



Notice

21 July 2015

Aquasol Pty Ltd

2015 OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority (**ERA**) has published the 2015 performance audit (**audit**) and asset management system review (**review**) report, and the post-audit and post-review implementation plan, for Aquasol Pty Ltd's (Aquasol) water services licence WL42.

- [2015 Audit and Review report](#)
- [2015 Post-Audit and Post-Review Implementation Plan](#)

Action by the Authority

The ERA is satisfied Aquasol has demonstrated an adequate level of compliance with its licence conditions, and has an effective asset management system.

The ERA has decided to increase the period of time until the next audit and review from 24 months to 36 months. The next audit and review will cover the period from 1 February 2015 to 31 January 2018, with the reports on the audit and review to be provided to the ERA by 30 April 2018.

BACKGROUND

Audit

This is the first audit of the licence. The audit report disclosed a total of 13 non-compliances.

The auditor has made seven recommendations with respect to the audit. Five recommendations address the 13 non-compliances disclosed in the audit, one recommendation relates to a process improvement, and one recommendation relates to the 51 licence obligations that were not rated for compliance (because no relevant activity occurred during the audit period) but were found to have ineffective controls, resulting from a lack of written policies and procedures.

The ERA is satisfied that the audit recommendations address non-compliances that relate to minor administrative matters, or licence conditions with inadequate controls, that have not adversely impacted customers.

The post-audit implementation plan provided by Aquasol addresses all seven recommendations, and shows that the actions to address the recommendations are due to be completed by 31 August 2015.



Notice

Review

This is the first review of the asset management system.

The auditor has rated 11 of the 12 asset management components as effective (rated B2 or better), the one component that received a rating of ineffective was Asset Maintenance. The auditor rated this component as ineffective because Aquasol has no routine maintenance plan in place for the current stage of the sewage service operation.¹

The auditor has made 11 recommendations in relation to the review. One recommendation addresses the single process deficiency, while the remaining 10 recommendations are process improvements. The recommendation to address the process deficiency is scheduled to be completed by 31 August 2015.

The post-review implementation plan prepared by Aquasol shows that the actions to address the auditor's recommendations will be completed by 31 December 2015.

For further information contact:

General Enquiries

Paul Reid
Economic Regulation Authority
Phone: 08 6557 7900
Email: records@erawa.com.au

Media Enquiries

Tracy Wealleans
Economic Regulation Authority
Phone: 0428 859 826
Email: communications@erawa.com.au

¹ The first stage of the sewage service involves Aquasol collecting sewage in a storage facility and then carting the stored sewage to the local Water Corporation waste water treatment plant for disposal.