(2)	5.3		n/a					✓						✓
102	12(3)	5.3		n/a					✓						✓
103	13(1)	5.3	Estimates: Licensees' obligations	4				✓						✓	
104	13(2)	5.3		4				✓						✓	
105	14(1)	5.3	Requested meter readings, revised bills: Licensee's obligations	4				✓						✓	

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 8 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
106	15	5.3	Leaks	4		✓					✓				
107	16(2)	5.3	Undercharging in bills	4			✓							✓	
108	16(3)	5.3		4			✓							✓	
109	16(4)	5.3		4			✓							✓	
110	16(5)	5.3		4			✓							✓	
111	17(1)	5.3	Overcharging in bills	4			✓							✓	
112	17(2)	5.3		4			✓							✓	
113	18(1)	5.3	Review of bills	4			✓							✓	
114	18(2)	5.3		4			✓			✓					
115	18(3) & (6)	5.3		4			✓			✓					
116	18(4)	5.3		4			✓			✓					
117	18(5)	5.3		4			✓							✓	
118	20	5.3	When payment due if not set under regulations	4			✓			✓					
119	21(1)	5.3	Payment methods	4			✓			✓					
120	21(2)	5.3		4			✓			✓					

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 9 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
121	22	5.3	Consent for direct debits	4				✓		✓					
122	23(1)	5.3	Payment in advance	4				✓		✓					
123	24	5.3	Free redirection in absence, illness	4				✓						✓	
124	25	5.3	Assistance for customers experiencing payment difficulties	4				✓		✓					
125	26(1) & (2)	5.3	Financial hardship policy	4					✓	✓					
126	26(3)	5.3		4					✓	✓					
127	26(4)	5.3		4					✓						✓
128	26(5)	5.3		4				✓			✓				
129	26(6)	5.3		4				✓						✓	
130	27(2)	5.3		Assistance for customers experiencing financial hardship	4				✓		✓				
131	27(3)	5.3	4					✓		✓					
132	28(1)	5.3	Matters relating to customers experiencing payment difficulties or financial hardship	4				✓						✓	
133	28(4) & (5)	5.3		4				✓		✓					
134	29	5.3	No debt collection in certain cases	4				✓						✓	
135	30(1)	5.3	Restoration of drinking water supply	n/a					✓						✓

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 10 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
136	30(2)	5.3	Restoration of drinking water supply	n/a				✓						✓	
137	31	5.3	Preliminary action	n/a				✓						✓	
138	32	5.3	No reduction in certain cases	n/a				✓						✓	
139	33	5.3	Water flow not to be reduced below minimum rate	4				✓					✓		
140	34(2)	5.3	Clause only applies to the Water Corporation	n/a				✓						✓	
141	34(3)	5.3		n/a				✓						✓	
142	34(4)	5.3	Minimum performance standards for restoration of water supply	4				✓					✓		
143	34(5)	5.3	Clause only applies to the Water Corporation	n/a				✓						✓	
144	34(6)	5.3	Minimum performance standards for restoration of water supply	4				✓					✓		
145	35(1)	5.3	Procedure for dealing with complaints about water services	4	✓				✓						
146	35(2)	5.3		4			✓			✓					
147	35(3)	5.3		4			✓		✓						
148	35(4)	5.3		4			✓			✓					

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 11 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA
<b>Obligations Under the Water Services Code of Conduct (Customer Service Standards) 2013 (Obligations 150 to 154)</b>															
149	35(6)	5.3	Procedure for dealing with complaints about water services	4				✓			✓				
150 - 1	36(1)	5.3	Services to be provided without charge	4				✓			✓				
152	36(2)	5.3		4	✓					✓					
153	37(1)	5.3	Information to be publicly available - bills	4				✓			✓				
154	Notes – 12 [37(2)]	5.3		4					✓						✓
<b>Obligations under the Water Services Act 2012 (Number 155 onwards)</b>															
155	12	4	Fees	5					✓	✓					
156	12	5.1	Compliance with applicable legislation	2				✓			✓				
157	12	5.2		2	✓									✓	
158	12	5.3		2	✓									✓	
159	12	5.4		2					✓					✓	
160	12	12	Accounting records	2	✓					✓					
161	12	13.1	Individual performance standards	5					✓					✓	
162	12	14.4	Operational audit	5				✓		✓					

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 12 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA	
163	12	15.1(a), (b), (c)	Reporting a change in circumstances	5				✓							✓	
164	12	15.1(d)	Reporting a change in circumstances	5				✓							✓	
165	12	16.1	Provision of information	2				✓		✓						
166	12	16.2		2				✓			✓					
167	12	16.3	Provision of information	2	✓					✓						
168	12	17.2	Publishing information	5				✓							✓	
169	12	18.1	Notices	5			✓			✓						
170	12	20.1	Asset management system	2	✓					✓						
171	12	20.2		2				✓							✓	
172	12	20.6		2				✓		✓						
173	12	21.1	Water Services Ombudsman Scheme	5				✓		✓						
174	12	22.1	Standard terms and conditions of service	5					✓							✓
175	12	23.1	Customer contract	5				✓							✓	
176	12	23.2		5				✓		✓						
177	12	23.3		5				✓							✓	
178	12	23.6		5				✓							✓	

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 13 of 14)

No. <sup>1</sup>	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 Operating Licence			(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	1	2	3	4	NR	NA	
179	12	24.1 & .2	Non-standard terms and conditions of service	5				✓						✓		
180	12	24.4		5				✓						✓		
181	12	25.1	Supplier of last resort	5					✓					✓		
182	12	28.1(b)	Provision of water services outside operating area	2				✓						✓		
183	12	30.3	Hardship policy	5				✓		✓						
184	12	31.1	Memorandum of Understanding	n/a					✓						✓	
185	12	31.2		n/a					✓						✓	
186	12	31.3		n/a					✓							✓
187	12	31.4		n/a					✓							✓
188	12	31.5		n/a					✓							✓
189	12	31.6		n/a					✓							✓
190	12	Schedule 3		Performance standards	5					✓						✓

Table 9: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 14 of 14)

**4.3 Audit: Obligation Ratings Summary - Water Services Licensing Act 1995**

This Summary only lists obligations under Water Services Operating Licence (WSOL) – Version 4, which were discontinued under Water Services Operating Licence – Version 5. Obligations included in WSOL -Version 4 and carried forward in WSOL – Version 5, are disclosed in section 5.2.

No. <sup>2</sup>	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 Licensing Act 1995	Water Services Operating Licence			(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	1	2	3	4	NR	NA	
9	N/A	6.1	Customer complaints	2				✓		✓						
10	N/A	Sch. 3, Cl. 3.1		n/a					✓							✓
11	N/A	Sch. 3 Cl. 3.8		2		✓				✓						
12	N/A	Sch. 3 Cl. 3.2 (b)		n/a					✓							✓
13	N/A	Sch. 3 Cl. 3.9 (b)		2				✓		✓						
14	N/A	Sch. 3 Cl. 3.2 (d)		2	✓					✓						
15	N/A	Sch. 3 Cl. 3.4		n/a					✓							✓
16	N/A	Sch. 3 Cl. 3.10		2		✓				✓						
17	N/A	Sch. 3 Cl. 3.6		2				✓							✓	

**Table 10: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 1 of 3)**

<sup>2</sup> The ‘No.’ refers to the compliance obligation reference number, as per the Authority’s document entitled: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012”

No. <sup>2</sup>	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 Licensing Act 1995	Water Services Operating Licence			(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	1	2	3	4	NR	NA
18	N/A	Sch. 3 Cl. 3.7	Customer complaints	2				✓						✓	
19	N/A	Cl. 7.1	Customer Service Charter	4	✓					✓					
20	N/A	Sch. 3 Cl. 2.5		4				✓		✓					
21	N/A	Sch. 3 Cl. 2.6		4				✓		✓					
22	N/A	Sch. 3 Cl. 2.7		4				✓		✓					
23	N/A	Cl. 8		4				✓			✓				
24	N/A	Sch. 3 Cl. 4.1	Customer consultation	4				✓			✓				
25	N/A	Sch. 3 Cl. 4.2		4				✓			✓				
26	N/A	Sch. 3 Cl. 4.3		4				✓						✓	
27	N/A	Sch. 3 Cl. 4.4		n/a					✓						✓
28	N/A	Sch. 3 Cl. 4.5		4				✓						✓	
29	N/A	Sch. 3 Cl. 4.6		4				✓						✓	

Table 10: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 2 of 3)

No. <sup>2</sup>	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 Licensing Act 1995	Water Services Operating Licence			(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	1	2	3	4	NR	NA
32	N/A	Sch. 3, Cl. 6	Customer surveys	5				✓						✓	
49	N/A	22.2 & 22.4	Publishing information	5				✓						✓	

Table 10: Audit: Obligation Ratings Summary – Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 3 of 3)

#### 4.4 Audit Observations and Recommendations: Water Services Act 2012

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
1	21(1)(a)	27.1	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.	2	<ul style="list-style-type: none"> <li>City of Kalgoorlie-Boulder (CKB) has stated that it did provide sewerage services to all entitled persons under the Act during the Audit Period. CKB has stated that 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</li> <li>Audit has noted that the document entitled: “Engineering Services Directorate – Sustainability &amp; Waste Services – Standard Operating Procedures (SOP) Manual – Version 7.1”(SOP Manual) lists a number of relevant Acts, laws and policies applicable to the CKB’s operations. However, the document does not refer to the: <ul style="list-style-type: none"> <li>Water Services Operating Licence; nor the</li> </ul> </li> </ul>	C	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 1 of 106)**

<sup>3</sup> The ‘No.’ refers to the compliance obligation reference number, as per the Authority’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014”

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
1 (cont.)	21(1)(a)	27.1		2	<ul style="list-style-type: none"> <li>Water Services Regulations 2013.</li> </ul> <p><b>Recommendation number 1/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be appropriately updated to refer to all applicable legislation, rules and regulations applicable to CKB’s operations.</li> </ul>	C	1
2	21(1)(b)	27.1	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"> <li>Audit has noted that the CKB website currently contains a document entitled: “Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011” (Customer Service Charter). This document states:  “ 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.”</li> </ul>	A	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 2 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
3	21(1)(c)	27.1	The licensee must provide, operate and maintain the water service works specified by the Authority in the licence.	2	<ul style="list-style-type: none"> <li>• CKB has stated that it did provide, operated and maintained the water service works as specified in the licence during the Audit Period. CKB further stated that maintenance of the water service works were undertaken by CKB employees and contractors during the Audit Period; and</li> <li>• Audit has noted that the SOP Manual specifically refers to:               <ul style="list-style-type: none"> <li>• Sewer operating procedures;</li> <li>• Wastewater treatment plant operating procedures; and</li> <li>• An asset maintenance program.</li> </ul> </li> </ul>	A	1
4	22	28.1	The licensee must notify the Authority as soon as practicable before commencing to provide the water service outside of the operating area of the license.	2	<ul style="list-style-type: none"> <li>• CKB has stated that it did not provide any water services outside of the operating area of the licence during the Audit Period; and</li> <li>• Audit has noted that the 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.</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 3 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
4 (cont.)	22	28.1		2	<b>Recommendation number 2/2015 (all services):</b> <ul style="list-style-type: none"> <li>• The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL);</li> <li>• 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;</li> <li>• The Reporting Matrix should also be changed to include the following information: <ul style="list-style-type: none"> <li>• Operating Licence reference;</li> <li>• Compliance requirement;</li> <li>• Frequency of action specified;</li> <li>• (Next) due date;</li> <li>• Responsible officer; and</li> <li>• Notes.</li> </ul> </li> <li>• A specific person should be allocated responsibility for: <ul style="list-style-type: none"> <li>• Ensuring compliance with the dates disclosed</li> </ul> </li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 4 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
4 (cont.)	22	28.1		2	in the Reporting Matrix; and • Continually updating the Reporting Matrix.	D	NR
5	23	29.1	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 an agreement whereby the licensee can operate the works so as to comply with its obligations, or must fit in to other prescribed categories under the Act.	2	<ul style="list-style-type: none"> <li>CKB has stated that it did own all water service works used by it for the provision of water services during the Audit Period; and</li> </ul> Audit has noted that the document entitled: City of Kalgoorlie-Boulder – Asset Management Plan – Sewerage Scheme” (Asset Management Plan) includes the following in respect of its Financial Management Philosophy and Objectives: “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.” As such, the CKB has a long-term perspective for holding and operating the water service works.	A	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 5 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
6	24(1)(a) & 24(2)	20.1	The licensee must have an asset management system that provides for the operation and maintenance of the water service works.	2	<ul style="list-style-type: none"> <li>CKB has an asset management system which includes the following items:                             <ul style="list-style-type: none"> <li>SOP Manual; and</li> <li>Asset Management Plan.</li> </ul> </li> <li>The Asset Management Plan specifically states that it is for the “Sewerage Scheme”. 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.</li> </ul> <p><b>Recommendation number 3/2015 (non-potable water supply services):</b></p> <ul style="list-style-type: none"> <li>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</li> </ul>	C	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 6 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
6 (cont.)	24(1)(a) & 24(2)	20.1		2	<ul style="list-style-type: none"> <li>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.</li> </ul>	C	2
7	24(1)(b)	20.2	The licensee must give details of the asset management system and any changes to it to the Authority.	2	<ul style="list-style-type: none"> <li>CKB has stated that no changes occurred during the Audit Period in respect of either the sewerage services or the non-potable water supply services it provides;</li> <li>Audit has noted that the CKB Reporting Matrix does not list any reporting obligation in respect of changes to CKB’s asset management system; and</li> <li>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 <b>Recommendation number 2/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 7 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
8	24(1)(c)	20.3	A licensee must provide the Authority 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 Authority.	5	<ul style="list-style-type: none"> <li>An Asset Management Review and Operational Audit were performed by Cardno for the period 1 January 2011 to 31 December 2012;</li> <li>Paxon Group has been appointed to perform an Asset Management System Effectiveness Review and an Operational Audit for the period 1 January 2013 to 31 December 2014; and</li> <li>Audit has noted that the CKB Reporting Matrix does provide for the performance of an Operational Audit and Asset Management System Effectiveness Review every 24 months.</li> </ul>	A	1
9	25	14.1	A licensee must, not less than once every 24 months, or such longer period as determined by the Authority, provide the Authority with an operational audit conducted by an independent expert acceptable to the Authority.	2	<ul style="list-style-type: none"> <li>An Asset Management Review and Operational Audit were performed by Cardno for the period 1 January 2011 to 31 December 2012;</li> <li>Paxon Group has been appointed to perform an Asset Management System Effectiveness Review and an Operational Audit for the period 1 January 2013 to 31 December 2014; and</li> <li>Audit has noted that the CKB Reporting Matrix does provide for the performance of an Operational Audit and Asset Management System Effectiveness Review every 24 months.</li> </ul>	A	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 8 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
10	26(3)	5.2	The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.	2	<ul style="list-style-type: none"> <li>CKB has stated that it does not have any knowledge of a code of practice made by the Minister which was applicable during the Audit Period.; and</li> <li>Audit has noted that the SOP Manual specifically covers “relevant acts, laws and policies” and specifically tasks the Manager, Sustainability and Waste to monitor and manage all amendments to and/or the introduction of relevant legislation.</li> </ul>	A	NR
11	27	5.3	The licensee must comply with the code of conduct that may be made by the Authority to the extent to which it applies to the licensee and is not inconsistent with the licence.	2	<p>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</p> <ul style="list-style-type: none"> <li>Audit has noted that the Code of Conduct is specifically included in the list of “State and Federal Government Acts &amp; Regulations” contained in the SOP Manual.</li> </ul>	A	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 9 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
12	29	26.1	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.	2	<ul style="list-style-type: none"> <li>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</li> <li>Audit has noted that the Act is specifically included in the list of “State and Federal Government Acts &amp; Regulations” contained in the SOP Manual.</li> </ul>	A	NR
13	36	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no water service was ceased during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 36 of the Act.</li> </ul> <p><b>Recommendation number 4/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 36 of the Act.</li> </ul>	D	NR
14	60	25.1	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	2	<ul style="list-style-type: none"> <li>CKB has stated that it was not a supplier of last resort during the Audit Period; and</li> </ul>	NP	NA

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 10 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number			Including Recommendations		
14 (cont.)	60	25.1	comply with the relevant duties and carry out the relevant operations prescribed.	2	<ul style="list-style-type: none"> <li>Specific systems, processes and controls are only expected to be in place when the stipulations of this clause are applicable.</li> </ul>	NP	NA
15	66	21.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no decisions of directions were given by the Western Australian Energy and Water Ombudsman (Ombudsman) during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 66 of the Act.</li> </ul> <p><b>Recommendation number 5/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 66 of the Act.</li> </ul>	D	NR
16	77(3)	5.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	2	<ul style="list-style-type: none"> <li>CKB has stated that 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; and</li> </ul>	A	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 11 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number			Including Recommendations		
16 (cont.)	77(3)	5.1		2	<ul style="list-style-type: none"> <li>Audit has noted that proper records were kept during the Audit Period, of all sewerage blockages as well as the duration thereof to help limit the extent of interruptions. CKB has stated that employees were responsible to limit the extent or duration of interruptions of non-potable water services during the Audit Period.</li> </ul>	A	1
17	82(4) & (5)	5.1	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 provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	2	<ul style="list-style-type: none"> <li>CKB has stated that no fee was charged for dealing with such notifications during the Audit Period. CKB has continued that it applied a 21 day turn around policy to all building applications received by it during the Audit Period. As a result, any written directions considered necessary to ensure the safety and efficacy of water services were expedited so as to enable the 21 day turn around policy to be complied with.</li> </ul>	A	1
18	84(2)	5.1	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that	2	<ul style="list-style-type: none"> <li>CKB has stated that no notices were given under section 83(3)(a) of the Act during the Audit</li> </ul>	D	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 12 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
18 (cont.)	84(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>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</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 6/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	NR
19	87(2)	5.1	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	2	<ul style="list-style-type: none"> <li>CKB has stated that it has no knowledge of any application(s) made to the State Administrative Tribunal during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 87(2) of the Act.</li> </ul>	D	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014"**  
(page 13 of 106)

19 (cont.)	87(2)	5.1	dealt with, except in limited circumstances.	2	<b>Recommendation number 7/2015 (sewerage services):</b>	D	NR
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No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
					<ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 87(2) of the Act.</li> </ul>		
20	90(7)	5.1	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 is located or the activity is taking place if the person to be given the notice is not the owner of the land.	2	<ul style="list-style-type: none"> <li>CKB has stated that no compliance notices were given during the Audit Period; and</li> <li>Audit 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. A proper system of internal control should anticipate the probability of a future issue of such compliance notices and consequently document procedures therefor.</li> </ul> <p><b>Recommendation number 8/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 14 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
21	95(3)	5.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	2	<ul style="list-style-type: none"> <li>CKB has stated that it did not provide potable water supply services to dwellings during the Audit Period.</li> </ul>	NP	NA
22	96(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that it did not provide potable water supply services during the Audit Period; and</li> <li>Fire hydrants require the use of potable water. As a result, this clause is not applicable to CKB's operations.</li> </ul>	NP	NA
23	96(5)	5.1	The licensee must comply with requests made under sections 96(3) and 96(4) of the Act to the extent practicable and within a reasonable time.	2	<ul style="list-style-type: none"> <li>CKB has stated that it did not provide potable water supply services during the Audit Period; and</li> <li>Fire hydrants require the use of potable water. As a result, this clause is not applicable to CKB's operations.</li> </ul>	NP	NA
24	98(3)	5.1	If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	2	<ul style="list-style-type: none"> <li>CKB has stated that no such direction was received from the Minister during the Audit Period; and</li> </ul>	NP	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 15 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
24 (cont.)	98(3)	5.1		2	<ul style="list-style-type: none"> <li>Specific systems, processes and controls are only expected to be in place when the stipulations of this clause are applicable.</li> </ul>	NP	NR
25	106(2)	5.1	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	2	<ul style="list-style-type: none"> <li>CKB has stated that no compliance notices were given during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB's issue of compliance notices (see <b>Recommendation number 8/2015</b> above).</li> </ul>	D	NR
26	110(3)	5.1	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"> <li>Compliance with this clause is limited to the provision of drainage services only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
27	112(5)	5.1	If required by the Minister, the licensee must modify the property drainage connection.	n/a	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of drainage services only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
28	119(2)	5.1	The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	2	<ul style="list-style-type: none"> <li>CKB has stated that no compliance notices were given during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB's issue of compliance notices (see <b>Recommendation number 8/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 16 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
29	122(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no compliance notices were given, and as such no applications were made to the State Administrative Tribunal, during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 122(2) of the Act.</li> </ul> <p><b>Recommendation number 09/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 122(2) of the Act.</li> </ul>	D	NR
30	125(2)	5.1	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> .	2	<ul style="list-style-type: none"> <li>CKB has stated that no apportionment of fees took place during the Audit Period; and</li> <li>Specific systems, processes and controls are only expected to be in place when the CKB does apply its discretion to apportion fees.</li> </ul>	NP	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014"**  
(page 17 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
31	128(4)	5.1	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.	2	<ul style="list-style-type: none"> <li>CKB has stated that no circumstances necessitated the withdrawal of a memorial during the Audit Period; and</li> <li>Specific systems, processes and controls are only expected to be in place when the stipulations of this clause are applicable.</li> </ul>	NP	NR
32	129(5)	5.1	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.	2	<p>CKB has stated that 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 that 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;</p> <ul style="list-style-type: none"> <li>Audit has examined two templates for letters used in these circumstances during the Audit Period. Audit has noted that the new template includes a date which will enable monitoring of</li> </ul>	B	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 18 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
32 (cont.)	129(5)	5.1		2	compliance with this clause in future; and • Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 129(5) of the Act. <b>Recommendation number 10/2015 (sewerage services):</b> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 129(5) of the Act.	B	1
33	139(3)	5.1	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.	2	• CKB has stated that no fences or gates were removed or erected during the Audit Period and thus no notification of the owner was required; and • Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 139(3) of the Act. <b>Recommendation number 11/2015 (sewerage services):</b> • The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 139(3) of the Act.	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 19 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
34	141(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that traffic management plans were compiled for the events mentioned in this clause during the Audit period. CKB has continued that such plans were provided to their Manager: Road and Transport at least 48 hours prior to such events occurring;</li> <li>Audit has examined a sample of traffic management plans compiled during the Audit Period and is satisfied it disclosed information in respect of road works; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 141(1) of the Act.</li> </ul> <p><b>Recommendation number 12/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 141(1) of the Act.</li> </ul>	B	1
35	142	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 20 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number		Including Recommendations			
35 (cont.)	142	5.1		2	<ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of major works.</li> </ul> <p><b>Recommendation number 13/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of major works.</li> </ul>	D	NR
36	143 (2)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR
37	143 (3)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 21 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
38	144(3)	5.1	The licensee must have regard to an objection or submission lodged within the relevant period.	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR
39	145(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR
40	147(3)	5.1	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).	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR
41	147(4)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no major works took place during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 22 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
42	151(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no general works were provided during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of general works.</li> </ul> <p><b>Recommendation number 14/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of general works.</li> </ul>	D	NR
43	151(2)	5.1	The licensee must give a notice setting out the matters referred to in section 151(3) to the persons and agencies specified.	2	<ul style="list-style-type: none"> <li>CKB has stated that no general works were provided during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of general works (see <b>Recommendation number 14/2015</b> above).</li> </ul>	D	NR
44	152(3)	5.1	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	2	<ul style="list-style-type: none"> <li>CKB has stated that no general works were provided during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB’s undertaking of general works (see <b>Recommendation number 14/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 23 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
45	153(3)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no general works were provided during the Audit Period; and</li> <li>A recommendation was made above in respect of CKB's undertaking of general works (see <b>Recommendation number 14/2015</b> above).</li> </ul>	D	NR
46	166(5)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that the Minister did not advise the licensee to acquire an interest in land during the Audit Period; and</li> <li>No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
47	166(6)	5.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	2	<ul style="list-style-type: none"> <li>CKB has stated that the Minister did not advise the licensee to acquire an interest in land during the Audit Period; and</li> <li>No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
48	170	5.1	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	2	<ul style="list-style-type: none"> <li>CKB has stated that it did not sell an interest in land during the Audit Period; and</li> </ul>	NP	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014"**  
(page 24 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
48 (cont.)	170	5.1	requirements under the <i>Planning and Development Act 2005</i> , unless the Minister permits the licensee to do so.	2	<ul style="list-style-type: none"> <li>No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
49	173(4)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that 48 hours' notice was given to occupants during the Audit Period in respect of proposed entry for purposes of doing works in respect of sewerage services. CKB has continued that in cases of emergencies (for sewerage services) during the Audit Period, it obtained consent for entry prior to entering a place for the purpose of doing works;</li> <li>Audit has examined two templates for letters used in these circumstances during the Audit Period. Audit noted that the new template includes a date which will enable monitoring of compliance with this clause in future; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 173(4) of the Act.</li> </ul>	B	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 25 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
49 (cont.)	173(4)	5.1		2	<b>Recommendation number 15/2015 (sewerage services):</b> The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 173(4) of the Act	B	1
50	174(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that notices of proposed entry were in writing during the Audit Period;</li> <li>• Audit has examined two templates for letters used in these circumstances during the Audit Period and found that such letters set out both the:                             <ul style="list-style-type: none"> <li>• Purpose of the entry; and</li> <li>• Any work proposed to be carried out.</li> </ul> </li> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 174(1) of the Act.</li> </ul> <b>Recommendation number 16/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 174(1) of the Act.</li> </ul>	B	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 26 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
51	174(3)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that such instances did take place during the Audit Period without it giving appropriate notice. However, no specific record was kept of such instances; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 174(3) of the Act.</li> </ul> <p><b>Recommendation number 17/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>CKB should give appropriate notice in the circumstances stipulated in section 174(3) of the Act; and</li> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 174(3) of the Act.</li> </ul>	D	2
52	175(2)	5.1	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.	2	<ul style="list-style-type: none"> <li>CKB has stated that it did perform the prescribed actions during the Audit Period, before entering a dwelling if the occupier was present; and</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 27 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
52 (cont.)	175(2)	5.1		2	<ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 175(2) of the Act.</li> </ul> <p><b>Recommendation number 18/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 175(2) of the Act.</li> </ul>	D	1
53	175(5)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that when an unoccupied dwelling was entered during the Audit Period, a note was left on a business card as to the:                             <ul style="list-style-type: none"> <li>Identity of the person who attended the property;</li> <li>Attendance time; and</li> <li>Request to call the CKB.</li> </ul> </li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 175(5) of the Act.</li> </ul> <p><b>Recommendation number 19/2015 (sewerage services):</b></p>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 28 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number					
53 (cont.)	175(5)	5.1		2	<ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 175(5) of the Act</li> </ul>	D	1
54	176(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that, during the Audit Period, no cases occurred where the owner or occupier of a place it entered, refused or withdrawn their consent for entry; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 176(1) of the Act.</li> </ul> <p><b>Recommendation number 20/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(1) of the Act.</li> </ul>	D	NR
55	176(3)	5.1	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 until they are not able to do so.	2	<ul style="list-style-type: none"> <li>CKB has stated that no inspectors or compliance officers were employed during the Audit Period and as such no certificates of authority were produced; and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 29 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
55 (cont.)	176(3)	5.1		2	<ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 176(3) of the Act.</li> </ul> <p><b>Recommendation number 21/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(3) of the Act.</li> </ul>	D	NR
56	176(4)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no cases took place, during the Audit Period, where the owner or occupier requested it to produce evidence of authority for their entry; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 176(4) of the Act.</li> </ul> <p><b>Recommendation number 22/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(4) of the Act.</li> </ul>	D	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 30 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
57	181	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no such requests were received from owners or occupiers during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 181 of the Act.</li> </ul> <p><b>Recommendation number 23/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 181 of the Act.</li> </ul>	D	NR
58	186	5.1	If the licensee applies for a warrant, the application must contain the prescribed information.	2	<ul style="list-style-type: none"> <li>CKB has stated that no applications for warrants were made during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of warrants</li> </ul> <p><b>Recommendation number 24/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of warrants.</li> </ul>	D	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 31 of 106)**

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5				Controls	Compliance
	Section Number	Clause Number			Including Recommendations		
59	187(1) – (3)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no applications for warrants were made during the Audit Period; and</li> <li>A recommendation was made above in respect of warrants (see <b>Recommendation number 24/2015</b> above).</li> </ul>	D	NR
60	190(4)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no applications for warrants were made during the Audit Period; and</li> <li>A recommendation was made above in respect of warrants (see <b>Recommendation number 24/2015</b> above).</li> </ul>	D	NR
61	190(5)	5.1	On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	2	<ul style="list-style-type: none"> <li>CKB has stated that no applications for warrants were made during the Audit Period; and</li> <li>A recommendation was made above in respect of warrants (see <b>Recommendation number 24/2015</b> above).</li> </ul>	D	NR
62	210(5)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no inspectors or compliance officers were employed during the Audit Period and as such no certificates of authority were issued; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in</li> </ul>	D	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014"** (page 32 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
62 (cont.)	210(5)	5.1		2	section 210(5) of the Act. <b>Recommendation number 25/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 210(5) of the Act.</li> </ul>	D	NR
63	218(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that it did comply with the stipulations of this clause during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 218(2) of the Act.</li> </ul> <b>Recommendation number 26/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 218(2) of the Act.</li> </ul>	D	1
64	218(3)	5.1	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	2	<ul style="list-style-type: none"> <li>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 has continued that no compensation payments</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 33 of 106)

No. <sup>3</sup>	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 - Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Act 2012	Water Services Operating Licence - Version 5			Including Recommendations	Controls	Compliance
	Section Number	Clause Number					
64 (cont.)	218(3)	5.1	not practicable to make good the damage.	2	were made during the Audit Period; and <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 218(3) of the Act.</li> </ul> <b>Recommendation number 27/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 218(3) of the Act.</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 34 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
65	23(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that it did not provide a water supply services in respect of a multi-unit development during the Audit Period; and</li> <li>• No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
66	24(4)	5.1	If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no meters were used in respect of providing sewerage services during the Audit Period. CKB has continued that readily available access existed to meters used for non-potable water supply services during the Audit Period and as such no compliance notices were issued in respect thereof; and</li> <li>• Audit 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).</li> </ul> <p><b>Recommendation number 28/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 35 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
66 (cont.)	24(4)	5.1		2	stipulated in Regulation 24(4) of the Regulations.	D	NR
67	26(3)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no meters were used in respect of providing sewerage services during the Audit Period. CKB has continued that no requests were received during the Audit Period to test meters; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 26 of the Regulations.</li> </ul> <p><b>Recommendation number 29/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 26 of the Regulations.</li> </ul>	D	NR
68	26(5)	5.1	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).	2	<ul style="list-style-type: none"> <li>CKB has stated that no meters were used in respect of providing sewerage services during the Audit Period. CKB has continued that no requests were received during the Audit Period to test meters; and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 36 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
68 (cont.)	26(5)	5.1		2	<ul style="list-style-type: none"> <li>A recommendation was made above in respect of CKB's testing of meters (see <b>Recommendation number 29/2015</b> above).</li> </ul>	D	NR
69	29(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no requests were received during the Audit Period to defer payment of an infrastructure contribution in respect of sewerage services. CKB has continued that no infrastructure contributions were payable in respect of non-potable water supply services during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 29(2) of the Regulations.</li> </ul> <p><b>Recommendation number 30/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 29(2) of the Regulations.</li> </ul>	D	NR
70	42(2)	5.1	The written order requiring the owner or occupier of land to install a backflow prevention	2	<ul style="list-style-type: none"> <li>CKB has stated that no backflow prevention devices were used for sewerage services</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 37 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
70 (cont.)	42(2)	5.1	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).	2	<p>during the Audit Period. CKB has stated that no written orders were given during the Audit Period to install a backflow prevention device in respect of non-potable water supply services; and</p> <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 42(2) of the Regulations.</li> </ul> <p><b>Recommendation number 31/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 42(2) of the Regulations.</li> </ul>	D	NR
71	43(3)	5.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device tested or maintained in accordance with the standard by a specified date (which must be at least 7 days after the notice is given).	2	<ul style="list-style-type: none"> <li>CKB has stated that no backflow prevention devices were used for sewerage services during the Audit Period. CKB has stated that no compliance notices were given during the Audit Period in respect of non-potable water supply services; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in</li> </ul>	D	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 38 of 106)**

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
71 (cont.)	43(3)	5.1		2	regulation 43 of the Regulations. <b>Recommendation number 32/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 43 of the Regulations.</li> </ul>	D	NR
72	43(6)	5.1	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).	2	<ul style="list-style-type: none"> <li>CKB has stated that no backflow prevention devices were used for sewerage services during the Audit Period. CKB has stated that no compliance notices were given during the Audit Period in respect of non-potable water supply services; and</li> <li>A recommendation was made above in respect of compliance notices issued in respect of backflow prevention devices (see <b>Recommendation number 32/2015</b> above).</li> </ul>	D	NR
73	53(3)	5.1	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"> <li>CKB has stated that such plans were freely available on the CKB website during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 53(3) of the Regulations.</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 39 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
73 (cont.)	53(3)	5.1		2	<b>Recommendation number 33/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 53(3) of the Regulations.</li> </ul>	D	1
74	60(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that no works powers were exercised in a road during the Audit Period; and</li> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 60(2) of the Regulations.</li> </ul> <b>Recommendation number 34/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 60(2) of the Regulations.</li> </ul>	D	NR
75	63	5.1	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	2	<ul style="list-style-type: none"> <li>CKB has stated that no road surfaces were opened or broken up during the Audit Period; and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 40 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
75 (cont.)	63	5.1	must take all reasonable measures to prevent that part of the road from being hazardous.	2	<ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 63 of the Regulations.</li> <li><b>Recommendation number 35/2015 (sewerage services):</b></li> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 63 of the Regulations.</li> </ul>	D	NR
76	65(1)	5.1	The licensee must maintain records for all land in respect of which water service charges apply.	2	<ul style="list-style-type: none"> <li>CKB has stated that Landgate records were used during the Audit Period as a base for sewerage services charges.</li> </ul>	A	1
77	65(2)	5.1	The records for all land in respect of which water service charges apply must contain prescribed information.	2	<ul style="list-style-type: none"> <li>CKB has stated that the land records used for sewerage services charges during the Audit Period did contain the prescribed information;</li> <li>Audit has examined a sample of rates notices issued during the Audit Period and is satisfied it disclosed the prescribed information;</li> <li>Audit has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 41 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Regulation Number	Clause Number					
77 (cont.)	65(2)	5.1		2	obligation contained in regulation 65(2) of the Regulations; and <ul style="list-style-type: none"> <li>• 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"> <li>• Water Services Act 2012;</li> <li>• Water Services Regulations 2013;</li> <li>• Water Services Code of Conduct (Customer Service Standards) 2013; and</li> <li>• WSOL – Version 5</li> </ul> </li> </ul> <b>Recommendation number 36/2015 (finance):</b> <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(2) of the Regulations.</li> </ul>	D	1
78	65(4)	5.1	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	2	CKB has stated that no requests were made during the Audit Period for inspection of land records or giving copies thereof; and	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 42 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
78 (cont.)	65(4)	5.1	person with a material interest in them, on payment of the prescribed charge.	2	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 37/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(4) of the Regulations.</li> </ul>	D	NR
79	67	5.1	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.	2	<ul style="list-style-type: none"> <li>CKB has stated that Landgate records were used during the Audit Period as a base for sewerage services charges;</li> <li>Audit has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 67 of the Regulations.</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 43 of 106)

79	67	5.1		2	Recommendation number 38/2015	D	1
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
(cont.)					<b>(finance):</b> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 67 of the Regulations.</li> </ul>		
80	68(5)	5.1	The licensee must consider an objection to the records maintained by a licensee under regulation 65 as soon as practicable.	2	<ul style="list-style-type: none"> <li>CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>Audit 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.</li> </ul> <b>Recommendation number 39/2015 (finance):</b> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 44 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
81	68(6)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR
82	68(7)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR
83	68(8)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 45 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
84	69(3)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR
85	70(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR
86	74(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 46 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
87	74(2)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that no objection to the records maintained by it under Regulation 65 was lodged during the Audit Period; and</li> <li>• A recommendation was made above in respect of objections to records maintained under Regulation 65 (see <b>Recommendation number 39/2015</b> above).</li> </ul>	D	NR
88	75(1)	5.1	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.	2	<ul style="list-style-type: none"> <li>• CKB has stated that rates notices were used during the Audit Period to inform rate payers as to sewerage charges. CKB has continued that water meter readings were used during the Audit Period to inform users of non-potable water supply service charges; and</li> <li>• Audit has examined a sample of rates notices and tax invoices issued during the Audit Period and is satisfied it contains the information necessary to assess liability for charges.</li> </ul>	A	1
89	85	5.1	Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying	2	<ul style="list-style-type: none"> <li>• CKB has stated that no compliance notices were given during the Audit Period; and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 47 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Regulations 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Regulation Number	Clause Number		(Rated as: 1 – High to 5 – Low)			
89 (cont.)	85	5.1	with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	2	<ul style="list-style-type: none"> <li>A recommendation was made above in respect of CKB’s issue of compliance notices (see <b>Recommendation number 8/2015</b> above).</li> </ul>	D	NR
90	86(6)	5.1	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 or identity card identifying the officer as a person authorised to issue infringement notices.	n/a	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to licensees which are water corporations, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
91	86(9)	5.1	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	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to licensees which are water corporations, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 48 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
92	7	5.3	The licensee must have written information for customers about the specified matters.	4	<ul style="list-style-type: none"> <li>Audit has noted that the document entitled: "City of Kalgoorlie-Boulder - Wastewater Collection &amp; 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; and</li> <li>Audit 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).</li> </ul> <p><b>Recommendation number 40/2015 (sewerage):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 7 of the Code of Conduct.</li> </ul>	<b>B</b>	<b>1</b>
93	8	5.3	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	4	<ul style="list-style-type: none"> <li>CKB has stated that all properties serviced by the sewer system have a junction provided as per drawings available by internet or at the</li> </ul>	<b>D</b>	<b>1</b>

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 49 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
93 (cont.)	8	5.3	on which the customer has paid the relevant fees and complied with the relevant requirements.	4	<p>CKB’s offices. CKB has continued that it is the responsibility of the owner to commission a plumber to connect to the junction as provided by CKB for that property;</p> <ul style="list-style-type: none"> <li>The Customer Service Charter states: “No fee applies where sewerage rates have been applied to a property, except for those subject to redevelopment where an additional junction is required to service the redevelopment.”; and</li> <li>“Every effort will be made to process these applications within seven (7) business days of receipt.”</li> <li>CKB has stated that no fees were charged for non-potable water supply services connections during the Audit Period.</li> </ul>	A	1
94	9	5.3	The licensee must issue a bill for non-quantity charges to each customer at least once in every 12 month period.	4	<ul style="list-style-type: none"> <li>CKB has stated that bills for sewerage services were issued on an annual basis during the Audit Period;</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 50 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
94 (cont.)	9	5.3		4	<ul style="list-style-type: none"> <li>Audit has examined a sample of Rates Notices issued during the Audit Period and is satisfied it levied sewerage charges on an annual basis; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 41/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 9 of the Code of Conduct.</li> </ul>	D	1
95	10(2)	5.3	The licensee must issue a bill for usage to each customer at least once in every 6 month period.	4	<ul style="list-style-type: none"> <li>CKB has stated that bills for usage of non-potable water supply services are issued on a monthly basis;</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 51 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
95 (cont.)	10(2)	5.3		4	<ul style="list-style-type: none"> <li>Audit has examined a sample of tax invoices issued during the Audit Period and is satisfied it levied non-potable water supply charges on a monthly basis; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 42/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 10(2) of the Code of Conduct.</li> </ul>	D	1
96	10(3)	5.3	The licensee must ensure a bill for usage is based on a meter reading to ascertain the quantity supplied or discharged.	4	<ul style="list-style-type: none"> <li>CKB has stated that meter readings for non-potable water supply services were taken once a month during the Audit Period;</li> <li>CKB has stated that no operating procedure manual existed during the Audit Period for</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 52 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
96 (cont.)	10(3)	5.3		4	<ul style="list-style-type: none"> <li>the non-potable water supply services that CKB provided; and</li> <li>A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).</li> </ul>	D	1
97	10(4)	5.3	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.	4	<ul style="list-style-type: none"> <li>CKB has stated that no estimations were made during the Audit Period of non-potable water quantities supplied;</li> <li>CKB has stated that no operating procedure manual existed during the Audit Period for the non-potable water supply services that CKB provided; and</li> <li>A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 53 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
98	10(5)	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no estimations were made during the Audit Period of non-potable water quantities supplied;</li> <li>• CKB has stated that no operating procedure manual existed during the Audit Period for the non-potable water supply services that CKB provided; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).</li> </ul>	D	NR
99	11	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that bills were sent to the property owner’s address, the lessee’s address (in case of commercial leases) or contract address during the Audit Period; and</li> <li>• Audit has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 11 of the Code of Conduct.</li> </ul>	D	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 54 of 106)**

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
99 (cont.)	11	5.3		4	<b>Recommendation number 43/2015 (finance):</b> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 11 of the Code of Conduct.</li> </ul>	D	1
100	12(1)	5.3	Each bill must contain the prescribed information.	n/a	<ul style="list-style-type: none"> <li>This clause has not come into operation at the date of the Audit and was thus not applicable to CKB during the Audit Period.</li> </ul>	NP	NA
101	12(2)	5.3	Each bill for usage for a metered water service must, in addition to the requirements of clause 12(1), contain the specified information.	n/a	<ul style="list-style-type: none"> <li>This clause has not come into operation at the date of the Audit and was thus not applicable to CKB during the Audit Period.</li> </ul>	NP	NA
102	12(3)	5.3	Each bill must inform the customer of the specified information and where further details can be obtained.	n/a	<ul style="list-style-type: none"> <li>This clause has not come into operation at the date of the Audit and was thus not applicable to CKB during the Audit Period.</li> </ul>	NP	NA
103	13(1)	5.3	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.	4	<ul style="list-style-type: none"> <li>CKB has stated that no estimates were made during the Audit Period of non-potable water quantities supplied;</li> <li>CKB has stated that no operating procedure manual existed during the Audit Period for</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 55 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
103 (cont.)	13(1)	5.3		4	the non-potable water supply services that CKB provided; and <ul style="list-style-type: none"> <li>A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).</li> </ul>	D	NR
104	13(2)	5.3	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.	4	<ul style="list-style-type: none"> <li>CKB has stated that no estimates were made during the Audit Period of non-potable water quantities supplied;</li> <li>CKB has stated that no operating procedure manual existed during the Audit Period for the non-potable water supply services that CKB provided; and</li> <li>A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 56 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
105	14(1)	5.3	The licensee must provide to the customer on request a meter reading and a bill in the prescribed circumstances.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no requests were received during the Audit Period for meter readings for intervals that differed from the usual billing cycle. CKB has continued that no estimates were made during the Audit Period of non-potable water quantities supplied;</li> <li>• CKB has stated that no operating procedure manual existed during the Audit Period for the non-potable water supply services that CKB provided; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).</li> </ul>	D	NR
106	15	5.3	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	4	<ul style="list-style-type: none"> <li>• The Customer Service Charter states: “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</li> </ul>	B	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 57 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
106 (cont.)	15	5.3	is likely to have been wasted because of a leak.	4	the customer.”; • However, it does not address the matter of leaks at all; • CKB has stated that no operating procedure manual existed during the Audit Period for the non-potable water supply services that CKB provided; and • A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation number 3/2015</b> above).	B	2
107	16(2)	5.3	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.	4	• CKB has stated that no recovery of undercharged amounts took place during the Audit Period; and • Audit 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.	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 58 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
107 (cont.)	16(2)	5.3		4	<b>Recommendation number 44/2015 (finance):</b> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 16 of the Code of Conduct.	D	NR
108	16(3)	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no recovery of undercharged amounts took place during the Audit Period; and</li> <li>• A recommendation was made above in respect of CKB’s recovery of undercharged amounts (see <b>Recommendation number 44/2015</b> above).</li> </ul>	D	NR
109	16(4)	5.3	The licensee must not charge interest or late payment fees on an undercharged amount.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no recovery of undercharged amounts took place during the Audit Period; and</li> <li>• A recommendation was made above in respect of CKB’s recovery of undercharged amounts (see <b>Recommendation number 44/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 59 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
110	16(5)	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no recovery of undercharged amounts took place during the Audit Period;</li> <li>• A recommendation was made above in respect of CKB’s recovery of undercharged amounts (see <b>Recommendation number 44/2015</b> above).</li> </ul>	D	NR
111	17(1)	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no customers were overcharged during the Audit Period;</li> <li>• The Customer Service Charter states: “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.”; and</li> <li>• Audit 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.</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 60 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
111 (cont.)	17(1)	5.3		4	<b>Recommendation number 45/2015 (finance):</b> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 17 of the Code of Conduct.</li> </ul>	D	NR
112	17(2)	5.3	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.	4	<ul style="list-style-type: none"> <li>CKB has stated that no customers were overcharged during the Audit Period;</li> <li>The Customer Service Charter states: "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."; and</li> <li>A recommendation was made above in respect of CKB's actions in respect of overcharged amounts (see <b>Recommendation number 45/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 61 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
113	18(1)	5.3	The licensee must review a bill on the customer's request.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no customer requested a review of a bill during the Audit Period;</li> <li>• Audit has examined a sample of rates notices and tax invoices issued during the Audit Period and is satisfied it discloses information in respect of objections and appeals; and</li> <li>• Audit 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.</li> </ul> <p><b>Recommendation number 46/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 18 of the Code of Conduct.</li> </ul>	D	NR
114	18(2)	5.3	The license must have a written procedure for the review of a bill on the customer's request.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no customer requested a review of a bill during the Audit Period; and</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 62 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
114 (cont.)	18(2)	5.3		4	<ul style="list-style-type: none"> <li>A recommendation was made above in respect of CKB's actions in respect of review of bills (see <b>Recommendation number 46/2015</b> above).</li> </ul>	D	2
115	18(3) & (6)	5.3	The review procedure in clause 18(2) must include the specified information and be publicly available.	4	<ul style="list-style-type: none"> <li>CKB has stated that no customer requested a review of a bill during the Audit Period;</li> <li>Audit 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; and</li> <li>A recommendation was made above in respect of CKB's actions in respect of review of bills (see <b>Recommendation number 46/2015</b> above).</li> </ul> <p><b>Recommendation number 47/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The review procedure should be disclosed on the CKB's website.</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 63 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
116	18(4)	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no customer requested a review of a bill during the Audit Period; and</li> <li>• A recommendation was made above in respect of CKB’s actions in respect of review of bills (see <b>Recommendation number 46/2015</b> above).</li> </ul>	D	2
117	18(5)	5.3	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.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no customer requested a review of a bill during the Audit Period; and</li> <li>• A recommendation was made above in respect of CKB’s actions in respect of review of bills (see <b>Recommendation 46/2015</b> above).</li> </ul>	D	NR
118	20	5.3	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.	4	<ul style="list-style-type: none"> <li>• CKB has stated that rate payers (sewerage services) were allowed 35 days for payment of charges during the Audit Period;</li> <li>• Audit 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</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 64 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5		(Rated as: 1 – High to 5 – Low)		Including Recommendations	Controls
	Clause Number	Clause Number					
118 (cont.)	20	5.3		4	<ul style="list-style-type: none"> <li>Code of Conduct.</li> </ul> <p><b>Recommendation number 48/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 20 of the Code of Conduct.</li> </ul>	D	1
119	21(1)	5.3	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	4	<ul style="list-style-type: none"> <li>CKB has stated that customers were allowed during the Audit Period to pay bills using any of the prescribed methods selected by the customer; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 49/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 65 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
119 (cont.)	21(1)	5.3		4	compliance obligations stipulated in clause 21 of the Code of Conduct.	D	1
120	21(2)	5.3	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.	4	<ul style="list-style-type: none"> <li>Audit has noted that Rates Notices issued during the Audit Period disclosed that no administration charges would be levied for payment of the total amount by the due date (irrespective of the selected payment method); A recommendation was made above in respect of CKB’s obligations in respect of different payment options (see <b>Recommendation number 49/2015</b> above).</li> </ul>	D	1
121	22	5.3	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	4	<ul style="list-style-type: none"> <li>CKB has stated that it used a “Direct Debit Agreement Authority Form” (Debit Form) during the Audit Period;</li> <li>Audit has noted that the Debit Form requires details of the owner of the property and the signature of the person whose bank account will be debited; and</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 66 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
121 (cont.)	22	5.3	account to be debited and of the customer or an adult person nominated by the customer, to do so.	4	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 50/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligation stipulated in clause 22 of the Code of Conduct.</li> </ul>	D	1
122	23(1)	5.3	The licensee must accept payment in advance from a customer on a customer's request.	4	<ul style="list-style-type: none"> <li>CKB has stated that it did accept payments in advance from customers during the Audit Period; and</li> <li>Audit 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.</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 67 of 106)

122	23(1)	5.3		4	Recommendation number 51/2015	D	1
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number					
(cont.)					(finance): <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 23(1) of the Code of Conduct.</li> </ul>		
123	24	5.3	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	4	<ul style="list-style-type: none"> <li>CKB has stated that no requests were received during the Audit Period to redirect customers' bills; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 52/2015</b></p> <p>(finance):</p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 24 of the Code of Conduct.</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 68 of 106)

124	25	5.3	The licensee must allow a customer to pay a bill under a payment plan or other arrangement	4	<ul style="list-style-type: none"> <li>Audit has examined a sample of rates notices and tax invoices issued during the Audit</li> </ul>	D	1
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
			under which the customer is given more time to payment difficulties.		<p>Period and is satisfied the rates notices provided customers with a number of payment options which allowed customers more time to pay their bills; and</p> <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 53/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligation stipulated in clause 25 of the Code of Conduct.</li> </ul>		
125	26(1) & (2)	5.3	The licensee must have a written policy in relation to financial hardship that is approved by the Authority.	4	<ul style="list-style-type: none"> <li>Audit has examined the document entitled: "City of Kalgoorlie-Boulder – Financial Hardship Policy for Water Services – April 2014" (Financial Hardship Policy);</li> </ul>	NP	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 69 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
125 (cont.)	26(1) & (2)	5.3		4	<ul style="list-style-type: none"> <li>• Audit has noted that the Financial Hardship Policy was approved by the Authority on 16 May 2014; and</li> <li>• 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.</li> </ul>	NP	1
126	26(3)	5.3	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"> <li>• The CKB’s Water Services Operating Licence commenced on 29 April 1996. As such, it was in place before the commencement of the Act;</li> <li>• The Code of Conduct took effect on 18 November 2013. As such, the CKB’s Financial Hardship Policy must have been finalised by 18 May 2014;</li> <li>• Audit has noted that the Financial Hardship Policy was approved by the Authority on 16 May 2014. As such, CKB complied with clause 26(3) in the Code of Conduct; and</li> </ul>	NP	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 70 of 106)**

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
126 (cont.)	26(3)	5.3		4	<ul style="list-style-type: none"> <li>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.</li> </ul>	NP	1
127	26(4)	5.3	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 licence.	4	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to licences which were granted after the day on which the Act came into effect. The CKB’s Water Services Operating Licence commenced on 29 April 1996. As such, it was in place before the commencement of the Act. Consequently this clause was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
128	26(5)	5.3	The licensee's financial hardship policy must be publicly available.	4	<ul style="list-style-type: none"> <li>Audit 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</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 71 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
128 (cont.)	26(5)	5.3		4	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 54/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>Only the Authority approved version of the Financial Hardship Policy should be available on the CKB website. In addition, the document should be readily available on the CKB website without having to conduct a specific search therefore; and</li> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(5) of the Code of Conduct.</li> </ul>	D	2
129	26(6)	5.3	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	4	<ul style="list-style-type: none"> <li>The Financial Hardship Policy became effective on 16 May 2014. As such, it only needs to be reviewed by 15 May 2019; and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 72 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
129 (cont.)	26(6)	5.3	relevant consumer organisations.	4	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 55/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(6) of the Code of Conduct.</li> </ul>	D	NR
130	27(2)	5.3	The 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.	4	<ul style="list-style-type: none"> <li>The Financial Hardship Policy states: “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.”; and</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 73 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
130 (cont.)	27(2)	5.3		4	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 56/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(2) of the Code of Conduct.</li> </ul>	D	1
131	27(3)	5.3	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.	4	<ul style="list-style-type: none"> <li>The Financial Hardship Policy states:                      “If you are in financial hardship, we will consider reducing the amount you owe us.”;                      and                      “If appropriate, we will review and revise your extension or payment plan.”</li> <li>Audit has noted that the Financial Hardship policy also provides appropriate information in respect of:</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 74 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
131 (cont.)	27(3)	5.3		4	<ul style="list-style-type: none"> <li>• Redirection of rate notices;</li> <li>• Payment options;</li> <li>• Concessions; and</li> <li>• Financial Counselling.</li> <li>• 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; and</li> <li>• Audit 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.</li> </ul> <p><b>Recommendation number 57/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>• The Financial Hardship Policy should contain an appropriate reference to other financial assistance to which the customer may be entitled; and</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 75 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
131 (cont.)	27(3)	5.3		4	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(3) of the Code of Conduct.</li> </ul>	D	1
132	28(1)	5.3	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.	4	<ul style="list-style-type: none"> <li>CKB could not recall whether during the Audit Period, instances occurred where owners were informed of proposed payment plans or similar arrangements with customers who were not land owners; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 58/2015 (finance):</b> The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 28 of the Code of Conduct.</p>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 76 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
133	28(4) & (5)	5.3	The licensee must have publicly available written information regarding the payment plans, arrangements and other assistance that is available to customers.	4	<ul style="list-style-type: none"> <li>• CKB has stated that during the Audit Period it did have publicly available written information regarding payment plans and arrangements available to customer;</li> <li>• Audit has noted that the rates notices issued during the Audit Period did disclose payment plans and arrangements available to customers;</li> <li>• Audit has further noted that the document entitled: "City of Kalgoorlie-Boulder – Budget and Rates information - 2014 – 2015" (Rates Brochure) also discloses payment plans and arrangements available to customers; and</li> </ul> <p>A recommendation was made above in respect of CKB's obligations in respect of payment plans, similar arrangements and other assistance (see <b>Recommendation number 58/2015</b> above).</p>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 77 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
134	29	5.3	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.	4	<ul style="list-style-type: none"> <li>CKB has stated that no debt recovery proceedings took place during the Audit Period; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 59/2015 (finance):</b></p> <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 29 of the Code of Conduct.</li> </ul>	D	NR
135	30(1)	5.3	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	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 78 of 106)**

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
136	30(2)	5.3	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	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
137	31	5.3	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	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
138	32	5.3	The licensee must not reduce the rate of flow of drinking water under the Act if the specified circumstances apply.	n/a	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
139	33	5.3	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"> <li>The CKB has stated that this clause did not relate to the provision of sewerage services during the Audit Period. The CKB has during the Audit Period.</li> </ul>	NP	NR

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 79 of 106)**

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
139 (cont.)	33	5.3		4	<ul style="list-style-type: none"> <li>continued that a non-pressurised system was used to provide non-potable water supply services, on request and when available,</li> </ul>	NP	NR
140	34(2)	5.3	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"> <li>Compliance with this clause is limited to the Water Corporation only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
141	34(3)	5.3	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"> <li>Compliance with this clause is limited to the Water Corporation only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
142	34(4)	5.3	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"> <li>The CKB has stated that this clause did not relate to the provision of sewerage services during the Audit Period. The CKB has continued that a non-pressurised system was used to provide non-potable water supply services, on request and when available, during the Audit Period; and</li> </ul>	NP	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 80 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
142 (cont.)	34(4)	5.3		4	<ul style="list-style-type: none"> <li>No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
143	34(5)	5.3	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"> <li>Compliance with this clause is limited to the Water Corporation only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
144	34(6)	5.3	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	<p>CKB has stated that it did provide non-potable water, in excess of its own requirements, on a contractual basis during the Audit Period. CKB has continued that 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.</p> <ul style="list-style-type: none"> <li>No specific systems, processes and controls are expected to be in place, due to the specific circumstances of CKB’s non-potable water</li> </ul>	NP	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 81 of 106)

144	34(6)	5.3		4	supply service.	NP	NR
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
(cont.)							
145	35(1)	5.3	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"> <li>Audit has noted that the CKB did complete a document entitled: "Customer Complaint Handling Procedure – Procedure No: CSC 01" (Complaints Handling Procedure) during the Audit Period (November 2013).</li> </ul>	A	1
146	35(2)	5.3	The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of the AS ISO 10002-2006 and the Authority's guidelines (if any).	4	<ul style="list-style-type: none"> <li>CKB has stated that it did develop its Complaints Handling Procedure without taking into account the relevant provisions of AS ISO 10002-2006.</li> </ul> <p><b>Recommendation number 60/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	2

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 82 of 106)**

147	35(3)	5.3	The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to	4	<ul style="list-style-type: none"> <li>Audit has noted that with one exception, CKB's Complaints Handling Procedure does deal appropriately with the matters specified in</li> </ul>	C	1
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
			complaints, dispute resolution arrangements and resolving complaints.		<p>Clause 35(3) of the Code of Conduct. The Customer Complaint Procedure refers to:</p> <ul style="list-style-type: none"> <li>• "...try to resolve the issue within two (2) working days..." and</li> <li>• "...that a full response may be made within seven (7) days."</li> <li>• Audit is satisfied with the fact that the 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 regarded as prudent to also refer to the 15 day maximum period allowed to resolve complaints.</li> </ul> <p><b>Recommendation number 61/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>• The Complaints Handling Procedure should be appropriately changed to state that complaints should be resolved before the end</li> </ul>		

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 83 of 106)**

147 (cont.)	35(3)	5.3		4	of the period of 15 business days starting on the day the complaint was received.	C	1
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
148	35(4)	5.3	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 instead of the procedures under the Act.	4	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul> <p><b>Recommendation number 62/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	2
149	35(6)	5.3	The licensee's complaints procedure must be publicly available.	4	<ul style="list-style-type: none"> <li>CKB has stated that the Complaints Handling Procedure is an internal document and is not available on the CKB's website. Clause 35(4)</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 84 of 106)

149 (cont.)	35(6)	5.3		4	of the Code of Conduct specifically refers to informing customers on specific matters which relate to customer complaints; and	D	2
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
					<ul style="list-style-type: none"> <li>Audit has noted that the Customer Service Charter is available on the CKB website.</li> </ul> <p><b>Recommendation number 63/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>CKB should make its customer complaints procedures publicly available to ensure compliance with clause 35(6) of the Code of Conduct.</li> </ul>		
150	36(1)	5.3	The licensee must provide a customer with the specified services on request and at no charge.	4	<ul style="list-style-type: none"> <li>CKB has stated that the specified services were provided without charge during the Audit Period; and</li> <li>Audit 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:                             <ul style="list-style-type: none"> <li>Use by customers with hearing or speech impairment; or</li> <li>Interpreter services.</li> </ul> </li> </ul>	D	2

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 85 of 106)**

150 (cont.)	36(1)	5.3		4	<b>Recommendation number 64/2015 (finance):</b>	D	2
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No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Including Recommendations	Controls
	Clause Number	Clause Number					
					<ul style="list-style-type: none"> <li>Appropriate references should be included on Rates Notices and Tax Invoices to accommodate the communication needs of all customers of the CKB.</li> </ul>		
151	36(1)	5.3	The licensee must provide a customer with the specified services on request and at no charge.	4	<ul style="list-style-type: none"> <li>This reporting obligation is a duplication of Reference Number 150 above.</li> </ul>	D	2
152	36(2)	5.3	The licensee must make available to each customer the customer's personal account information.	4	<ul style="list-style-type: none"> <li>Audit has examined a sample of rates notices and tax invoices issued during the Audit Period and found that customers' personal account information was disclosed on both documents.</li> </ul>	A	1
153	37(1)	5.3	The licensee must make the prescribed information publicly available.	4	<ul style="list-style-type: none"> <li>Audit has noted that the document entitled: "City of Kalgoorlie – Boulder – Budget and Rates Information – 2014 – 2015" (Rates Brochure) discloses appropriate information in respect of all the applicable matters referred to in Clause 37(1) with the exception of clause 37(1)(d) (which refers to services provided under clause 36 of the Code of Conduct);</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 86 of 106)

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Applied  (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Water Services Code of Conduct (Customer Service Standards) 2013	Water Services Operating Licence - Version 5				Controls	Compliance
	Clause Number	Clause Number		Including Recommendations			
153 (cont.)	37(1)	5.3		4	<ul style="list-style-type: none"> <li>• Clause 36 refers, amongst others, to the disclosure of information as to the availability of facilities for:                             <ul style="list-style-type: none"> <li>• Use by customers with hearing or speech impairment; or</li> <li>• Interpreter services.</li> </ul> </li> <li>• A recommendation was made above in respect of disclosure of the relevant information on the rates notices and tax invoices (see <b>Recommendation number 64/2015</b> above).</li> </ul>	D	2
154	Notes – Clause 12 [clause 37(2)]	5.3	The licensee must ensure that the specified information about bill may be obtained from its website.  [Commences operation on 18 November 2015]	4	<ul style="list-style-type: none"> <li>• This clause only commences operation on 18 November 2015 and was thus not applicable to CKB during the Audit Period.</li> </ul>	NP	NA

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 87 of 106)**

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
155	4	The licensee must pay the applicable fees in accordance with the Regulations.	5	<ul style="list-style-type: none"> <li>• CKB has stated that the only fees paid in accordance with the Regulations during the Audit Period related to the Ombudsman Western Australia; and</li> <li>• No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	1
156	5.1	Subject to any modifications or exemptions granted pursuant to the Act, the licensee must comply with any applicable legislation.	2	<ul style="list-style-type: none"> <li>• CKB’s compliance during the Audit Period, with the following is specifically addressed within this Report: <ul style="list-style-type: none"> <li>• Water Services Act 2012;</li> <li>• Water Services Regulations 2013;</li> <li>• Water Services Code of Conduct (Customer Service Standards) 2013; and</li> <li>• Water Services Operating Licence.</li> </ul> </li> <li>• Audit has noted that the SOP Manual specifically lists “State and Federal Government Acts &amp; Regulations” which CKB needs to comply with;</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 88 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
156 (cont.)	5.1	<ul style="list-style-type: none"> <li>The CKB Reporting Matrix should list all compliance obligations</li> </ul>	2	<ul style="list-style-type: none"> <li>A recommendation was made above in respect of including details of all compliance obligations that originate from CKB’s Water Services Operating Licence (see <b>Recommendation number 2/2015</b> above).</li> </ul> <p><b>Recommendation number 65/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	2
157	5.2	The licensee must comply with any code of practice made by the Minister to the extent it applies to the licensee.	2	<ul style="list-style-type: none"> <li>CKB has stated that it does not have any knowledge of a code of practice made by the Minister which was applicable during the Audit Period; and</li> <li>Audit has noted that the SOP Manual specifically covers “relevant acts, laws and policies” and specifically tasks the Manager, Sustainability and Waste to monitor and manage all amendments to and/or the introduction of relevant legislation.</li> </ul>	A	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 89 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
158	5.3	The licensee must comply with any code of conduct made by the Authority to the extent it applies to the licensee and is not inconsistent with the terms and conditions of the licence.	2	<ul style="list-style-type: none"> <li>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</li> <li>Audit has noted that the Code of Conduct is specifically included in the list of “State and Federal Government Acts &amp; Regulations” contained in the SOP Manual.</li> </ul>	A	NR
159	5.4	The licensee must comply with a direction from the Authority in relation to a breach of applicable legislation.	2	<ul style="list-style-type: none"> <li>CKB has stated that no direction was received from the Authority during the Audit Period in respect of a breach of applicable legislation; and</li> <li>No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
160	12	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.	2	<ul style="list-style-type: none"> <li>The Independent Auditor’s Reports, as included in the City of Kalgoorlie-Boulder’s Annual Reports for both the 2012 – 2013 and 2013 – 2014 financial year, state that the financial report complies with Australian Accounting Standards; and</li> <li>CKB has employed a CPA to manage its Finance Department.</li> </ul>	A	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 90 of 106)**

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
161	13.1	The licensee must comply with any individual performance standards prescribed by the Authority.	5	<ul style="list-style-type: none"> <li>• CKB has stated that it has no knowledge of any individual performance standards prescribed by the Authority during the Audit Period; and</li> <li>• No specific systems, processes and controls are expected to be in place, beyond compliance with the stipulations of this clause when applicable.</li> </ul>	NP	NR
162	14.4	The licensee must cooperate with the independent expert and comply with the Authority’s standard audit guidelines dealing with the operational audit.	5	<ul style="list-style-type: none"> <li>• CKB did cooperate with the Paxon Group during the performance of the operational audit and in particular with section 10.1 “Assistance provided by the Licensee” as included in the Authority’s document entitled: “Audit and Review Guidelines: Water Licences – July 2014”; and</li> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 14.4 of WSOL – Version 5.</li> </ul> <p><b>Recommendation number 66/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 14 (4) of WSOL – Version 5.</li> </ul>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 91 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
163	15.1(a), (b), (c)	The licensee must report to the Authority, 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"> <li>• CKB has stated that during the Audit Period, 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; and</li> <li>• 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 <b>Recommendation number 2/2015</b> above).</li> </ul>	D	NR
164	15.1(d)	The licensee must report to the Authority within 10 business days of providing or undertaking water service works that are major works or general works.	5	<ul style="list-style-type: none"> <li>• CKB has stated that no major works took place during the Audit Period; and</li> <li>• A recommendation was made above in respect of CKB’s undertaking of major works (see <b>Recommendation number 13/2015</b> above).</li> </ul>	D	NR
165	16.1	The licensee must provide the Authority any information that the Authority may require in connection with its functions under the Act in the time, manner and form specified by the Authority.	2	<ul style="list-style-type: none"> <li>• CKB has stated that during the Audit Period, the Authority only directed it to publish its Financial Hardship Policy;</li> <li>• Audit has noted the Financial Hardship Policy was only published on the CKB’s website after a specific request by the Authority;</li> </ul>	D	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 92 of 106)**

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
165 (cont.)	16.1		2	<ul style="list-style-type: none"> <li>A recommendation was made above in respect of updating the financial procedures documents to refer to the obligation to make the Financial Hardship Policy publicly available (see <b>Recommendation number 54/2015</b> above); and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 67/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	D	1
166	16.2	The licensee must comply with any information reporting requirements prescribed by the Authority, including but not limited to the provisions of the	2	<ul style="list-style-type: none"> <li>Audit has noted that the Compliance Report for the period 1 July 2012 to 30 June 2013 disclosed a non-compliance with the customer consultation stipulations as included in Schedule 3, clause 4.1 of</li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 93 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
166 (cont.)	16.2	Water Compliance Reporting Manual that apply to the licensee.	2	WSOL – Version 4; <ul style="list-style-type: none"> <li>The Reporting Matrix used during the Audit Period did refer to the obligation to submit annual performance reports to the ERA;</li> <li>Audit 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; and</li> <li>A recommendation was made above in respect of allocating responsibility for ensuring compliance with the dates disclosed in the Reporting Matrix to a specific person (see <b>Recommendation number 2/2015</b> above).</li> </ul> <b>Recommendation number 68/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The CKB should ensure that:                             <ul style="list-style-type: none"> <li>All reports are submitted on time to the Authority; and</li> </ul> </li> </ul>	D	2

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 94 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
166 (cont.)	16.2		2	<ul style="list-style-type: none"> <li>Adequate records are maintained in respect of all communication with the Authority.</li> </ul>	D	2
167	16.3	The licensee must provide the Authority with the data required for performance reporting purposes that is specified in <i>Water Compliance Reporting Manual</i> , and the National Performance Framework that apply to the licensee.	2	<ul style="list-style-type: none"> <li>Audit has noted that the CKB's Water Licence Performance Report for 2013/14 complied with the specifications contained in the "2013-14 Water, Sewerage and Irrigation Licence Performance Reporting Datasheets as disclosed on the ERA Website;</li> <li>The report disclosed the following information:                             <ul style="list-style-type: none"> <li>4.2 sewerage service complaints were received per 1,000 properties;</li> <li>No billing and account complaints were received; and</li> <li>100% of the 63 customer complaints received were resolved within 15 business days.</li> </ul> </li> <li>The Reporting Matrix used during the Audit Period did refer to the obligation to submit annual performance reports to the ERA;</li> </ul>	A	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 95 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
167 (cont.)	16.3		2	<ul style="list-style-type: none"> <li>Audit has noted that the CKB’s performance reporting datasheets for 2012/13 complied with the specifications contained in the “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012”;</li> <li>The report disclosed the following information:                             <ul style="list-style-type: none"> <li>99.7% of connected properties did not experience a wastewater overflow (12 month data);</li> <li>100% of customer complaint were resolved within 15 business days; and</li> <li>100: of customers, within one hour of reporting an emergency, were advised of the nature and timing of the action to be undertaken by the licensee.</li> </ul> </li> <li>CKB thus complied with the performance indicators contained in Schedule 4 of WSOL – Version 4 during the Audit Period;</li> </ul>	A	1
168	17.2	Subject to clause 17.3, the licensee must publish within the specified timeframe any information that the Authority has directed the licensee to publish under clause 17.1.	5	<ul style="list-style-type: none"> <li>CKB has stated that during the Audit Period, the Authority did not direct it to publish any information, except as indicated above (See Reference number 165); and</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 96 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
168 (cont.)	17.2		5	<ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 17.2 of WSOL – Version 5.</li> </ul> <p><b>Recommendation number 69/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 17.2 of WSOL – Version 5.</li> </ul>	D	NR
169	18.1	Unless otherwise specified, all notices must be in writing.	5	<ul style="list-style-type: none"> <li>Notices were given in writing during the Audit Period. Audit has seen numerous examples, as referred to throughout this Audit Report to support this statement; and</li> <li>Audit 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.</li> </ul> <p><b>Recommendation number 70/2015 (sewerage services):</b></p>	C	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 97 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
169 (cont.)	18.1		5	<ul style="list-style-type: none"> <li>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.</li> </ul>	C	1
170	20.1	The licensee must provide for, and notify the Authority of, an asset management system within the specified time unless otherwise notified by the Authority.	2	<ul style="list-style-type: none"> <li>The licence for the provision of both non-potable water supply services and sewerage services commenced on 29 April 1996. As such, this licence clause falls outside the current Audit Period; and</li> <li>Audit has noted that CKB did have both an Asset Management Plan and a SOP Manual during the Audit Period. The SOP Manual provides for the update of both these documents.</li> </ul>	A	1
171	20.2	The licensee must notify the Authority of any material change to the asset management system within 10 business days of the change.	2	<ul style="list-style-type: none"> <li>CKB has stated that no material changes occurred during the Audit Period in respect of either the sewerage services or the non-potable water supply services it provides; and</li> <li>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 <b>Recommendation number 2/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 98 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
172	20.6	The licensee must cooperate with the independent expert and comply with the Authority’s standard guidelines dealing with the asset management system review.	2	<ul style="list-style-type: none"> <li>• CKB did cooperate with the Paxon Group during the performance of the Asset Management System Effectiveness Review and in particular with section 10.1 “Assistance provided by the Licensee” as included in the Authority’s document entitled: “Audit and Review Guidelines: Water Licences – July 2014”; and</li> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 20.6 of WSOL – Version 5.</li> </ul> <p><b>Recommendation number 71/2015 (sewerage services):</b></p> <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 20.6 of WSOL – Version 5.</li> </ul>	D	1
173	21.1	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"> <li>• CKB has stated that it became a member of the water services ombudsman scheme during the Audit Period; and</li> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 21.1 of WSOL – Version 5.</li> </ul>	D	1

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 99 of 106)**

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
173 (cont.)	21.1		5	<b>Recommendation number 72/2015 (sewerage services):</b> <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 21.1 of WSOL – Version 5.</li> </ul>	D	1
174	22.1	Subject to the Act and the terms of a customer contract that apply to the water service, the licensee must supply water services in accordance with the terms and conditions set out in Schedule 4 (if any).	5	<ul style="list-style-type: none"> <li>Schedule 4 to the WSOL - Version 5 does not disclose any standard terms and conditions of service, and this clause was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
175	23.1	If directed by the Authority, the licensee must submit a draft customer contract for approval.	5	<ul style="list-style-type: none"> <li>CKB has stated that it was not directed by the Authority to submit a draft customer contract for approval during the Audit Period;</li> <li>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. As such, this obligation is not documented by CKB; and</li> <li>A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation 3/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 100 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
176	23.2	The licensee must comply with any <i>Customer Contract Guidelines</i> that apply to the licensee.	5	<ul style="list-style-type: none"> <li>• CKB has stated that it did comply with DOH guidelines during the Audit Period;</li> <li>• 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. As such, this obligation is not documented by CKB; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation 3/2015</b> above).</li> </ul>	D	1
177	23.3	The licensee may only amend the customer contract with the Authority's approval.	5	<ul style="list-style-type: none"> <li>• CKB has stated that it did not amend any customer contracts during the Audit Period;</li> <li>• 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. As such, this obligation is not documented by CKB; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation 3/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 101 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
178	23.6	The licensee must comply with any direction by the Authority to amend the customer contract.	5	<ul style="list-style-type: none"> <li>• CKB has stated that no direction was received during the Audit Period from the Authority to amend customer contracts;</li> <li>• 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. As such, this obligation is not documented by CKB; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non- potable water supply services that CKB provides (see <b>Recommendation 3/2015</b> above).</li> </ul>	D	NR
179	24.1 and 24.2	Unless clause 24.3 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>Customer Services Code</i> without the prior approval of the Authority.	5	<ul style="list-style-type: none"> <li>• CKB has stated that all customer contracts were entered into prior to the Audit Period;</li> <li>• 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. As such, this obligation is not documented by CKB; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non- potable water supply services that CKB provides (see <b>Recommendation 3/2015</b> above).</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 102 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
180	24.4	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>Customer Services Code</i> , the licensee must publish an annual report	5	<ul style="list-style-type: none"> <li>• CKB has stated that no annual report is required in terms of clause 24.4 of WSOL – Version 5.</li> <li>• 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. As such, this obligation is not documented by CKB; and</li> <li>• A recommendation was made above in respect of compiling an operating procedure manual for the non-potable water supply services that CKB provides (see <b>Recommendation 3/2015</b> above).</li> </ul>	D	NR
181	25.1	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.	5	<ul style="list-style-type: none"> <li>• CKB has stated that it was not a supplier of last resort during the Audit Period; and</li> <li>• Specific systems, processes and controls are only expected to be in place when the stipulations of this clause are applicable.</li> </ul>	NP	NR
182	28.1(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 Authority.	2	<ul style="list-style-type: none"> <li>• CKB has stated that it did not provide any water services outside of the operating area of the licence during the Audit Period;</li> </ul>	D	NR

Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 103 of 106)

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
182 (cont.)	28.1(b)		2	<ul style="list-style-type: none"> <li>Audit has noted that the 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.</li> <li>A recommendation was made above in respect of disclosures to be included in the CKB’s Reporting Matrix (see <b>Recommendation 2/2015</b> above).</li> </ul>	D	NR
183	30.3	The licensee must comply with the Authority’s Financial Hardship Policy Guidelines as they apply to the licensee.	5	<ul style="list-style-type: none"> <li>Audit has examined the document entitled: “City of Kalgoorlie-Boulder – Financial Hardship Policy for Water Services – April 2014” (Financial Hardship Policy);</li> <li>Audit has noted that the Financial Hardship Policy was approved by the Authority on 16 May 2014; and</li> <li>Audit has noted that 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.</li> </ul> <p><b>Recommendation 73/2015 (finance):</b></p>	D	1

Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 104 of 106)

183	30.3		5	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance</li> </ul>	D	1
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No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
(cont.)				obligations stipulated in clause 30.3 of WSOL – Version 5.		
184	31.1	The licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date.	n/a	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
185	31.2	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"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
186	31.3	The licensee must comply with the terms of the Memorandum of Understanding.	n/a	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
187	31.4	The licensee must publish 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"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Act 2012 – April 2014" (page 105 of 106)**

No.	Obligation Under: Water Services Operating Licence 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 XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
188	31.5	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"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
189	31.6	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"> <li>Compliance with this clause is limited to the provision of potable water only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
190	Sch. 3	The licensee must comply with the service and performance standards as set out in Schedule 3.	5	<ul style="list-style-type: none"> <li>Schedule 3 to the WSOL - Version 5 does not disclose any service and performance standards, and this clause was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA

**Table 11: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014” (page 106 of 106)**

#### 4.5 Audit Observations and Recommendations: Water Services Licensing Act 1995

This Summary only lists obligations under Water Services Operating Licence (WSOL) – Version 4, which were discontinued under Water Services Operating Licence – Version 5. Obligations included in WSOL -Version 4 and carried forward in WSOL – Version 5, are disclosed in section 5.4.

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number			Including Recommendations	Controls	Compliance
<b>Obligations under the Water Services Licensing Act 1995 (Numbers 2 and 7)</b>						
9	6.1	The licensee must establish a customer complaints process as set out in Schedule 3.	2	<ul style="list-style-type: none"> <li>Audit has noted that CKB did have a document entitled: “City of Kalgoorlie-Boulder – Wastewater Collection &amp; Treatment Service - Customer Service Charter – March 2011” during the Audit Period. This document does deal with the customer complaints process in section 2:9 entitled: “Enquiries, Suggestions, Complaints and Disputes”;</li> <li>Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>The compliance obligation referred to in clause 6.1 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	<b>D</b>	<b>1</b>

Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 1 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number			Including Recommendations	Controls	Compliance
10	Sch. 3 Cl. 3.1	The licensee must resolve customer complaints within 15 business days of the receipt of complaint.	n/a	<ul style="list-style-type: none"> <li>Local Government Authorities were excluded from compliance with this clause, and as such it was not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
11	Sch. 3 Cl. 3.8	The licensee must resolve customer complaints within 15 business days of the receipt of complaint or for matters to be considered by a Local Government Council within 5 business days after the first ordinary Council meeting following the 15 business day period.	2	<ul style="list-style-type: none"> <li>A comprehensive complaints register across all service divisions in the CKB was presented for Audit purposes;</li> <li>However, the register presented only contained entries from September 2013 onwards;</li> <li>The complaints register did not disclose a single sewerage services or non-potable water supply services related complaint for the Audit period;</li> <li>Internal records kept by Waste Services, disclosed numerous instances of sewer blockages which occurred during the Audit Period;</li> <li>All of these complaints were resolved within one business day;</li> <li>As such, it appears as if the complaints register kept during the Audit Period may be incomplete; and</li> <li>The compliance obligation referred to in schedule 3 clause 3.8 of WSOL – Version 4 is not included</li> </ul>	B	1

**Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012" (page 2 of 12)**

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
11 (cont.)	Sch. 3 Cl. 3.8			<ul style="list-style-type: none"> <li>in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	2
12	Sch. 3 Cl. 3.2 (b)	The licensee must provide appropriately trained staff to respond to complaints.	n/a	<ul style="list-style-type: none"> <li>Local Government Authorities were excluded from compliance with this clause, and as such it was not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
13	Sch. 3 Cl. 3.9 (b)	The licensee must provide one trained staff who is authorised or has access to another officer who is authorised to make necessary decisions to respond to complaints.	2	<ul style="list-style-type: none"> <li>CKB has stated that during the Audit Period it employed two technical staff members, whose job duties included, amongst others, resolving customer complaints;</li> <li>Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>The compliance obligation referred to in schedule 3 clause 3.9(b) of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	1
14	Sch. 3 Cl. 3.2 (d)	The licensee must provide an appropriate system to monitor and record the number, nature of and outcomes to complaints.	2	<ul style="list-style-type: none"> <li>The complaints register, covering complaints made during the Audit Period, disclosed amongst others, the following information in respect thereof:</li> </ul>	A	1

**Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012" (page 3 of 12)**

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
14 (cont.)	Sch. 3 Cl. 3.2 (d)			<ul style="list-style-type: none"> <li>• Unique reference number;</li> <li>• Nature of; and</li> <li>• Outcome of complaints.</li> <li>• This information was also recorded in the internal records kept by Waste Services in respect of complaints made during the Audit Period.</li> </ul>	A	1
15	Sch. 3 Cl. 3.4	The licensee must inform the customer of the option to refer a disputed complaint to the Department of Water.	n/a	<ul style="list-style-type: none"> <li>• Local Government Authorities were excluded from compliance with this clause, and as such it was not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
16	Sch. 3 Cl. 3.10	The licensee must inform the customer of the option to refer a disputed complaint to the Department of Water unless the complaint is a matter that relates to section 3.22 of the <i>Local Government Act 1995</i> .	2	<ul style="list-style-type: none"> <li>• Audit has noted that the document entitled: “City of Kalgoorlie-Boulder – Wastewater Collection &amp; Treatment Service - Customer Service Charter – March 2011” states the following:  “If the matter has not been resolved to your satisfaction within 21 days, you may refer the matter to the Department of Water, which will seek a detailed explanation of the nature of the complaint, the solutions or actions offered by the City of Kalgoorlie-Boulder and the reasons why these are not acceptable to you. The Department of Water will respond with its opinion on the</li> </ul>	B	1

Table 12: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 4 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number			Including Recommendations	Controls	Compliance
16 (cont.)	Sch. 3 Cl. 3.10			matter and suggest a solution to the parties involved.”; • Audit has noted that no reference is made to this obligation in the SOP Manual; and • The compliance obligation referred to in schedule 3 clause 3.10 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.	B	1
17	Schedule 3 Clause 3.6	The licensee must co-operate with the Department of Water’s request for information concerning a disputed complaint.	2	• CKB has stated that no request for information was received from the Department of Water during the Audit Period; • Audit has noted that no reference is made to this obligation in the SOP Manual; and • The compliance obligation referred to in schedule 3 clause 3.6 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.	D	NR
18	Schedule 3 Clause 3.7	The licensee must, on request, provide complaints details to the Department of Water.	2	• CKB has stated that no request for complaints detail was received from the Department of Water during the Audit Period;	D	NR

**Table 12: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 5 of 12)**

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
18 (cont.)	Schedule 3 Clause 3.7 (continued)			<ul style="list-style-type: none"> <li>Audit has noted that no reference is made to this obligation in the SOP Manual; and.</li> <li>The compliance obligation referred to in schedule 3 clause 3.6 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	NR
19	Clause 7.1	The licensee must establish a Customer Service Charter as set out in Schedule 3.	4	<ul style="list-style-type: none"> <li>Audit has noted that CKB did have a document entitled: “City of Kalgoorlie-Boulder – Wastewater Collection &amp; Treatment Service - Customer Service Charter – March 2011” during the Audit Period; and</li> <li>No specific systems, processes and controls are expected to be in place, beyond the establishment of the Customer Service Charter.</li> </ul>	A	1
20	Schedule 3 Clause 2.5	The licensee must make the Customer Service Charter available to its customers in the three ways detailed in their licence.	4	<ul style="list-style-type: none"> <li>CKB has stated that the Customer Service Charter was made available to its customers in the following ways during the Audit Period:                             <ul style="list-style-type: none"> <li>Making it available at the front counter of the CKB’s offices in Kalgoorlie; and</li> <li>Sending copies to customers every second year.</li> </ul> </li> </ul>	D	1

Table 12: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 6 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number			Including Recommendations	Controls	Compliance
20 (cont.)	Schedule 3 Clause 2.5			<ul style="list-style-type: none"> <li>• CKB has continued that no requests were received during the Audit Period to send copies of the Customer Service Charter to customers;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>• The compliance obligation referred to in schedule 3 clause 2.5 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	1
21	Schedule 3 Clause 2.6 or 2.7	The licensee must review its Customer Service Charter at least once in every three year period.	4	<ul style="list-style-type: none"> <li>• CKB has stated that a review of the Customer Service Charter did take place in 2013. CKB has continued that the results of the review were not applied in anticipation of the implementation of the changes brought about by the Water Services Act 2012;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>• The compliance obligation referred to in schedule 3 clause 2.6 or 2.7 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	1

Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012" (page 7 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Including Recommendations			Controls	Compliance	
22	Schedule 3 Clause 2.7 or 2.8	The licensee must provide its services consistent with its Customer Service Charter.	4	<ul style="list-style-type: none"> <li>• CKB has stated that it did provide its services consistent with its Customer Service Charter during the Audit Period;</li> <li>• Audit has noted that customer complaints were resolved well within 15 business day rule during the Audit Period;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>• The compliance obligation referred to in schedule 3 clause 2.7 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	1
23	Clause 8	The licensee must establish customer consultation processes as set out in Schedule 3.	4	<ul style="list-style-type: none"> <li>• CKB has stated that no formal customer consultation processes were operational during the Audit Period. CKB has continued that customer consultation, during the Audit Period, was limited to formal representation via elected members or as required by the Local Government Act 1995;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> </ul>	D	2

Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012" (page 8 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number				Including Recommendations	Controls	Compliance
23 (cont.)	Clause 8				<ul style="list-style-type: none"> <li>The compliance obligation referred to in clause 8 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	2
24	Schedule 3 Clause 4.1	The licensee may either establish a Customer Council or institute at least 2 of the following: establish a regular meeting; publish a newsletter or run other public forums, concerning the licensed activities.	4		<ul style="list-style-type: none"> <li>An appropriate answer was provided above for Reference Number 24.</li> </ul>	D	2
25	Schedule 3 Clause 4.2	The licence must consult the Authority on the type and extent of consultation to be adopted by the licensee.	4		<ul style="list-style-type: none"> <li>CKB has stated that during the Audit Period it did not consult the Authority on the type and extent of consultation it had to adopt;</li> <li>Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>The compliance obligation referred to in schedule 3, clause 4.2 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	2
26	Schedule 3 Clause 4.2	The licensee must, if at the request of the Authority, establish other forums for consultations, to enable community involvement in issues relevant to licence obligations.	4		<ul style="list-style-type: none"> <li>CKB has stated that the Authority did not request it to establish other forums for consultation during the Audit Period;</li> </ul>	D	NR

**Table 12: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 9 of 12)**

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number			Including Recommendations	Controls	Compliance
26 (cont.)	Schedule 3 Clause 4.2 (continued)			<ul style="list-style-type: none"> <li>Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>The compliance obligation referred to in schedule 3 clause 4.5 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	NR
27	Schedule 3 Clause 4.4	The licensee must hold season opening and closing public meetings, and the agenda must cover at least season opening and closing conditions, tariffs and scheme operation.	n/a	<ul style="list-style-type: none"> <li>Compliance with this clause is limited to irrigation services only, and was thus not applicable to the CKB during the Audit Period.</li> </ul>	NP	NA
28	Schedule 3 Clause 4.5	The licensee must prior to making a major change to the operation of a water service hold a public meeting and seek written submissions.	n/a	<ul style="list-style-type: none"> <li>CKB has stated that no major change was made to the operation of a water service during the Audit Period;</li> <li>Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>The compliance obligation referred to in schedule 3 clause 4.5 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	NR

Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012" (page 10 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4		Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number	Including Recommendations			Controls	Compliance	
29	Schedule Clause 4.6	3	The licensee must allow customers to raise matters of concern regarding Council public question time in accordance with the <i>Local Government Act 1995</i> .	n/a	<ul style="list-style-type: none"> <li>• CKB has stated that customers did not raise any matters of concern during the Audit Period. CKB has continued that during the Audit Period, customers were given the opportunity to raise matters of concern at general council meetings, special council meetings (during ‘public question time’) and at ratepayers’ meetings;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and.</li> <li>• The compliance obligation referred to in schedule 3 clause 4.5 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	NR
32	Schedule Clause 6	3	The licensee must conduct a customer survey if directed to by the Authority.	5	<ul style="list-style-type: none"> <li>• CKB has stated that it was not directed to conduct a customer survey during the Audit Period;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>• The compliance obligation referred to in schedule 3 clause 6 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	NR

Table 12: Audit Observations and Recommendations: Obligations as per the Authority’s: “Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012” (page 11 of 12)

No.	Obligation Under: Water Services Operating Licence - Version 4	Summary Description of Obligation	Audit Priority Applied (Rated as: 1 – High to 5 – Low)	Systems, Processes and Controls in Place at XYZ Limited to Ensure Compliance with Licence Obligations	Ratings (as per Table 7)	
	Clause Number			Including Recommendations	Controls	Compliance
49	Clause 22.2 and 22.4	The licensee must publish relevant information directed to do so by the Authority within the specified timeframe.	5	<ul style="list-style-type: none"> <li>• CKB has stated that during the Audit Period the Authority did not direct it to publish relevant information;</li> <li>• Audit has noted that no reference is made to this obligation in the SOP Manual; and</li> <li>• The compliance obligation referred to in clauses 22.2 and 22.4 of WSOL – Version 4 is not included in WSOL – Version 5. As a result, no recommendation is made as no current compliance obligation exists in respect thereof.</li> </ul>	D	NR

Table 12: Audit Observations and Recommendations: Obligations as per the Authority's: "Water Compliance Reporting Manual – Water Services Licensing Act 1995 – July 2012" (page 12 of 12)

4.6 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	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 13: Current Audit: Non-Compliances and Recommendations (page 1 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
1 (1/2015)	<ul style="list-style-type: none"> <li>• 1 C;</li> <li>• LO: Water Services Act 2012 (Act): 21(1)(a) and Water Services Operating Licence (WSOL) – Version 5: 27.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that the document entitled: “Engineering Services Directorate – Sustainability &amp; Waste Services – Standard Operating Procedures (SOP) Manual – Version 7.1” (SOP Manual) does not refer to the:                                     <ul style="list-style-type: none"> <li>• Water Services Operating Licence; nor the</li> <li>• Water Services Regulations 2013.</li> </ul> </li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be appropriately updated to refer to all applicable legislation, rules and regulations applicable to CKB’s operations.</li> </ul>	
4, 7, 156, 163, 171 & 182 (2/2015)	4: <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Act: 22 and WSOL – Version 5: 28.1.</li> </ul> 7: <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Act: 24(1)(b) and WSOL – Version 5: 20.2.</li> </ul>	All services: <ul style="list-style-type: none"> <li>• The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL);</li> <li>• 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;</li> </ul>	

**Table 13: Current Audit: Non-Compliances and Recommendations (page 2 of 32)**

<sup>4</sup> The ‘No.’ refers to the compliance obligation reference number, as per the Authority’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – April 2014”

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
4, 7, 156, 163, 171 & 182 (2/2015) (continued)	<p>156:</p> <ul style="list-style-type: none"> <li>• 2 D; and</li> <li>• LO: Act: 12 and WSOL – Version 5: 5.1.</li> </ul> <p>163, 171 and 182:</p> <ul style="list-style-type: none"> <li>• NR D;</li> <li>• LO: Act: 12 and WSOL – Version 5: 15.1(a), (b) and (c), 20.2 and 28.1(b).</li> </ul> <p>• Details:</p> <ul style="list-style-type: none"> <li>• Audit 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</li> <li>• Audit has noted that the CKB Reporting Matrix does not list any reporting obligation in respect of changes to CKB's asset management system.</li> </ul>	<ul style="list-style-type: none"> <li>• The Reporting Matrix should also be changed to include the following information: <ul style="list-style-type: none"> <li>• Operating Licence reference;</li> <li>• Compliance requirement;</li> <li>• Frequency of action specified;</li> <li>• (Next) due date;</li> <li>• Responsible officer; and</li> <li>• Notes.</li> </ul> </li> <li>• A specific person should be allocated responsibility for: <ul style="list-style-type: none"> <li>• Ensuring compliance with the dates disclosed in the Reporting Matrix; and</li> <li>• Continually updating the Reporting Matrix.</li> </ul> </li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations (page 3 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
6, 96, 97, 98, 103, 104, 105, 106, 175, 176, 177, 178, 179 & 180 (3/2015)	<p>6:</p> <ul style="list-style-type: none"> <li>• 2 C; and</li> <li>• LO: Act: 24(1)(a) &amp; 24(2) and WSOL – Version 5: 20.1.</li> </ul> <p>96 &amp; 97:</p> <ul style="list-style-type: none"> <li>• 1 D; and</li> <li>• LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clauses 10(3), 10(4) and WSOL – Version 5: 5.3.</li> </ul> <p>98, 103, 104 &amp; 105:</p> <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Code of Conduct: clauses 10(5), 13(1), (13(2) and 14(1) and WSOL – Version 5: 5.3.</li> </ul> <p>106:</p> <ul style="list-style-type: none"> <li>• 2 B; and</li> <li>• LO: Code of Conduct: clause 15 and WSOL – Version 5: 5.3.</li> </ul> <p>175, 177, 178, 179 &amp; 180 :</p> <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Act: 12 and WSOL – Version 5: 23.1, 23.3, 23.6, 24.1-2 and 24.4.</li> </ul>	<p>Non- potable water supply services:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations (page 4 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
6, 96, 97, 98, 103, 104, 105, 106, 175, 176, 177, 178, 179 & 180 (3/2015) (continued)	176: <ul style="list-style-type: none"> <li>• 1 D; and</li> <li>• LO: Act: 12 and WSOL – Version 5: 23.2.</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>		
13 (4/2015)	<ul style="list-style-type: none"> <li>• NR D;</li> <li>• LO: Act: 36 and WSOL – Version 5: 5.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 36 of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 36 of the Act.</li> </ul>	
15 (5/2015)	<ul style="list-style-type: none"> <li>• NR D;</li> <li>• LO: Act: 66 and WSOL – Version 5: 21.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 66 of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 66 of the Act.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 5 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
18 (6/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 84(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>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.</li> </ul>	
19 (7/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 87(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in sections 87(2) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligation stipulated in section 87(2) of the Act.</li> </ul>	
20, 25, 28 & 89 (8/2015)	20, 25 & 28: <ul style="list-style-type: none"> <li>NR D; and</li> <li>LO: Act: 90(7), 106(2), 119(2) and WSOL – Version 5: 5.1.</li> </ul> 89: <ul style="list-style-type: none"> <li>NR D; and</li> <li>LO: Water Services Regulations 2013 (Reg): 85 and WSOL – Version 5: 5.1.</li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>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.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 6 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
20, 25, 28 & 89 (8/2015) (continued)	<ul style="list-style-type: none"> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>		
29 (9/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 122(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 122(2) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 122(2) of the Act.</li> </ul>	
32 (10/2015)	<ul style="list-style-type: none"> <li>1 B;</li> <li>LO: Act: 129(5) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 129(5) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 129(5) of the Act.</li> </ul>	
33 (11/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 139(3) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 139(3) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 139(3) of the Act.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 7 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
34 (12/2015)	<ul style="list-style-type: none"> <li>• 1 B;</li> <li>• LO: Act: 141(1) and WSOL – Version 5: 5.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 141(1) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 141(1) of the Act.</li> </ul>	
35, 36, 37, 38, 39, 40, 41 & 164 (13/2015)	35 – 41: <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Act: 142, 143(2), 143(3), 144(3), 145(2), 147(3), 147(4), and WSOL – Version 5: 5.1.</li> </ul> 164: <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Act: 12 and WSOL – Version 5: 15.1(d).</li> </ul> Details: <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of major works.</li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of major works.</li> </ul>	
42, 43, 44 & 45 (14/2015)	<ul style="list-style-type: none"> <li>• NR D;</li> <li>• LO: Act: 151(1), 151(2), 152(3), 153(3) and WSOL – Version 5: 5.1; and</li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of general works.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 8 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
42, 43, 44 & 45 (14/2015) (continued)	<ul style="list-style-type: none"> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of general works.</li> </ul> </li> </ul>		
49 (15/2015)	<ul style="list-style-type: none"> <li>1 B;</li> <li>LO: Act: 173(4) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 173(4) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 173(4) of the Act.</li> </ul>	
50 (16/2015)	<ul style="list-style-type: none"> <li>1 B;</li> <li>LO: Act: 174(1) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 174(1) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 174(1) of the Act.</li> </ul>	
51 (17/2015)	<ul style="list-style-type: none"> <li>2 D;</li> <li>LO: Act: 174(3) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>CKB has stated that such instances did take place during the Audit Period without it</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>CKB should give appropriate notice in the circumstances stipulated in section 174(3) of the Act; and</li> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 9 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
51 (17/2015) (continued)	giving appropriate notice; and <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 174(3) of the Act.</li> </ul>	stipulated in section 174(3) of the Act.	
52 (18/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Act: 175(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 175(2) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 175(2) of the Act.</li> </ul>	
53 (19/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Act: 175(5) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 175(5) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 175(5) of the Act.</li> </ul>	
54 (20/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 176(1) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 176(1) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(1) of the Act.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 10 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
55 (21/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 176(3) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 176(3) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(3) of the Act.</li> </ul>	
56 (22/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 176(4) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 176(4) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 176(4) of the Act.</li> </ul>	
57 (23/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 181 and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 181 of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 181 of the Act.</li> </ul>	
58, 59, 60 & 61 (24/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 186, 187(1) – (3), 190(4), 190(5) and WSOL – Version 5: 5.1; and</li> <li>Details:</li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in the Act in respect of warrants.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 11 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
58, 59, 60 & 61 (24/2015) (continued)	<ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligations contained in the Act in respect of warrants.</li> </ul>		
62 (25/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Act: 210(5) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 210(5) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 210(5) of the Act.</li> </ul>	
63 (26/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Act: 218(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 218(2) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 218(2) of the Act.</li> </ul>	
64 (27/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Act: 218(3) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in section 218(3) of the Act.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in section 218(3) of the Act.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 12 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
66 (28/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Water Services Regulations 2013 (Reg): 24(4) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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).</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in Regulation 24(4) of the Regulations.</li> </ul>	
67 & 68 (29/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Reg: 26(3), 26(5) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 26 of the Regulations.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 26 of the Regulations.</li> </ul>	
69 (30/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Reg: 29(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 29(2) of the Regulations.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 29(2) of the Regulations.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 13 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
70 (31/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Reg: 42(2) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 42(2) of the Regulations.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 42(2) of the Regulations.</li> </ul>	
71 & 72 (32/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Reg: 43(3), 43(6) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 43 of the Regulations.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 43 of the Regulations.</li> </ul>	
73 (33/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Reg: 53(3) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 53(3) of the Regulations.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 53(3) of the Regulations.</li> </ul>	
74 (34/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Reg: 60(2) and WSOL – Version 5: 5.1; and</li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 60(2) of the Regulations.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 14 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
74 (34/2015) (continued)	<ul style="list-style-type: none"> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 60(2) of the Regulations.</li> </ul> </li> </ul>		
75 (35/2015)	<ul style="list-style-type: none"> <li>• NR D;</li> <li>• LO: Reg: 63 and WSOL – Version 5: 5.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in regulation 63 of the Regulations.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in regulation 63 of the Regulations.</li> </ul>	
77 (36/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Reg: 65(2) and WSOL – Version 5: 5.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 65(2) of the Regulations; and</li> <li>• CKB has stated that no changes were made to their financial procedure documents to incorporate the stipulations of either the:</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(2) of the Regulations.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 15 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
77 (36/2015) (continued)	<ul style="list-style-type: none"> <li>Water Services Act 2012;</li> <li>Water Services Regulations 2013;</li> <li>Water Services Code of Conduct (Customer Service Standards) 2013; and</li> <li>WSOL – Version 5.</li> </ul>		
78 (37/2015)	<ul style="list-style-type: none"> <li>NRD;</li> <li>LO: Reg: 65(4) and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(4) of the Regulations.</li> </ul>	
79 (38/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Reg: 67 and WSOL – Version 5: 5.1; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 67 of the Regulations.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 67 of the Regulations.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 16 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
80, 81, 82, 83, 84, 85, 86 & 87  (39/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>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</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>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.</li> </ul>	
92  (40/2015)	<ul style="list-style-type: none"> <li>1 B;</li> <li>LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clause 7 and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that the Customer Service Charter refers to Plan Number OWR-OA-028 and not Plan Number OWR-OA-028(C) as stated in Water Services Operating Licence Version 5; and</li> <li>Audit 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).</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 7 of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 17 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
94 (41/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 9 and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 9 of the Code of Conduct.</li> </ul>	
95 (42/2015)	<ul style="list-style-type: none"> <li>• NC: 1 and CI Rating: D;</li> <li>• LO: Code of Conduct: 10(2) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 10(2) of the Code of Conduct.</li> </ul>	
99 (43/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 11 and WSOL – Version 5: 5.3; and</li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 11 of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 18 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
99 (43/2015) (continued)	<ul style="list-style-type: none"> <li>Details:                             <ul style="list-style-type: none"> <li>Audit has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 11 of the Code of Conduct.</li> </ul> </li> </ul>		
107, 108, 109 & 110 (44/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Code of Conduct: 16(2), 16(3), 16(4), 16(5) and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 16 of the Code of Conduct.</li> </ul>	
111 & 112 (45/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Code of Conduct: 17(1), 17(2) and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 17 of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 19 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
113, 114, 115, 116 & 117 (46/2015)	<p>113 &amp; 117:</p> <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Code of Conduct: 18(1), 18(5) and WSOL – Version 5: 5.3.</li> </ul> <p>114, 115 &amp; 116:</p> <ul style="list-style-type: none"> <li>• 2 D; and</li> <li>• LO: Code of Conduct: 18(2), 18(3) and (6), 18(4) and WSOL – Version 5: 5.3.</li> </ul> <ul style="list-style-type: none"> <li>• Details: <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	<p>Finance:</p> <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 18 of the Code of Conduct.</li> </ul>	
115 (47/2015)	<ul style="list-style-type: none"> <li>• 2 D;</li> <li>• LO: Code of Conduct: 18(3) and (6) and WSOL – Version 5: 5.3; and</li> <li>• Details: <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	<p>Finance:</p> <ul style="list-style-type: none"> <li>• The review procedure should be disclosed on the CKB's website.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 20 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
118 (48/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 20 and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 20 of the Code of Conduct.</li> </ul>	
119 & 120 (49/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 21(1), 21(2) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 21 of the Code of Conduct.</li> </ul>	
121 (50/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 22 and WSOL – Version 5: 5.3; and</li> <li>• Details:</li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligation stipulated in clause 22 of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 21 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
121 (50/2015) (continued)	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul>		
122 (51/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Code of Conduct: 23(1) and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 23(1) of the Code of Conduct.</li> </ul>	
123 (52/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Code of Conduct: 24 and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 24 of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 22 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
124 (53/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 25 and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligation stipulated in clause 25 of the Code of Conduct.</li> </ul>	
128 & 165 (54/2015)	128: <ul style="list-style-type: none"> <li>• 2 D; and</li> <li>• LO: Code of Conduct: 26(5) and WSOL – Version 5: 5.3.</li> </ul> 165: <ul style="list-style-type: none"> <li>• 1 D; and</li> <li>• LO: Act: 12 and WSOL – Version 5: 16.1.</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• Only the Authority approved version of the Financial Hardship Policy should be available on the CKB website. In addition, the document should be readily available on the CKB website without having to conduct a specific search therefore; and</li> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(5) of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 23 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
128 & 165 54/2015 (continued)	<ul style="list-style-type: none"> <li>Audit 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.</li> </ul>		
129 (55/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Code of Conduct: 26(6) and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(6) of the Code of Conduct.</li> </ul>	
130 (56/2015)	<ul style="list-style-type: none"> <li>1 D;</li> <li>LO: Code of Conduct: 27(2) and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(2) of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 24 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
131 (57/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Code of Conduct: 27(3) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• 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</li> <li>• Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The Financial Hardship Policy should contain an appropriate reference to other financial assistance to which the customer may be entitled; and</li> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(3) of the Code of Conduct.</li> </ul>	
132 & 133 (58/2015)	132: <ul style="list-style-type: none"> <li>• NR D; and</li> <li>• LO: Code of Conduct: 28(1), and WSOL – Version 5: 5.3.</li> </ul> 133: <ul style="list-style-type: none"> <li>• 1 D; and</li> <li>• LO: Code of Conduct: 28(4) &amp; 5 and WSOL – Version 5: 5.3.</li> </ul>	Finance: <ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 28 of the Code of Conduct.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 25 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
132 & 133 (58/2015) (continued)	<ul style="list-style-type: none"> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>		
134 (59/2015)	<ul style="list-style-type: none"> <li>NR D;</li> <li>LO: Code of Conduct: 29 and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>Audit 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.</li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 29 of the Code of Conduct.</li> </ul>	
146 (60/2015)	<ul style="list-style-type: none"> <li>2 D;</li> <li>LO: Code of Conduct: 35(2) and WSOL – Version 5: 5.3; and</li> <li>Details:                             <ul style="list-style-type: none"> <li>CKB has stated that it did develop its Complaints Handling Procedure without taking into account the relevant provisions of AS ISO 10002-2006.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>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.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 26 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
147 (61/2015)	<ul style="list-style-type: none"> <li>• 1 C;</li> <li>• LO: Code of Conduct: 35(3) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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"> <li>• "...try to resolve the issue within two (2) working days..."; and</li> <li>• "...that a full response may be made within seven (7) days."</li> </ul> </li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• 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.</li> </ul>	
148 (62/2015)	<ul style="list-style-type: none"> <li>• 2 D;</li> <li>• LO: Code of Conduct: 35(4) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• 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.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 27 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
149 (63/2015)	<ul style="list-style-type: none"> <li>• 2 D;</li> <li>• LO: Code of Conduct: 35(6) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• CKB should make its customer complaints procedures publicly available to ensure compliance with clause 35(6) of the Code of Conduct.</li> </ul>	
150 & 153 (64/2015)	<ul style="list-style-type: none"> <li>• 2 D;</li> <li>• LO: Code of Conduct: 36(1), 37(1) and WSOL – Version 5: 5.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• CKB has stated that the specified services were provided without charge during the Audit Period; and</li> <li>• Audit 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:                                     <ul style="list-style-type: none"> <li>• Use by customers with hearing or speech impairment; or</li> <li>• Interpreter services.</li> </ul> </li> </ul> </li> </ul>	Finance: <ul style="list-style-type: none"> <li>• Appropriate references should be included on Rates Notices and Tax Invoices to accommodate the communication needs of all customers of the CKB.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 28 of 32)

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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 (65/2015)	<ul style="list-style-type: none"> <li>• 2 D;</li> <li>• LO: Act: 12 and WSOL – Version 5: 5.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that the SOP Manual specifically lists “State and Federal Government Acts &amp; Regulations” which CKB needs to comply with; and</li> <li>• 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).</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• 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.</li> </ul>	
162 (66/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Act: 12 and WSOL – Version 5: 14.4; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 14.4 of WSOL – Version 5.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 14 (4) of WSOL – Version 5.</li> </ul>	

Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 29 of 32)

165	<ul style="list-style-type: none"> <li>• 1 D;</li> </ul>	Sewerage services:	
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Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
(67/2015)	<ul style="list-style-type: none"> <li>• LO: Act: 12 and WSOL – Version 5: 16.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
166 (68/2015)	<ul style="list-style-type: none"> <li>• 2 D;</li> <li>• LO: Act: 12 and WSOL – Version 5: 16.2; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The CKB should ensure that:                             <ul style="list-style-type: none"> <li>• All reports are submitted on time to the Authority; and</li> <li>• Adequate records are maintained in respect of all communication with the Authority.</li> </ul> </li> </ul>	

**Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 30 of 32)**

168	<ul style="list-style-type: none"> <li>• 2 D;</li> </ul>	Sewerage services:	
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Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
(69/2015)	<ul style="list-style-type: none"> <li>• LO: Act: 12 and WSOL – Version 5: 17.2; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 17.2 of WSOL – Version 5.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 17.2 of WSOL – Version 5.</li> </ul>	
169 (70/2015)	<ul style="list-style-type: none"> <li>• 1 C;</li> <li>• LO: Act: 12 and WSOL – Version 5: 18.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit 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.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• 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.</li> </ul>	
172 (71/2015)	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Act: 12 and WSOL – Version 5: 20.6; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 20.6 of WSOL – Version 5.</li> </ul> </li> </ul>	Sewerage services: <ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 20.6 of WSOL – Version 5.</li> </ul>	
<b>Table 13: Current Audit: Non-Compliances and Recommendations – Unresolved at End of Current Audit Period (page 31 of 32)</b>			
173	<ul style="list-style-type: none"> <li>• 1 D;</li> </ul>	Sewerage services:	

Current Audit: Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Reference <sup>4</sup> (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		
(72/2015)	<ul style="list-style-type: none"> <li>• LO: Act: 12 and WSOL – Version 5: 21.1; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligation contained in clause 21.1 of WSOL – Version 5.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The SOP Manual should be updated to refer appropriately to the compliance obligations stipulated in clause 21.1 of WSOL – Version 5.</li> </ul>	
183 (73/2015 )	<ul style="list-style-type: none"> <li>• 1 D;</li> <li>• LO: Act: 12 and WSOL – Version 5: 30.3; and</li> <li>• Details:                             <ul style="list-style-type: none"> <li>• Audit has noted that no reference is made in the SOP Manual to the obligations contained in WSOL – Version 5 in respect of customer contracts.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 30.3 of WSOL – Version 5.</li> </ul>	

**Table 13: Current Audit: Non-Compliances and Recommendations (page 32 of 32)**

## 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” (Authority’s Guidelines).”

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

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

Table 14: Asset Management Process and Policy Definition Adequacy Ratings

**Asset Management Performance Ratings**

**Authority’s Guidelines: Table No. 9**

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

**Table 15: 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			
	Adequately Defined	Requires Some Improvement	Requires Significant Improvement	Inadequate	Performing Effectively	Opportunity for Improvement	Corrective Action Required	Serious Action Required
Asset Planning			✓			✓		
Asset Creation and Acquisition			✓		✓			
Asset Disposal		✓			n/a			
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 16: 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"> <li>Recent studies by Consultants (GHD – July 2013) have confirmed that the WWTP has sufficient capacity - with some minor additional works, until 2023. Another study (GHD – July 2010) concluded that the collection system capacity was adequate at that time - with much of the system well over capacity;</li> <li>The CKB’s Local Planning Study 2013-2033 states the population, which was in the order of 32,000 in 2013, is expected to reach some 42,000 by 2033. The planning document states that while the existing WWTP has adequate current capacity, a site for a new WWTP has been selected to replace the existing facility when its capacity is reached;</li> <li>Reviewer notes that many works will become necessary as a result of population increases due to new private development requiring connection to the system. A standard procedure of CKB is that development applications are referred to all of its service departments. In the case of sewerage, developers are required to construct and hand over sewers to serve the developments and to fund specific system improvements to trunk sewers and, or treatment plant upgrades that become necessary or to contribute to head works costs which accrue as the development areas are populated; and</li> <li>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.</li> </ul> <p><b>Recommendation number 1/2015:</b> 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.</p> <ul style="list-style-type: none"> <li>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:</li> </ul>	C	2

Table 17: Review Observations and Recommendations (page 1 of 21)

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
<b>Asset Planning (continued)</b>	<ul style="list-style-type: none"> <li>• Include items which should, but are not addressed in the AMP;</li> <li>• Overlap items dealt with in the AMP but not cross reference; or</li> <li>• Provide more detailed management information/ procedures than the AMP.</li> </ul> <p><b>Recommendation number 2/2015:</b> 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.</p> <ul style="list-style-type: none"> <li>• 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 the Asset Management Review Guidelines;</li> <li>• 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</li> <li>• Similarly, all of Sub- Section 2.1 of the AMP should be a separate main section titled “Asset Overview” Similar examples of the above are included in comments on the following items.</li> </ul> <p><b>Recommendation number 3/2015:</b> 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.</p> <ul style="list-style-type: none"> <li>• The responsibilities of office and outside staff are well understood and competently undertaken. The procedures for recording results, maintenance, blockages and review of the information and action if required are similarly well understood and followed. A team spirit and effective controls are obvious.</li> </ul>	C	2

Table 17: Review Observations and Recommendations (page 2 of 21)

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 Planning (continued)	<p>However, 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.</p> <p><b>Recommendation number 4/2015:</b> 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.</p>	C	2
Asset Creation and Acquisition	<ul style="list-style-type: none"> <li>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 procedures for receiving approval for and acquiring assets are not addressed; and</li> <li>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.</li> </ul> <p><b>Recommendation number 5/2015:</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	C	1

Table 17: Review Observations and Recommendations (page 3 of 21)

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		
<b>Asset Disposal</b>	<ul style="list-style-type: none"> <li>• In view of the possibility of ongoing health risks associated with the disposal of former sewerage assets into the public domain, CKB’s policy is to dispose of all such assets into the safe environment offered by abandonment in-situ in the case of buried assets, or disposal to landfill or scrap metal in the case of other than buried assets;</li> <li>• Assets such as vehicles for general purposes are sold by auction, tender or “trade in”; and</li> <li>• No recommendation is made.</li> </ul>	<b>B</b>	<b>n/a</b>
<b>Environmental Analysis</b>	<ul style="list-style-type: none"> <li>• 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"> <li>• Section 2 – The physical environment. (first paragraph);</li> <li>• Section 3 – Levels of Service (availability, capacity, continuity, odour, emergency response and complaints); and</li> <li>• 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.</li> </ul> </li> </ul> <p><b>Recommendation number 6/2015:</b> 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.</p> <ul style="list-style-type: none"> <li>• Reviewer notes that the cultural environment in which the system operates is not addressed in the AMP. A brief statement is required 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.</li> </ul>	<b>B</b>	<b>1</b>

Table 17: Review Observations and Recommendations (page 4 of 21)

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		
<b>Environmental Analysis (continued)</b>	<p><b>Recommendation number 7/2015:</b> 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 etc.) together with current population, growth trends, and projections to say 2033.</p> <ul style="list-style-type: none"> <li>• Over the review period the treated effluent biological and chemical standards of licensing authorities were met – with a small number of exceptions. In all cases, the relevant authorities were promptly advised of the events, the probable reason for their occurrence and response action taken or proposed.</li> </ul>	<p>B</p>	<p>1</p>
<b>Asset Operations</b>	<ul style="list-style-type: none"> <li>• Discussion with all staff indicates their trade and / or professional qualifications and experience are appropriate for their role in operation and maintenance of the sewerage system. A copy of the training list undertaken by each staff member was provided and the specific Water Corporation training of the two Waste Technical Officers noted;</li> <li>• Collection System operation of the collection system mainly involves repairs to restore the service following blockages, overflows etc. together with restoration of the service and associated clean up. Operations for the two pumping stations involve basic checks and recording of pump run hours in addition to response to faults and any resulting repairs;</li> <li>• All operation/ repair works above are undertaken under annual performance contracts performed under a schedule of rates contract, for specified works. The contract works are executed under the overall supervision of CKB’s Waste Technical Officers, who arrange the work, verify, its completion and provide initial authority for payment of accounts;</li> <li>• Current Contractors for operations / maintenance of the collection system are :               <ul style="list-style-type: none"> <li>• DWE Plumbing – Sewerage Maintenance &amp; Associated Works; and</li> <li>• Hydro Blast Pty Ltd – Sewer Maintenance Jetting.</li> </ul> </li> </ul>	<p>B</p>	<p>1</p>

Table 17: Review Observations and Recommendations (page 5 of 21)

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><b>Asset Operations (continued)</b></p>	<p>In addition, tenders are called annually for cctv inspections of some 8 to10 km of the gravity reticulation. Copies of the cctv footage are provided to CKB together with an accompanying report. The condition of the assets are entered in the asset register module of the Asset Management System (AMIS) see later discussion under Item 7; and</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Recommendation number 8/2015:</b></p> <p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Recommendation number 9/2015:</b></p> <p>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.</p>	<p>B</p>	<p>1</p>

Table 17: Review Observations and Recommendations (page 6 of 21)

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 Operations (continued)	<ul style="list-style-type: none"> <li>• Operation of the Wastewater Treatment Plant (WWTP) is largely automatic. The plant is attended by one of the two Waste Technical Officers both of whom have received Water Corporation training in treatment processes and operation of the plant. Their duties include monitoring the SCADA based model of the various processes and amendment of various process settings (rarely necessary). Hard copies of daily operating data are transferred to the computer base in the main office. In addition to monitoring the performance of the WWTP, the Waste Technical Officers also arrange all water sampling and testing, attendance and repairs to plant facilities in addition to verifying and recording repairs and maintenance works undertaken by Contractors;</li> <li>• All operation/repair works above are undertaken under annual performance contracts performed under a schedule of rates contract, for specified works - under overall supervision of CKB's Waste Technical Officers, who arrange the work, verify, its completion and provide initial authority for accounts payment. The WWTP maintenance schedule is detailed in the maintenance contract documents. The schedules are derived from the excellent operation / maintenance manual provided by Water Corporation when the plant was handed over to CKB in 2003. A hard copy of the manual is held at the WWTP and an electronic copy held on CKB's P drive;</li> <li>• Current WWTP Contractors include:               <ul style="list-style-type: none"> <li>• KAL Pumps Pty Ltd – Mechanical Support Services; and</li> <li>• TIS Engineering Pty Ltd – Electrical &amp; Electronic Support Services.</li> </ul> </li> <li>• Details of the above 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 along the lines of the following recommendation No.10.</li> </ul> <p><b>Recommendation number 10/2015:</b> 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</p>	B	1

Table 17: Review Observations and Recommendations (page 7 of 21)

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><b>Asset Operations (continued)</b></p>	<p>the SOP - of implementing the above procedures should be cross referenced in the AMP. Also, information regarding the existence and location of operation and management manuals should be included in both the AMP and SOP.</p> <ul style="list-style-type: none"> <li>• Treated Effluent Distribution - Although not specified by CKB, the Sustainability &amp; Waste Services Division of CKB’s Development Services Directorate has responsibility for the sewerage system and its performance including treated effluent quality. Similarly, responsibility for the operation and maintenance of the treated effluent distribution system to the city’s parks, playing fields and “outside” customers is undertaken by the Parks &amp; Reserves Division of CKB’s Engineering Services Directorate. The Division also manages further disinfection and delivery of treated effluent to its reserves and in excess of ten “outside” users including the race and golf courses, schools and the regional prison. Contracts for supply “by measure” of treated effluent to “outside” users are also administered by the Parks and Reserves division; and</li> <li>• 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.</li> </ul> <p><b>Recommendation number 11/2015:</b> 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.</p>	<p>B</p>	<p>1</p>

Table 17: Review Observations and Recommendations (page 8 of 21)

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		
<b>Asset Operations (continued)</b>	<ul style="list-style-type: none"> <li>• Reporting on Licences:               <ul style="list-style-type: none"> <li>• <b>ERA</b> - The 2012/13 and 2013/14 annual reports to the Authority noted no non-compliances with CKB’s Water Licence 2;</li> <li>• <b>DER</b> - The 2012/13 annual report to Department Of Environmental Regulation indicated nine breaches of effluent quality requirements – mainly associated with total suspended solids (TSS) and Nitrogen (N) levels. Recovery proposals were acceptable. The 2013/14 annual report to Department Of Environmental Regulation indicated two breaches of effluent quality –one for a higher than required count for thermo tolerant coliforms, the other for TSS. Recovery proposals were acceptable; and</li> <li>• <b>DOH</b> – 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 &amp; Waste Services Division and the Parks &amp; 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 &amp; Reserves division.</li> </ul> </li> </ul> <p><b>Recommendation number 12/2015:</b></p> <ul style="list-style-type: none"> <li>• That in future, all reporting in accordance with CKB’s DOH licence should be undertaken by the Parks &amp; Reserves division.</li> </ul>	B	1
<b>Asset Maintenance</b>	<ul style="list-style-type: none"> <li>• <b>Sewerage System:</b> As stated above in Item 5 - Asset Operations, maintenance operations for the sewerage collection and treatment facilities are undertaken by contractors based on annual schedule of rates contracts for specific planned maintenance: and unplanned maintenance works associated with repairs resulting from blockages, flooding or system breakdown;</li> </ul>	B	1

Table 17: Review Observations and Recommendations (page 9 of 21)

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		
<b>Asset Maintenance (continued)</b>	<ul style="list-style-type: none"> <li>Maintenance works are arranged and monitored by the Waste Technical Officers (WTO) who also verify that the work has been undertaken in accordance with the relevant contracts;</li> <li>Maintenance / repair works are instituted by WTO issue of purchase orders to contractors. Details are recorded in the CKB system as follows:                      Details of entry include - Date, WTO Initials, Purchase Order No., Supplier, Detail of Work, Supplier Invoice No. and Cost Records are made for separate system facilities e.g., WWTP, Old Boulder Lagoons, Sewer Maintenance, Pumping Stations, Manholes, Reimbursements and Manhole works. Each record is for the relevant financial year. Cost records are accumulated progressively and budget allowance listed. Records for 2012/13, 2013/14 and to date for 2014/15 were reviewed. The system is considered excellent; and</li> <li>The planned maintenance schedule for each year has been entered into the maintenance module of the AMIS. But at present there is no provision for recording whether maintenance has actually been undertaken, or the date. CKB has agreed to implement Recommendation No.13 below.</li> </ul> <p><b>Recommendation number 13/2015:</b>                      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.</p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Recommendation number 14/2015:</b>                      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.</p>	<p>B</p>	<p>1</p>

Table 17: Review Observations and Recommendations (page 10 of 21)

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 (continued)	<ul style="list-style-type: none"> <li>As stated in Item 5. above, maintenance of the <b>Treated Effluent Distribution</b> system to CKB’s parks, playing fields and “outside” customers is undertaken the Parks &amp; Reserves division of CKB’s Engineering Services Directorate;</li> <li>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. Recommendation No.11 above related to Asset Operations also applies to the maintenance as follows; and</li> <li>Recommendation number 11: 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.</li> </ul>	B	1
Asset Management Information System	<ul style="list-style-type: none"> <li>CKB uses a range of computer software to monitor/control its operations. These include:               <ul style="list-style-type: none"> <li><b>SYNERGY</b> – A Local Government based package used by CKB for financial control and reporting. Allows raising of purchase orders and tracking of expenditure against purchase orders and contracts. Access is restricted and by password;</li> <li><b>CORE</b> – A record management package on which all correspondence is recorded as a master set for subsequent referral. Relevant Items in CORE are transferred to specific sub drives for use by individual divisions. Sewerage items are transferred to “O” drive for use by the Development Services directorate; and</li> <li><b>INTRA MAPS</b> –A 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. Other information such as address, ownership, rating details and relevant licences held e.g. dog licence can also be obtained. The system is frequently used as a</li> </ul> </li> </ul>	C	3

Table 17: Review Observations and Recommendations (page 11 of 21)

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		
<b>Asset Management Information System (continued)</b>	<p>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.</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• CKB’s Manager Sustainability and Waste Services has expressed concern that the Asset Management Information System (described below) can be unstable and will occasionally crash when new data is inserted. He suspects this may be due to the significant amount of data contained in the modules - particularly the Asset Register and Financial Module. He is also aware that Microsoft no longer supports Excel 1997 – the package on which the software is based, and concerned about its compatibility with later versions of Excel. He is therefore hesitant to attempt to mount it on CKB’s computer software;</li> <li>• Reviewer is familiar with the program and finds it relatively easy to customise and modify. Given the twenty thousand items of assets data already mounted on the Asset Register, Asset Condition and Financial Plan modules by the Manager on his home computer, the cost of a new system and the time required to re-mount the data is significant, daunting and possibly unnecessary; and</li> <li>• 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 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.</li> </ul> <p><b>Recommendation number 15/2015:</b> 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</p>	C	3

Table 17: Review Observations and Recommendations (page 12 of 21)

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		
<b>Asset Management Information System (continued)</b>	<p>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.</p> <ul style="list-style-type: none"> <li>• The separate modules of the system, are briefly described in the following:               <ul style="list-style-type: none"> <li>• <b>MAIN MENU</b> – The menu allows direct access to the following sub-menus;</li> <li>• <b>ASSET REGISTER</b> – 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</li> <li>• 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.</li> </ul> </li> </ul> <p><b>Recommendation number 16/2015:</b> 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.</p> <ul style="list-style-type: none"> <li>• <b>INVENTORY CONTROL</b> – A series of worksheets, which address Asset Inventory for Electrical Equipment, Mechanical Equipment and Consumables. It is intended for maintaining a record of spare parts and equipment items and consumables regularly replaced. This sheet has not been populated as it is of little use to CKB. Most equipment, spares and consumables are ordered and replaced by Contractors in advance of requirement. Reviewer agrees this module is extraneous to CKB requirements and need not be used;</li> <li>• <b>CONDITION AND PERFORMANCE</b> – 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 inspection of pipelines has mainly resulted from blockages and subsequent</li> </ul>	C	3

Table 17: Review Observations and Recommendations (page 13 of 21)

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)	<p>cctv inspections. In these instances relining has been noted if undertaken and a link to the relevant cctv file provided;</p> <ul style="list-style-type: none"> <li>Notwithstanding the above, which is detailed and well recorded, the bulk of pipelines have not been inspected, nor have any of the manholes or other pump station and WWTP facilities. Clearly inspection of pipelines and manholes should be addressed promptly, as their condition is not as easy to determine or repair as the more visual assets of the other facilities. 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. Recommendations No. 8 of Item 5 above should be initiated to allow completion of the condition spread sheets as soon as possible; and</li> <li>Recommendation No.8 - That CKB significantly increases 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 undertakes 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 concrete cover support slabs.</li> </ul> <p><b>Recommendation number 17/2015:</b> That asset material should be noted in the both the asset and condition registers.</p> <ul style="list-style-type: none"> <li>RISK ASSESSMENT — This module of the AMIS, allows the identification, associated controls, consequences and likelihood of the occurrence of risks and the overall inherent risk in each occurrence. Inherent risks are automatically set as Low, Weak, Moderate, Significant and Major. Risks assessed to be significant or major require a statement of processes and strategies to mitigate the risks in the column headed “Mitigation and Management Strategies”. Some Licensees using the same system re-assess the Significant and Major inherent risks after developing and implementing further mitigating controls if considered appropriate. CKB does not undertake the further evaluation which Reviewer agrees to be unnecessary in this case;</li> </ul>	C	3

Table 17: Review Observations and Recommendations (page 14 of 21)

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		
<b>Asset Management Information System (continued)</b>	<ul style="list-style-type: none"> <li>• MAINTENANCE MANAGEMENT - This spread sheet allows for all planned maintenance to be described and set out as coloured blocks in a visual schedule of twelve individual months duration – allowing a prompt visual assessment of work planned throughout a given year. Except by the Waste Technical Officer’s subsequent acceptance of the Contractor’s invoice, there is no method of determining whether maintenance has actually been undertaken. Nor is the date on which the work was undertaken noted. To overcome this shortcoming CKB has accepted Recommendation No. 13 of Item 6 above;</li> <li>• Recommendation No.13 - That confirmation that work has been undertaken and the date of completion are overtyped in a different colour in the box representing the maintenance item of the AMIS maintenance module;</li> <li>• It is noted that assessment of the condition of manholes and pipelines is proposed on an “As required basis”. As discussed earlier this approach could delay assessment of the whole collection system for up to nineteen years during which time a lack of knowledge of system condition could result in significant failures. In order to mitigate this possibility, Recommendation No.8 of Item No.5 – Asset Operations is reinforced;</li> <li>• Recommendation No.8 - That CKB significantly increases 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 undertakes 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 concrete cover support slabs;</li> <li>• Similarly, it is noted that wash down of pumping station walls is listed as a 36 monthly operation and the operation of valves six monthly. Both maintenance items should be undertaken as monthly items; and</li> <li>• While Reviewer is aware that maintenance is undertaken on the treated water distribution system, it is not scheduled in the maintenance module.</li> </ul> <p><b>Recommendation number 18/2015:</b> That maintenance of the treated effluent distribution system is included in the Asset Management spread sheet of the AMIS.</p>	C	3

Table 17: Review Observations and Recommendations (page 15 of 21)

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		
<b>Asset Management Information System (continued)</b>	<ul style="list-style-type: none"> <li>• FINANCIAL PLANNING – The Financial Planning module of the AMIS is comprised of two spread sheets – for Annual Maintenance and Annual Capital expenditure respectively – over the forward 50 years period;</li> <li>• The <b>Maintenance Sheet</b> lists breakdown, restorative and preventative current costs and the frequency of maintenance for each element of the sewerage system. The software calculates the escalated cost of maintenance for each required year - based of the estimated current cost multiplied by an escalation rate of 3.5% for each year following the year of the current cost estimate. The totals for each year are summed and discounted to calculate the net present value of maintenance for each successive year. The total net present value for the fifty years of maintenance is automatically totalled and yearly the Annuity is derived - the annuity being the value of funds required to be placed in reserve annually in order to provide sufficient funds for the forthcoming fifty years of maintenance;</li> <li>• Based on an escalation rate of 3.5%, an interest rate of 5% and a Net Present Value of \$ 48,150,000, the annuity derived for CKB sewerage maintenance over the next fifty years is \$ 2,640,000;</li> <li>• The Capital Expenditure Sheet lists all assets, date of installation, expected life, estimated value in 1977 and replacement year. The current value of each asset is updated to the current year (e.g. 2014) and escalated to the years of their expected replacement - by escalating the 1997 estimate at 3.5% annually. As for the maintenance spread sheet, capital costs are totalled for each year and their net present values determined, totalled and the capital expenditure annuity determined;</li> <li>• Based on an escalation rate of 3.5%, an interest rate of 5% and a Net Present Value of \$ 32,610,000 the annuity derived for CKB sewerage capital expenditure over the next fifty years is \$ 1,786,304; and</li> <li>• Access to the Management Programs listed above 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. The building is locked overnight and the servers within the building are housed in a separately locked secure area.</li> </ul>	C	3
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>	C	2

Table 17: Review Observations and Recommendations (page 16 of 21)

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
Risk Management (continued)	<p>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”;</p> <ul style="list-style-type: none"> <li>• Reviewer also notes that the occurrence of 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</li> <li>• No risk evaluation is included for the treated effluent distribution system.</li> </ul> <p><b>Recommendation number 19/2015:</b></p> <ul style="list-style-type: none"> <li>• That the Risk Analysis /Management sections of the AMP and SOP be reviewed and consolidated into a single document within the AMP;</li> <li>• 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;</li> <li>• 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</li> <li>• That a risk analysis be included for the treated effluent distribution system.</li> </ul>	C	2
Contingency Planning	<ul style="list-style-type: none"> <li>• Section 5 of the AMP broadly details the actions to be undertaken in specific emergency situations. These include reticulation and trunk sewer blockages, pumping station pump and electrical failures, blockage and burst of pressure mains. Treatment plant emergencies cover only treatment quality problems. There is no reference to equipment failure and consequences associated with pumps, aerators etc., or external occurrences including power failure, lightning strike, flooding;</li> </ul>	C	2

Table 17: Review Observations and Recommendations (page 17 of 21)

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		
<b>Contingency Planning (continued)</b>	<ul style="list-style-type: none"> <li>• Despite comments above, Part E, Section 1 of the SOP has more detailed comment on procedures for the reticulation system dealing with odours, blockages, overflows and clean up. Part F Section 2 of the SOP sets out detailed procedures for a broad series of faults at the WWTP;</li> <li>• Although very well set out, the SOP and Procedures of the AMP do not adequately address the requirement for contingency planning;</li> <li>• 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 the SOP. Each document should cross reference the related section in the other;</li> <li>• Each document should list the contact numbers of local services and contractors 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;</li> <li>• Similarly, a list of contact details of relevant CKB officers and a procedure deciding their notification priority should be set out e.g. the CEO may need to authorise certain expenditure in the event that it is necessary to provide commercial accommodation for residents who may need to vacate their homes to avoid, flooding, odour or health consequences; and</li> <li>• There is no procedure for contingency plans to be periodically team tested and amended if necessary.</li> </ul> <p><b>Recommendation number 20/2015:</b> That:</p> <ul style="list-style-type: none"> <li>• Both the AMP and SOP documents 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;</li> </ul>	C	2

Table 17: Review Observations and Recommendations (page 18 of 21)

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		
<b>Contingency Planning (continued)</b>	<ul style="list-style-type: none"> <li>• Each document 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;</li> <li>• Include a list of contact details of relevant CKB officers and a procedure deciding their notification priority e.g. the CEO may need to authorise certain expenditure in the event that it is necessary to provide commercial accommodation for residents who may need to vacate their homes to avoid, flooding, odour or health consequences; and</li> <li>• Implement a procedure for periodic desk top team testing of contingency plans and amendment if necessary.</li> </ul>	C	2
<b>Financial Planning</b>	<ul style="list-style-type: none"> <li>• The Financial Planning module of the AMIS is discussed in Item 7 – Asset Management Information System;</li> <li>• A rolling five years Financial Plan for the Sewerage System is prepared by the Sustainability and Waste Services division of the Development Services directorate. A total of twenty three categories of estimates are presented for each financial year. These include recurrent income - rates, sale of effluent, loan interest etc. and recurrent expenditure - maintenance, administration, depreciation etc. See Recommendation No. 21 in Item 11 – Capital Expenditure Planning;</li> <li>• 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 CAPEX planning;</li> <li>• 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. CKB practise is to contribute to the sewerage reserve on the prime basis of available funds. Expenditure on the sewerage system is funded from revenue, the reserve fund or borrowing – or a combination thereof;</li> <li>• Reviewer noted that the sewerage reserve held an amount of approximately \$809,000 in 2011, \$860,000 in 2012, \$250,000 in 2013 and \$257,000 in 2014. An amount of \$650,000 was transferred from the reserve during 2013. Reviewer was not able to determine whether or not the transfer was to finance sewerage works; and</li> <li>• Overall CKB’s financial planning are sound and practical.</li> </ul>	B	1

Table 17: Review Observations and Recommendations (page 19 of 21)

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><b>Capital Expenditure Planning</b></p>	<ul style="list-style-type: none"> <li>• A rolling five years Capital Expenditure Plan is prepared by the Sustainability and Waste Services division of the Development Services directorate. Input and cost estimates are derived from the financial planning module of the AMIS, construction/development rate of existing and future contracts, works recommended in relevant reports and other expenditure necessitated by failures or unsatisfactory asset performance, plus an allowance for unexpected capital expenditure;</li> <li>• 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 other works indicated by asset condition / failures and necessary system upgrades. Estimates based on escalated 1997 estimates from the Financial Planning module should be reviewed and if necessary upgraded in both Financial and CAPEX planning;</li> <li>• 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 or directorate;</li> <li>• The planning and process is considered competent and practical; and</li> <li>• 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.</li> </ul> <p><b>Recommendation number 21/2015:</b></p> <ul style="list-style-type: none"> <li>• That the CAPEX estimates include expenditure on the treated effluent disposal scheme; and</li> <li>• Also that estimates based on escalated 1997 estimates from the Financial Planning module should be reviewed and if necessary upgraded in both Financial and CAPEX planning.</li> </ul>	<p>B</p>	<p>1</p>

Table 17: Review Observations and Recommendations (page 20 of 21)

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><b>Review of Asset Management System</b></p>	<ul style="list-style-type: none"> <li>• 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 10<sup>th</sup> 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;</li> <li>• A discrepancy in section numbering was noted, together with some incorrect statements – one relating to a statement that the collection system is serviced by three pumping stations, whereas the system now only has two pumping stations;</li> <li>• A requirement to review the SOP is addressed in that document - including page replacement, addition of new procedures recording the review date and relevant details, together with updating the computer based master copy. Annual reviews are specified, together with a procedure for replacing necessary pages in hard copies held by staff. Reviewer did not observe the system operation, but noted that the last SOP provided was noted as Version 7.1 and dated April 2014; and</li> <li>• It is clearly necessary to introduce a procedure 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.</li> </ul> <p><b>Recommendation number 22/2015:</b></p> <p>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.</p>	<p>C</p>	<p>4</p>

Table 17: Review Observations and Recommendations (page 21 of 21)

## 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 18: Current Review: Deficiencies and Recommendations (page 1 of 14)**

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		
1/2015	<ul style="list-style-type: none"> <li>• Rating: C 2;</li> <li>• Component: Asset Planning ; and</li> <li>• Issue:                             <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
2/2015	<ul style="list-style-type: none"> <li>• Rating: C 2;</li> <li>• Component: Asset Planning ; and</li> <li>• Issue:                             <ul style="list-style-type: none"> <li>• 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"> <li>• Include items which should, but are not addressed in the AMP;</li> <li>• Overlap items dealt with in the AMP but not cross reference; or</li> <li>• Provide more detailed management information/ procedures than the AMP.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
3/2015	<ul style="list-style-type: none"> <li>• Rating: C 2;</li> <li>• Component: Asset Planning ; and</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	

Table 18: Current Review: Deficiencies and Recommendations (page 2 of 14)

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		
3/2015 (continued)	<ul style="list-style-type: none"> <li>Issue:                             <ul style="list-style-type: none"> <li>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 the Asset Management Review Guidelines;</li> <li>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</li> <li>Similarly, all of Sub- Section 2.1 of the AMP should be a separate main section titled "Asset Overview".</li> </ul> </li> </ul>		
04/2015	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Asset Planning ; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	

Table 18: Current Review: Deficiencies and Recommendations (page 3 of 14)

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		
5/2015	<ul style="list-style-type: none"> <li>• Rating: C 1;</li> <li>• Component: Asset Creation and Acquisition; and</li> <li>• Issue:                             <ul style="list-style-type: none"> <li>• 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 procedures for receiving approval for and acquiring assets are not addressed; and</li> <li>• 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
6/2015	<ul style="list-style-type: none"> <li>• Rating: B 1;</li> <li>• Component: Environmental Analysis; and</li> <li>• Issue:                             <ul style="list-style-type: none"> <li>• 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"> <li>• Section 2 – The physical environment. (first paragraph);</li> <li>• Section 3 – Levels of Service (availability, capacity, continuity, odour, emergency response and complaints);</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
6/2015 (continued)	<ul style="list-style-type: none"> <li>• Section 4 – Legislation and licensing environment. Together with the regulatory requirements for independent audits of</li> </ul>		

**Table 18: Current Review: Deficiencies and Recommendations (page 4 of 14)**

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		
	compliance with CKB's WSOL and review of the adequacy of the management of the systems assets.		
7/2015	<ul style="list-style-type: none"> <li>Rating: B 1;</li> <li>Component: Environmental Analysis; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>Reviewer notes that the cultural environment in which the system operates is not addressed in the AMP. A brief statement is required 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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 etc.) together with current population, growth trends, and projections to say 2033.</li> </ul>	
8/2015	<ul style="list-style-type: none"> <li>Rating: B 1;</li> <li>Component: Asset Operations; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	

**Table 18: Current Review: Deficiencies and Recommendations (page 5 of 14)**

9/2015	<ul style="list-style-type: none"> <li>Rating: B 1;</li> <li>Component: Asset Operations; and</li> </ul>		
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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		
	<ul style="list-style-type: none"> <li>Issue:                             <ul style="list-style-type: none"> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	
10/2015	<ul style="list-style-type: none"> <li>Rating: B 1;</li> <li>Component: Asset Operations; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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 and management manuals should be included in both the AMP and SOP.</li> </ul>	
11/2015	<ul style="list-style-type: none"> <li>Rating: B 1;</li> <li>Component: Asset Operations; and</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	

Table 18: Current Review: Deficiencies and Recommendations (page 6 of 14)

11/2015 (continued)	<ul style="list-style-type: none"> <li>Issue:                             <ul style="list-style-type: none"> <li>A basic "Recycled Water Operational and Maintenance Manual" broadly sets out the responsibilities of senior staff,</li> </ul> </li> </ul>		
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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		
	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.		
12/2015	<ul style="list-style-type: none"> <li>• Rating: B 1;</li> <li>• Component: Asset Operations; and</li> <li>• Issue: <ul style="list-style-type: none"> <li>• 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 &amp; Waste Services Division and the Parks &amp; Reserves Division for</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• That in future, all reporting in accordance with CKB's DOH licence should be undertaken by the Parks &amp; Reserves division.</li> </ul>	

**Table 18: Current Review: Deficiencies and Recommendations (page 7 of 14)**

12/2015 (continued)	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		
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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		
	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.		
13/2015	<ul style="list-style-type: none"> <li>• Rating: B 1;</li> <li>• Component: Asset Maintenance; and</li> <li>• Issue:                             <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• That confirmation that work has been undertaken and the date of completion be oertyped in a different colour in the box representing the maintenance item of the AMIS maintenance module.</li> </ul>	
14/2015	<ul style="list-style-type: none"> <li>• Rating: B 1;</li> <li>• Component: Asset Maintenance; and</li> <li>• Issue:                             <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	

**Table 18: Current Review: Deficiencies and Recommendations (page 8 of 14)**

15/2015	<ul style="list-style-type: none"> <li>• Rating: C 3;</li> <li>• Component: Asset Management Information System; and</li> </ul>	<ul style="list-style-type: none"> <li>• That CBK should establish whether or not the existing AMIS can be converted to a more recent version of Excel (in Windows 2007</li> </ul>	
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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		
	<ul style="list-style-type: none"> <li>Issue:                             <ul style="list-style-type: none"> <li>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;</li> <li>Excel 1997 – is the package on which the software is based; and</li> <li>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 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.</li> </ul> </li> </ul>	<p>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.</p>	
16/2015	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Asset Management Information System; and</li> </ul>		

**Table 18: Current Review: Deficiencies and Recommendations (page 9 of 14)**

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		
	<ul style="list-style-type: none"> <li>Issue:                             <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	
17/2015	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Asset Management Information System; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>That asset material should be noted in the both the asset and condition registers.</li> </ul>	

**Table 18: Current Review: Deficiencies and Recommendations (page 10 of 14)**

18/2015	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Asset Management Information System; and</li> </ul>	<ul style="list-style-type: none"> <li>That maintenance of the treated effluent distribution system is included in the Asset Management spread sheet of the AMIS.</li> </ul>	
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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		
	<ul style="list-style-type: none"> <li>Issue:                             <ul style="list-style-type: none"> <li>While Reviewer is aware that maintenance is undertaken on the treated water distribution system, it is not scheduled in the maintenance module.</li> </ul> </li> </ul>		
19/2015	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Risk Management; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>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</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>That the Risk Analysis /Management sections of the AMP and SOP be reviewed and consolidated into a single document within the AMP;</li> <li>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;</li> <li>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</li> <li>That a risk analysis be included for the treated effluent distribution system.</li> </ul>	

Table 18: Current Review: Deficiencies and Recommendations (page 11 of 14)

19/2015 (continued)	<p>"Significant" or "Major";</p> <ul style="list-style-type: none"> <li>Reviewer also notes that the occurrence of earthquake, lightning strike - although highly unlikely to occur, are not</li> </ul>		
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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		
	<p>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"> <li>No risk evaluation is included for the treated effluent distribution system.</li> </ul>		
20/2015	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Contingency Planning; and</li> <li>Issue:                             <ul style="list-style-type: none"> <li>Although very well set out, the SOP and Procedures of the AMP do not adequately address the requirement for contingency planning;</li> <li>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 the SOP. Each document should cross reference the related section in the other; and</li> <li>There is no procedure for contingency plans to be periodically team tested and amended if necessary.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	

**Table 18: Current Review: Deficiencies and Recommendations (page 12 of 14)**

21/2015	<ul style="list-style-type: none"> <li>Rating: B 1;</li> <li>Component: Capital Expenditure Planning; and</li> <li>Issue:</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	
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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		
	<ul style="list-style-type: none"> <li>• 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 other works indicated by asset condition / failures and necessary system upgrades; and</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• That the CAPEX estimates include expenditure on the treated effluent disposal scheme.</li> </ul>	
22/2015	<ul style="list-style-type: none"> <li>• Rating: C 4;</li> <li>• Component: Review of the Asset Management System; and</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>	

**Table 18: Current Review: Deficiencies and Recommendations (page 13 of 14)**

22/2015 (continued)	<ul style="list-style-type: none"> <li>• Issue:</li> <li>• 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</li> </ul>	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.	
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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		
	provided for November 2010, July 2012 and Version 141110, denoting its preparation as 10 <sup>th</sup> 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.		

**Table 18: Current Review: Deficiencies and Recommendations (page 14 of 14)**

## 6 Audit Opinion

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

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Cameron Palassis  
Director – Audit and Assurance

Paxon Group  
Level 5, 160 St Georges Terrace,  
Perth WA 6000

Date: 5 May 2015

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