



Notice

7 June 2017

Tronox Management Pty Ltd

2016 PERFORMANCE AUDIT AND ASSET MANAGEMENT REVIEW

The Economic Regulation Authority (ERA) has published the [2016 performance audit \(audit\) and asset management review \(review\) report](#), and the [post-audit implementation plan](#), for Tronox Management Pty Ltd's (Tronox) electricity generation licence EGL5.

Action by the ERA

The ERA considers that Tronox has achieved a high level of compliance with its licence and has an effective asset management system. It has decided to increase the audit and review period from 46 months to 60 months.

The next audit and review will cover 1 November 2016 to 31 October 2021, with the report due by 31 January 2022.

BACKGROUND

Audit

The audit assessed 43 licence obligations. The auditor did not provide a rating for 31 of the obligations, because there was no relevant activity during the audit period.

Of the remaining 12 obligations, 10 received the highest rating of A1 (adequate controls, compliant), and two obligations were rated C2 (non-compliant, inadequate controls – significant improvement required).

The auditor made two recommendations to address the two non-compliances.

Post-audit implementation plan

The post-audit implementation plan states the recommendations will be addressed by 30 June 2017.

Review

The review assessed 12 asset management components¹: nine components were rated A1 (fully effective), two components were rated A/NR (adequate controls, not rated as no relevant activity took place during the audit period), and one component was rated B2 (opportunity for improvement).

The auditor did not identify any material concerns with Tronox's asset management system.

¹ The components are described in the ERA's *Audit and Review Guidelines: Electricity and Gas Licences*.



Economic Regulation Authority

Notice

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